



For Immediate Release
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Americans for Insurance Reform Asks State Insurance Commissioners for Immediate Action on Insurance Rates

Americans for Insurance Reform (AIR), a coalition of over 85 consumer and public interest groups representing more than 50 million people, sent letters today to insurance commissioners in all 50 states, asking what they “plan immediately to do to help those who are being gouged now and need your assistance right away.”

These letters follow up AIR’s letter of July 30, 2002, requesting insurance departments to undertake 14 different audits, investigations and reforms to control excessive insurance prices. The July 30 letter stated, “We are appalled that insurers — whose own actions have created a ‘crisis’ in insurance affordability and availability for everyone from doctors and trauma centers to homeowners and motorists — are blaming others for their own mismanagement.”

In a welcome response, the National Association of Insurance Commissioners (NAIC) has appointed a Market Conditions Working Group “to coordinate the evaluation of [AIR’s] recommendations and to monitor the most distressed lines of business, formulate solutions, and propose regulatory responses.” J. Robert Hunter, Director of Insurance for the Consumer Federation of America and a spokesperson for AIR said, “While we are most grateful that the NAIC will undertake this important research, the NAIC is not considering, and indeed has no authority to initiate, a number of urgent actions that AIR’s letter requests of state insurance commissioners to control excessive prices today.”

Said AIR spokesperson Joanne Doroshow, Executive Director of the Center for Justice & Democracy, “The insurance industry is not fooling anyone by continuing to blame juries, lawyers, lawsuits, 9/11 and mold for what state regulators have agreed to examine as a self-inflicted wound by the insurers. We are extremely pleased that the NAIC is taking our concerns seriously. However, it is incumbent upon each state insurance commissioner to immediately help the most stressed insurance consumers, whether they be doctors, homeowners or businesses.”

Among other things, AIR is requesting an immediate rate freeze for medical malpractice and homeowners insurance, regulation of excessive rates charged by insurers in each state, a requirement that medical malpractice insurers use claims history as a rating factor, creation of standby public insurers, and communication to legislators that

the solution to prevent shock rate increases such as we are now experiencing is insurance reform, not “tort reform.”

Americans for Insurance Reform is a coalition of state and national groups, including the Consumer Federation of America, the National Women’s Health Network, U.S. PIRG, USAction, the Center for Justice & Democracy, and state organizations from 30 states, including Florida, Texas, New York, California, New Jersey, West Virginia, and Ohio.

<http://www.insurance-reform.org>

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