



NEWS RELEASE

ASSOCIATION HEALTH PLANS WORK FOR AMERICA'S EMPLOYEES

Associated Builders and Contractors ran a successful association health plan, saving money for members and providing insurance coverage for employees for nearly 45 years

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**Statement by Joe Rossmann
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“ABC and its members know what an incredible benefit association health plans (AHP) can be for America’s small businesses and their employees. Our members saved an average of 20 percent on their insurance costs when they participated in our insurance plan. In fact, the total sales, marketing and administrative cost for the ABC program varied from 13.5 percent to 16 percent, and that included all insurance company expenses, as compared to a 35 percent figure for at least one large insurance carrier dominant in the small group market.

“The big insurers’ desperate attack on AHP legislation is an attempt to maintain their virtual monopoly on the small business health care marketplace, and to defend an indefensible status quo that is causing more and more employed Americans to lose healthcare coverage every year. That is the wrong prescription for our nation. ABC speaks from experience – AHPs work for America’s small businesses and their employees.

“With several big insurers posting record profits in 2003 and 2004, it is no wonder that those same insurers oppose AHPs and want to maintain the status quo. They are intent on preserving their cash cow. Their virtual monopoly on the small business insurance market is harming America’s competitiveness and causing more American employees to lose health coverage every year. It is disgraceful that big insurance companies rake in record profits, even as they increase insurance premiums for small business owners by 10 to 25 percent or more. AHPs offer a better, proven solution for small business owners and their employees.

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“ABC established an association health benefits plan in 1957 and through the years offered traditional health insurance plans, HMOs and PPOs to its members, many of whom were small business owners who would otherwise not be able to afford health insurance coverage for their employees.

“But in 2001, ABC was forced to discontinue its health insurance portion of its plan when ABC's insurance carrier terminated coverage due to incompatible and inconsistent state laws. ABC supports passage of AHP legislation which will address this patchwork of inconsistent state laws and regulations to allow association members to again enjoy savings by joining together to create larger purchasing pools.

“Instead of being managed by insurance industry bureaucrats, AHPs are managed by trusts made up of association members who make coverage decisions that will best meet the needs of their employees. Instead of filling the ever-deepening pockets of big insurance, AHP profits are rolled back in to the health plan itself, creating even more savings for members.

“It is time for Congress to pass Association Health Plans legislation. Big insurers can no longer defend a status quo that has resulted in nearly 45 million Americans without health insurance coverage, and rapidly rising insurance coverage costs for America's small businesses and their employees. AHPs offer a proven solution to the health care crisis facing America's small businesses and their employees.”

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Editors Note: Associated Builders and Contractors (ABC) is a national association representing 23,000 construction and construction-related firms in 79 chapters across the United States. For more news and information, visit www.abc.org.