

PRESS RELEASE

CONTACT: Cynthia Downing – 800/322-5934

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INSURANCE AGENTS CALL FOR STATE SENATE TO IMPROVE CALIFORNIA'S HEALTH CARE REFORM COMPROMISE

“Comprehensive health care reform is too important, the stakes for Californians too high, to push the legislation through without needed changes.”

Sacramento – As the State Senate prepares to consider Assembly Bill X1-1, the compromise health care reform proposal hammered out by Governor Arnold Schwarzenegger and Assembly Speaker Fabian Nunez, the state's insurance agents urged lawmakers to make the fixes that will be necessary to achieve the goal of affordable health care coverage for all Californians.

In a letter to Senate President Pro Tem Don Perata and others, the California Association of Health Underwriters (CAHU) and the National Association of Insurance and Financial Advisors-California (NAIFA-California) encouraged Senators to take the time to get the reforms right.

“The bill before the State Senate is complicated and complex,” said CAHU President Neil Crosby and NAIFA-California President Dennis P. Sunderman. “Comprehensive health care reform is too important, and the stakes for Californians are too high, to push this legislation through without needed changes.”

The agent organizations identified several specific changes that are needed. One is a provision in the bill that segregates Californians who receive premium assistance in the form of tax credits into a state-run health insurance purchasing pool. Crosby and Sunderman note, “The state doesn't require food stamp recipients to shop only at government-run grocery stores. Similarly, Californians receiving tax credits to help pay premiums should not be forced to shop only at a government-run health insurance store.”

The agents also urged Senators to define the “minimum health coverage” all Californians must obtain. “Without a definition of the minimum benefits package it's impossible to assess the impact this bill will have on individuals, employers, taxpayers, or on the state's precarious finances,” Crosby and Sunderman said.

Agents recommended Senators thoroughly review the funding mechanisms in ABX1-1. They expressed concern that the funding sources identified in the bill, specifically an employer tax on payroll, will fail to keep up with state spending obligations for health care.

Crosby and Sunderman noted, "Californians deserve a health care system that delivers both world-class care and financial security. They deserve a system that is accessible, affordable, and fair. They deserve a system that bankrupts neither families nor the state. We applaud efforts by the Governor and legislature to achieve these goals and we encourage State Senators to make these goals a reality."

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CAHU and NAIFA-California represent, health and life insurance agents and brokers as well as financial advisors. Their combined memberships include over 8,000 businesses and individuals. The millions of consumers served by these association members come from working families and small businesses. CAHU's health care reform plan, Healthy Solutions, may be downloaded at www.CAHUHealthySolutions.org.

For more information, or to arrange an interview with CAHU and NAIFA-California industry experts, please contact Cynthia Downing at 800/322-5934.