



---

NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

July 25, 2007

**EXECUTIVE  
HEADQUARTERS**

2301 MCGEE STREET  
SUITE 800  
KANSAS CITY MO  
64108-2662  
VOICE 816-842-3600  
FAX 816-783-8175

The Honorable Charles Rangel  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Jim McCrery  
Ranking Member  
Committee on Ways and Means  
U.S. House of Representatives  
Washington, DC 20515

The Honorable John Dingell  
Chairman  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Joe Barton  
Ranking Member  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, DC 20515

**GOVERNMENT  
RELATIONS**

HALL OF THE STATES  
444 NORTH CAPITOL ST NW  
SUITE 701  
WASHINGTON DC  
20001-1509  
VOICE 202-471-3990  
FAX 202-471-3972

Dear Chairmen Rangel and Dingell and Ranking Members McCrery and Barton:

We are writing on behalf of the National Association of Insurance Commissioners (NAIC) in strong support of provisions in the Children's Health and Medicare Protection Act of 2007 (CHAMP Act) dealing with Medigap insurance and Medicare Advantage marketing. The NAIC represents the chief insurance regulators from the 50 states, the District of Columbia, and five U.S. territories, whose primary objective is to protect consumers and promote healthy insurance markets. Insurance Commissioners have extensive institutional and personal experience in the regulation of private health insurance, including insurance products for senior citizens.

**SECURITIES  
VALUATION  
OFFICE**

48 WALL STREET  
6<sup>TH</sup> FLOOR  
NEW YORK NY  
10005-2906  
VOICE 212-398-9000  
FAX 212-382-4207

Section 907 of the legislation instructs the Secretary of Health and Human Services to implement changes to the NAIC Medigap Model Regulation. Developed by a group of state insurance regulators, representatives from the Centers for Medicare and Medicaid Services (CMS), consumer advocates, industry representatives, and other interested parties, these changes will streamline and modernize standardized Medigap packages by eliminating unnecessary and duplicative plans, modernizing benefit offerings, and adding new plan options for America's seniors enrolled in Medigap plans.

Section 411 of the CHAMP Act directs the NAIC to develop model marketing and market conduct regulations for private Medicare plans. These regulations would be implemented by the Secretary and enforced by CMS and by the states that adopt them. This provision will return oversight authority to states and allow state departments of insurance to use their resources and expertise and to protect seniors from misleading and abusive marketing and sales practices. Under current law, state Insurance Commissioners have no authority to address these areas, resulting in egregious practices that have become all too common in today's Medicare Advantage marketplace. Restoring state authority over these limited areas of the Medicare Advantage program, utilizing uniform regulations, will allow Commissioners to prevent these abuses and to quickly resolve problems that do arise.

**WORLD  
WIDE WEB**

[www.naic.org](http://www.naic.org)

Finally, Section 411 would also increase financial support for State Health Insurance Assistance Programs (SHIPs). SHIPs played a crucial role in guiding America's seniors through the process of selecting a plan and enrolling in the Part D program, and continue to be a vital part of states' efforts to ensure that seniors' needs are met by appropriate coverage in traditional Medicare, Medigap, Medicare Advantage and Medicare Prescription Drug Plans. We applaud the CHAMP Act's investment in these critical programs.

Once again, on behalf of the nation's Insurance Commissioners, thank you for including these important measures. We stand ready to fulfill the responsibilities they confer upon us and will continue to work with the federal government to assist and protect America's seniors.

Sincerely,



Sean Dilweg  
Wisconsin Insurance Commissioner  
Chair, NAIC Senior Issues Task Force



Cathy Weatherford  
Executive VP and CEO  
NAIC