



**The State of New Hampshire
Insurance Department**

21 South Fruit Street, Suite 14
Concord, NH 03301

**Roger A. Sevigny
Commissioner**

**Alexander K. Feldvebel
Deputy Commissioner**

March 16, 2006

The Honorable Judd Gregg
393 Russell Senate Office Building
United States Senate
Washington, D.C. 20510-2903

Dear Senator Gregg:

I am writing to express my appreciation for your efforts to address the small business health insurance crisis in America.

Your strong opposition to Association Health Plan (AHP) legislation, especially as former chair of the Senate HELP Committee and as leader of the Senate GOP health reform task force, has been critical to its lack of support in the Senate. The AHP bill, as currently drafted, would permit virtually unregulated self-insured association plans to sell coverage in New Hampshire and to cherry-pick good risk. For these entities, all state benefit mandates and consumer protections would be preempted, all state rating rules would be preempted, and all state financial oversight would be preempted. Instead, the association would have full authority to set benefits, rating rules and consumer protections, and only limited federal solvency requirements would need to be met. This would be a disaster for consumers and we thank you for your strong opposition to such legislation. Your leadership in the Senate at working to find an alternative for consumers that also preserves their right to State regulatory protection is significant.

We also appreciate your willingness to listen and respond to our suggestions as you have searched for better solutions. Your staff has repeatedly reached out to the New Hampshire Department of Insurance, as well as the NAIC, in an attempt to draft legislation that does not eliminate state oversight and authority. We are thankful for the open dialogue we have had thus far, and we hope to work with you further as additional amendments are made to S. 1955.

Doing nothing to help small business owners and employees is not the answer. Enacting federal reforms that would harm consumers, especially the most vulnerable consumers, and damage the fragile small group market is also not the answer. We know you share our goal of enacting reforms that will provide real relief to all consumers and we look forward to continuing to work with you to meet this goal.

Best regards,

A handwritten signature in black ink, appearing to read "R. Sevigny".

Roger Sevigny