



AMERICAN ACADEMY
of ACTUARIES

NEWS RELEASE

Immediate Release

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Actuaries: Enzi Health Bill, “Better, Needs Work”

WASHINGTON – 8 May 2006 – In a letter to Senate leaders, the **American Academy of Actuaries** provided an analysis of pending legislation establishing small business health plans. The actuaries said that original concerns with previous association health plan (AHP) legislation have been addressed, but that other issues exist in the bill now being considered.

“Many of the negative consequences have been addressed in the new legislation,” said **Senior Health Fellow Cori Uccello**. “The bill appears to apply the same rules to all health insurance providers, thus providing a level playing field. But there’s still more to consider in the legislation before the Senate.”

The actuaries said that the bill enables all insuring entities to follow common rating rules and benefit package requirements. However, the group warns that any subsequent change to the bill that reintroduces self-funded AHPs without clear rating rules and adequate capital requirements would likely destabilize the market and create plan insolvencies. Furthermore, they provided additional concerns that should be discussed including benefit package clarification and the creation of transition rules.

“As the legislation moves through the Senate and potentially into conference, there needs to be a clear definition of benefit requirements,” Uccello said. “Similarly the legislation needs to define transition rules to prevent a disruption to the existing small group market.” The group has offered its assistance to Congress as it continues to develop solutions to address the issue of small-employer health insurance reform.

To view the Academy letter to Sens. William Frist and Harry Reid, visit www.actuary.org. For more information or to schedule an interview with a spokesperson, contact Andrew Simonelli, media relations manager for the American Academy of Actuaries, at 202.785.7872.

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The American Academy of Actuaries is the public information organization for the U.S. actuarial profession. Academy committees, task forces and work groups regularly prepare testimony and provide information to Congress and senior federal policy-makers, comment on proposed federal and state regulations, and work closely with the National Association of Insurance Commissioners and state officials on issues related to insurance, pensions and other forms of risk financing.