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May 27, 2009

The Honorable Max Baucus, Chair
Senate Finance Committee
511 Senate Hart Building
Washington, DC 20510

The Honorable Charles Rangel, Chair
House Ways & Means Committee
2354 House Rayburn Office Building
Washington, DC 20515

The Honorable Edward M. Kennedy, Chair
Senate Health, Education, Labor
& Pensions Committee
317 Senate Russell Building
Washington, DC 20510

The Honorable Henry Waxman, Chair
House Energy & Commerce Committee
2204 House Rayburn Office Building
Washington, DC 20515

Honorable George Miller, Chair
House Education & Labor Committee
2205 House Rayburn Office Building
Washington, DC 20515

Dear Chairmen Baucus, Kennedy, Miller, Rangel, and Waxman:

The National Conference of Insurance Legislators (NCOIL) is an organization of state legislators devoted to sound insurance public policy. As your Committees explore ways to address the issue of health insurance market reform, we recognize expanding access and affordability are increasingly important goals. As you consider solutions to this complex, multi-faceted problem, we encourage you to recognize the strength and accomplishments of the states and to preserve the protections that they have put in place. For the past 150 years, states have successfully developed systems that promote and maintain:

Flexibility to regulate unique markets. States are best-suited to respond to the specific needs of their individual markets—markets which vary in local and regional aspects, approaches to health insurance coverage, delivery systems, and types of services offered. A detached federal regulator would be hard-pressed to respond as quickly and appropriately as state officials.

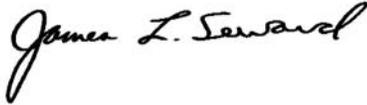
Strong consumer protections. States actively defend consumers by overseeing market conduct, fraud prevention, strong solvency regulation, and strict standards for health plans, such as benefit requirements and grievance procedures, among many other patient protections. States need to be able to maintain their strong role in assuring consumer protections. Any federal system that undermines these safeguards would be detrimental to the very population it seeks to help.

Innovative reforms. As “laboratories of democracy,” states have developed and successfully implemented reforms in health insurance. Recently, states have initiated significant reform in Massachusetts, New York, Tennessee, Utah, and Vermont. All states have enacted targeted measures, such as expanded coverage, insurance market and small business reforms, tax credits and subsidies, and advanced information technology.

NCOIL agrees that health insurance market reform is vital, and we believe that Congress must carefully consider how federal reforms negatively impact state protection of policyholders. As part of any reforms considered, we respectfully request that Congress also review existing federal measures that already obstruct states' abilities to enact broad reform.

As you address health insurance reforms, consider the many successes that States have made and solicit State Legislators' input as your debate evolves over the coming weeks and months.

Sincerely,



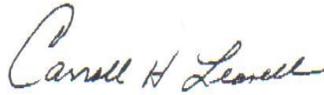
Sen. James Seward (NY)
NCOIL President



Rep. Robert Damron (KY)
NCOIL President-Elect



Rep. George Keiser (ND)
NCOIL Vice President



Sen. Carroll Leavell (NM)
NCOIL Secretary



Sen. Vi Simpson (IN)
NCOIL Treasurer

cc: Senate Finance Committee
Senate Health, Education, Labor & Pensions Committee
House Education & Labor Committee
House Energy & Commerce Committee
House Ways & Means Committee
NCOIL Legislators