



July 30, 2002

To: Insurance Commissioners
50 states and the District of Columbia

**ACTION REQUIRED BY INSURANCE COMMISSIONERS
TO REGULATE INSURANCE INDUSTRY**

Dear Commissioner:

Americans for Insurance Reform is a coalition of over 60 consumer and public interest groups, representing more than 50 million people from around the country, that supports effective insurance industry reforms to end the price-gouging of policyholders. 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 view of the excessive rate increases, price-gouging and tight underwriting that have hit certain lines of insurance this year, including the homeowners and medical malpractice lines, and recent reports about the questionable business and accounting practices of some insurers that are intensifying the impact of the economic cycle of the insurance industry,¹ Americans for Insurance Reform believes it is imperative that insurance regulators take immediate steps to impose a new regime of corporate responsibility and accountability on this industry whose business practices are wreaking havoc on the American economy. This letter details our recommendations for investigations, audits and reforms.

¹ For example, on June 24, 2002, the *Wall Street Journal* ran a front-page investigative story that reported, among other things: “Following a cycle that recurs in many parts of the business, a price war that began in the early 1990s led insurers to sell malpractice coverage to obstetrician-gynecologists at rates that proved inadequate to cover claims.... Some of these carriers had rushed into malpractice coverage because an accounting practice widely used in the industry made the area seem more profitable in the early 1990s than it really was. A decade of short-sighted price slashing led to industry losses of nearly \$3 billion last year.” Moreover, “[i]n at least one case, aggressive pricing allegedly crossed the line into fraud.”

INTRODUCTION

Once again America faces the large rate increases and tight underwriting that accompanies the economic cycle of the insurance industry. In the early 1990s, your organization, the National Association of Insurance Commissioners (NAIC), studied this phenomenon and suggested ways to ease the problem, but NAIC has not acted. We are in the midst of the cycle once more. Even though virtually every state prohibits excessive or inadequate rates, the cycle is a manifestation of both skyrocketing premiums (which is happening now, during the “hard” phase of the cycle) and inadequate premiums (as in the late stages of the “soft” phase of the cycle). Stricter regulation is necessary in order to end this destructive cycle.

As usual, the American consumer is starting to pay for the mismanagement of the insurers by being asked to pay sharply higher rates and suffer tightened underwriting rules and limits on coverage. Meanwhile, insurance executives are pointing their fingers everywhere but at their own actions:

- **Regulation.** As they do at each hard market, insurers are again trying to blame so-called “excessive” regulation — even though there has in fact been too little regulation rather than too much.
- **The terrorist attacks.** This claim is belied by the giant price jumps in lines with little or no terror exposure and for risks with terrorism excluded.
- **Trial lawyers and the legal system.** As they do each time the market turns hard, insurers are again blaming the legal system for the price jumps, as if lawyers can miraculously engineer big awards to occur precisely as the cycle turns hard.

Consumers have had enough of the insurance industry blame game and the endless cycle, with the periodic crises that accompany it. Remedies that do not specifically address this phenomenon will fail to stop these wild price gyrations in the future. We will suggest several ways to reform insurance regulation later in this letter.

But first, it is important to review the history of the cycle and discuss the current hard market.

WE ARE EXPERIENCING A CLASSIC “HARD” CYCLE, WITH PRICES RISING NATIONALLY, ACCELERATED BY THE EVENTS OF SEPTEMBER 11TH

Insurance is a cyclical business. This is particularly true in the commercial insurance business.

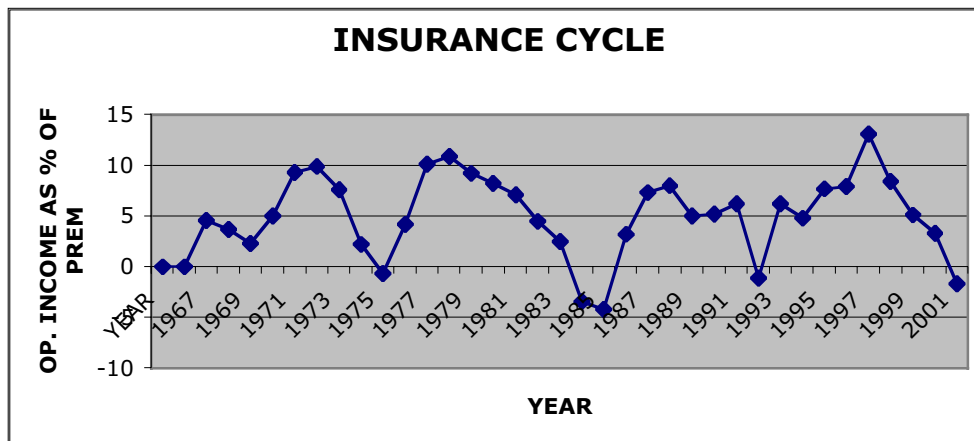
In the mid-1970s, the country experienced the first insurance crisis. In that case, the crisis was particularly acute in product liability insurance and medical malpractice insurance.

At the mid-70s cycle low, the industry’s rate of return was “2.6% in 1975,” rose “to 19.7% in 1977, a gain of almost 17 points in the course of only two years. The industry’s rate of return

then fell by more than 17 points over the next 7 years to 1.9% in 1984, the nadir of that soft market. During the subsequent hard market, profits once again shot up...to 15.4%” (by 1987).²

The mid-1980s crisis was in commercial liability generally, hitting municipalities, day care centers, environmental liability, medical malpractice and many other liability risks and lines. In 1986, *Time* magazine had a cover story called “Sorry, Your Policy is Cancelled.”³

Two charts below show the cyclical nature of insurance.⁴ The first chart, “Insurance Cycle,” shows the operating income as a percentage of premium from 1967 to 2001. The operating income of the industry falls below zero four times on the chart – in 1975, in 1984 and 1985, in 1992, and in 2001.



The 1992 data point was not a classic cycle bottom, but reflected the impact of Hurricane Andrew and other catastrophes in that year.

The 1975 and mid-80s bottoms were both classic cycle bottoms with very sizeable price increases and coverage availability problems immediately following the bottom. Consider the mid-80s cycle turn: between 1977 and 1984, insurance premiums had “actually declined (by) 4.4%...from 1984 to 1987, net premiums written increased 63.3%...”⁵

The price increases in this current cycle turn began in late 2000.⁶ The rate of change was accelerating upward before September 11th. The terrorist attacks sped up the price increases into

² *Cycles and Crises in Property/Casualty Insurance: Causes and Implications*, edited by Cummings, Harrington and Klein, NAIC, 1991. Page 11.

³ “Sorry, Your Policy Is Canceled,” By George J. Church, *Time Magazine*, March 24, 1986.

⁴ Both of these charts use data from A. M. Best and Co., *Aggregates and Averages*, 2001 edition for all years except 2001, where CFA made estimates of the results based on current information.

⁵ *Cycles and Crises in Property/Casualty Insurance: Causes and Implications*, edited by Cummings, Harrington and Klein, NAIC, 1991. Page 8.

⁶ “The Big Question For 2002: Will Hard Market Last Long?” By Sean F. Mooney, *National Underwriter*, January 7, 2002.

what some seasoned industry analysts see as gouging.⁷ Many examples of unjustified price increases have surfaced in the last few months.^{8 9}

Gouging usually does occur as the cycle turns.¹⁰ The evidence is very strong that what we are experiencing is a classic underwriting cycle turn into a “hard,” from a prolonged “soft,” market.

According to the National Association of Insurance Commissioners, “underwriting cycles may be caused by some or all of the following factors:

1. Adverse loss shocks...unusually large loss shock...may lead to supracompetitive prices.
2. Changes in interest rates...
3. Under pricing in soft markets...”¹¹

The NAIC does not mention the lack of intervention by regulators to keep rates from being excessive at the hard phase of the cycle and inadequate during the latter years of the soft phase of the cycle. Nevertheless, the unwillingness of regulators to disapprove rates that are either inadequate — despite their statutory authority to do so—is also a cause of the cycle.

Prior to September 11th, the industry had been in a soft market since the late 1980s. The usual six to ten year economic cycle had been expanded by the strong financial markets of the 1990s. No matter how much they cut their rates, the insurers wound up with a great profit year when investing the float on the premium in this amazing stock and bond market (the “float” occurs during the time between when premiums are paid into the insurer and losses paid out by the insurer – e.g., there is about a 15 month lag in auto insurance). Further, interest rates were relatively high in recent years as the Fed focused on inflation.

But, in the last two years, the market turned with a vengeance and the Fed cut interest rates again and again, well before September 11th.

⁷ “...there is clearly an opportunity now for companies to price gouge – and it’s happening... But I think companies are overreacting, because they see a window in which they can do it.” Jeanne Hollister, consulting actuary, Tillinghast-Towers Perrin, quoted in, “Avoid Price Gouging, Consultant Warns,” *National Underwriter*, January 14, 2002.

⁸ “As Insurers Hike Prices, State Regulators Consider Reducing Regulatory Authority,” Consumer Federation of America, December 5, 2001.

⁹ “We’ve seen premiums go up as much as 40-70 percent,” says [Jenny] Jones [CEO of Elkins/Jones insurance brokerage]. She points out that commercial buildings which now pay five or six cents per square foot for insurance need to budget for costs to go up to as much as seven or eight cents a foot. She says the increases could be across the board for all types of properties. Single family housing developers could be sharply affected, she notes, citing one homebuilder whose liability premium doubled at the November 11 renewal.” “Large Insurance Premium Increases in 2002 as September 11 Ricochets Through Industry, Expert Advises,” *Business Wire*, January 3, 2002.

¹⁰ “To be sure, the market began firming in 2000. But the Sept. 11 terrorist attacks sent insurance prices skyrocketing far beyond the estimates of increases that earlier were being attributed to a normal hard cycle.” “Year in Review,” *Business Insurance*, December 24, 2001.

¹¹ *Cycles and Crises in Property/Casualty Insurance: Causes and Implications*, edited by Cummings, Harrington and Klein, NAIC, 1991. Page 339.

Inadequate insurance rates were apparent well before September 11th. The chart, “Insurance Cycle,” (pg. 3, *supra*) shows the operating profit drop from about 13% of premium in 1997 to about 3.5% of premium in 2000.

Before September 11th, the cycle had turned; rates were rising and a hard market was developing. An anticipated price jump of 10% to 15% in 2001 was predicted by CFA and confirmed by the Insurance Information Institute.

The shock loss was provided on September 11th in an achingly painful way for all of America, including the insurers.

However, the increases we are witnessing are mostly due to the cycle turn, not the terrorist attack or any other cause. The price increases were sped up by the terrorist attack, collapsing two years of anticipated increases into a few months, but the bulk of the increases are not related to pricing for terrorism, *per se*. This is a classic economic cycle bottom.

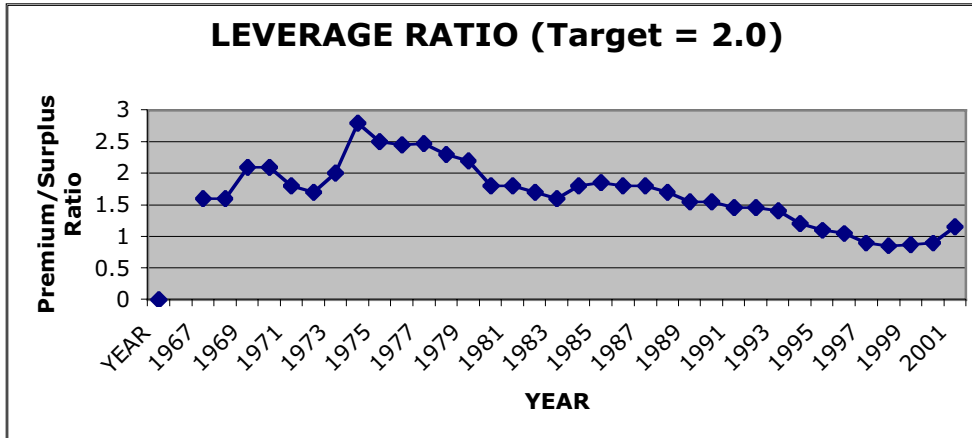
The question we hear a lot of debate about is how long the hard market can last. Given the amazing inflow of capital into Bermuda and other insurance markets, seeking anticipated excess profits, can the prices hold for long?

While the jury is still out on that question, there are some factors that make it seem likely that the hard market will be relatively brief. They include:

- The capital inflow in excess of the after-tax terrorism loss;
- The relatively overcapitalized position of the industry as shown in the chart; “Leverage Ratio,” on the following page;
- The availability of alternative risk mechanisms to the larger client risks, the insureds with the biggest price hikes;
- The pattern of risk managers blaming insurers, not the terrorism event or others, for renewal problems, and shopping for better deals;¹² and
- The easing noted in the July 2002 reinsurance renewal cycle.¹³

¹² “Risk Managers Blame Insurers for Renewal Woes,” *National Underwriter*, January 14, 2002.

¹³ See various articles in July 8, 2002 *Business Insurance*.



A “leverage ratio” is the ratio of net premiums written (*i.e.*, after reinsurance) to the surplus, the amount of money the insurer has to back up the business; assets less the liabilities. Surplus is not reserves, which are liabilities set up to cover claims. The leverage ratio has always been the key measure of insurer strength.

The rule of thumb used for decades by insurance regulators and other experts in determining solidity is the so-called “Kenny Rule”¹⁴ of \$2 of premium for each \$1 of surplus as safe and efficient use of capital. Some now say that this rule is antiquated, given the new level of catastrophe possible, but new ways of spreading the risk, such as securitizing it, may offset this. We still believe a 2:1 ratio is safe. But even those proposing a lower ratio do not propose going below 1.5:1. The NAIC uses a 3:1 ratio as the standard for determining if an individual insurer warrants solvency inspection.

When the cycle turned in the mid-70s, the premium/surplus ratio was as high as 2.8 to 1. This was a dangerously high average ratio since many insurers exceeded the 3:1 NAIC problem ratio. When the mid-80s cycle turned, the ratio was as high as 1.8 to 1 – a relatively safe level.

In today’s cycle turn, CFA projects the ratio for the 2001 year-end to be about 1.2 to 1, extremely safe. Indeed, the industry is overcapitalized.

It is particularly appalling to see insurers blame a crisis caused by insurer action on others. Take the medical malpractice situation as an example. Rates are rising fast and the insurers tell doctors it is the fault of the legal system, so the solution is for the doctors to go to their legislatures and seek restrictions on the rights of their patients. Never are the doctors shown data such as these:

¹⁴ Named after a famous insurance financial writer, Roger Kenny.

YEAR	U.S.A. NUMBER OF DOCTORS	U.S.A. MEDICAL MALPRACTICE PREM EARNED (in thousands)	AVERAGE MED MAL PREMIUM PER DOCTOR U.S.A.	MEDICAL CARE SERVICES CPI-U 7/1 OF YEAR	MED MAL AVERAGE PREMIUM AT 2000 DOLLARS
1991	631400	4862170	7700.62	176.1	11614.33
1992	652100	5138395	7879.77	189.7	11032.50
1993	670300	5174055	7719.01	202.6	10119.30
1994	684400	5931898	8667.30	212.6	10828.01
1995	720300	6080639	8441.81	223.5	10031.97
1996	737800	5992394	8121.98	231.9	9302.27
1997	756700	5917038	7819.53	238.7	8700.74
1998	777900	6195047	7963.81	246.5	8580.88
1999	797600	6155241	7717.20	254.6	8050.62
2000	812800	6375401	7843.75	265.6	7843.75
1991 to 2000 PERCENT CHANGE				50.8	-32.5
RATE INCREASE REQUIRED TO BRING 2000 TO 1991 PRICE LEVEL					48.10%

Sources:

Doctors USA: Statistical Abstract of the United States

Earned Premiums: NAIC Report on Profit By Line By State

Medical Care Services Inflation: Bureau of Labor Statistics

Had they seen these data they might realize that it would take an increase in rates of 50% to bring them back to the rate level they had a decade earlier and that the issue was the insurer lack of action due to high market returns on the float of the medical malpractice premium dollar, not lawsuits!

PERSONAL LINES RATES ALSO RISING

Personal lines rates are also experiencing a steep jump.

Auto rates have been rising fast. According to the Bureau of Labor Statistics, auto rates rose by 7.3% in 2001 and appear headed for a slightly higher increase in 2002. This compares with an average increase of only 0.7% over the preceding three years.

There has been a sudden surge in homeowners' insurance prices, with insurers suddenly imposing remarkably tough underwriting restrictions, particularly on renewal business. The price movement has been so, high and sudden that it has caused the Governor of Texas, Rick

Perry, to call the top three underwriters in his state (Allstate, Farmers and State Farm) “an insurance cartel” taking action “to bring the state to its knees.”¹⁵

Perry is seeking to bring stronger regulation to Texas, a decision with which we heartily agree.

There are reports of sizeable rate hikes in other states, as well as more sharply stringent underwriting rules, with State Farm, for example, refusing new business in about half of the states and imposing uniquely restrictive rules at renewal, causing a jump in non-renewals.

Last year, one of the members our coalition, the Consumer Federation of America (CFA), undertook research on homeowners’ insurance. Forty state insurance departments participated in that research effort. Based upon the data the states supplied —historic price levels and profitability —CFA projected that a rate increase of the order of 5 % to 7% would be needed in 2002. The Insurance Information Institute, at about the same time, put out its projection for a 6% increase in 2002.

Rates are going up by about twice that rate, however.

Here are some of the findings of the CFA study:

1. In 1999, the average increase in the 20 states reporting numbers was 2.6%. In 2000, the average increase in the 25 states reporting a figure was 3.1%. On an annualized basis, the increase in 2001 figured to be about 6.5%. While the 2001 change was larger than in recent years, the increase appeared to be reasonable.
2. The largest rate changes reported in 2001 were in the states of Indiana (about 12%), Kansas, Maryland, Missouri and Wisconsin (about 9%), Montana (about 8%) and Arizona, California, Delaware, Nebraska and New Jersey (about 7%).
3. The smallest rate increases were reported in Hawaii (a reduction), North Carolina (no change), Mississippi and Pennsylvania (1% to 2%), South Carolina and Vermont (about 2%) and Colorado, Florida and Kentucky (3% to 4%). Although non-specific as to the percentage, small increases were also reported in Massachusetts and Oregon.
4. Indiana, Oklahoma and Wyoming said they had no information on rate action and Rhode Island advised that it had insufficient “resources or tools available to track the information requested.”
5. States that commented on the cause of any observed higher change in homeowners rates in 2001 credit lower investment income in 2001 and higher claims costs recently, the latter often related to catastrophes. Some states said homeowners insurance had been a “loss leader” or “accommodation” line used to get auto and other sorts of policies on the books while auto and these other policies were extremely profitable. Now that these lines have

¹⁵ “Texas Governor Blasts Homeowners Insurers, Suggests Reforms,” *BestWire*, May 17, 2002.

returned to normal profitability, the homeowners line must be increased to carry its own claims expectations. Only one state cited mold as a problem as of late 2001.

6. The Insurance Services Office (ISO) recommended changes in loss costs of about -2.7% in 1999, -4.6% in 2000 and -1.1% for the first 9 months of 2001 (the latter figure is a good estimate for full year 2001 since it includes pending changes). Thus, industry price changes apparently exceeded the change in underlying losses throughout the test period, perhaps confirming the notion that homeowners insurance was a loss leader earlier in the decade.
7. A few states (8) commented on coverage restrictions. Those that did tended to be from wind/hail prone states. Deductible increase was the most mentioned restriction.

According to the NAIC Report, "Profitability by Line by State in 2000," homeowners' insurance profitability nationally over the last 5 years has been:

<u>YEAR</u>	<u>RETURN ON NET WORTH</u>
1996	-4.2%
1997	12.4
1998	5.4
1999	5.4
2000	3.8
 AVERAGE	 4.6%

One possible source of the problem is the remarkable activities of the leading writer of homeowners' insurance, State Farm. About a year ago, in his annual letter to shareholders, financier Warren Buffett complained that State Farm was inappropriately holding prices below cost in an attempt to maintain market share against the onslaught of the more efficient (direct writing) insurance companies. Buffett's warning came home to roost this year as State Farm reported an underwriting loss of \$9.3 billion, causing S&P to cut the insurer's rating to AA+ from AAA (not because of low surplus, which remains excessive, but because of the bad one-year result).

We believe it is wholly inappropriate to visit insecurity and shock price increases on State Farm's policyholders because the company's business plan was so flawed that Mr. Buffet railed against it in early 2000. We believe that insurance commissioners have a duty to see that the insurer does not overreact by not writing new business in several states and by adopting draconian underwriting rules for renewal business (such as recently reported in the *Wall Street Journal*), where the mid-Atlantic state rule was stated to be two claims in a three-year period.

State Farm's actions, given its immense size (over 25% of the market in many states), opens the door to massive price increases for at least two key reasons:

- Other insurers will feel free to move as the market leader leads the pack upwards in price – indeed, as you may know, many tie their rating strategy directly to State Farm; and
- The refusal to write new business and the jump in State Farm non-renewals will add pressure to the demand and prices will be raised as a result.

HOW SERIOUS OF A PROBLEM IS THE CURRENT CYCLE BOTTOM?

This cycle bottom is nowhere near as severe in the fundamentals as previous bottoms:

- Today, the net premium to surplus ratio is 1.2 to 1. Compare that to the mid-1980s bottom where the ratio was 1.8 to 1 and the mid-1970s bottom at 2.8 to 1.

The crisis rests significantly on a jump in loss reserves of \$16 billion in 2001. The positive cash flow in 2001 was a remarkable \$13 billion (compared to only \$9 billion in the profitable (albeit low profit) 2000 year.¹⁶ The jump in reserves is typical of the cycle bottom. Reserves often need to be released to profits later in the softer market years, history reveals. This year's crop of reserve jumps is very odd indeed. Consider the following table:¹⁷

Line of Business	Claims 2001 \$Mil	Claims 2000 \$Mil	Percent Change

Products Liability- Claims Made	213.6	0.9	23,325.1
Earthquake	875.0	171.8	409.3
Products Liability- Occurrence	2,842.8	971.6	192.6
Medical Malpractice- Claims Made	5,789.2	2,799.5	106.8
Homeowners	44,862.3	21,874.8	105.1
Personal Auto	89,861.3	51,045.3	76.0
Workers' Compensation	30,563.5	17,553.5	74.1
Auto Physical Damage	64,713.1	37,665.3	71.8
Commercial Auto	16,859.8	10,300.3	63.7
Commercial Multiple Peril	22,051.1	12,693.5	73.7
Medical Malpractice- Occurrence	1,928.9	1,811.5	6.5

These incredible leaps in losses must be examined. It makes no sense for claims to jump so severely in stable/staid old lines like homeowners and personal auto. The accounting for these losses is questionable.

¹⁶ See, "'Shoebox' Accounting has Blind Spots," Mooney, *National Underwriter*, June 24, 2002.

¹⁷ Press release from Weiss Ratings, *Business Wire*, July 8, 2002.

WHAT STATE REGULATORS SHOULD DO

1. Investigations and Audits

There must be a full and thorough investigation of the insurance companies' data to determine if there are errors and over-reserving in the data.

In particular, we are asking that you order an investigation to determine:

- The extent to which the extraordinarily high profitability of the insurance industry during much of the 1990s, and its lower profitability today, is related to the performance of interest rates and the stock market during those periods;
- The extent to which today's rate increases are an attempt to recoup money that insurers lost in the stock market or in other poorly-performing assets;
- The extent to which insurers are adversely affected by today's low interest rates;
- Whether insurers' estimates of their future claims payments, which are the basis for rate increases, are unreasonably high today; and
- Whether it is proper, or lawful, for insurers to seek substantial rate increases despite having hugely increased their surplus—the money they have “in the bank,” with policyholder-supplied funds, particularly if the insurer is overcapitalized.

In addition, we urge you to institute, or seek statutory authority to institute, annual, rather than the typical once-every-three-years, audits of insurance companies operating in your state. These annual audits, we believe, should ascertain whether the companies are engaging in questionable accounting practices and whether their business and investment practices, by failing to take into account cyclical economic downturns, present unacceptable financial risks for insurance consumers and shareholders.

2. Specific Reforms

- a. **Regulate excessive pricing.** One cause of the cycle is the lack of regulatory action to end excessive and inadequate rates during the different phases of the cycle. Please start now by regulating the excessive prices being charged by insurers today in your state. At least hold the necessary hearings to determine if the prices are not excessive.
- b. **Advise your legislators** that the solution to prevent shock rate increases such as we are now experiencing is insurance reform, not “tort reform.”
- c. **Freeze particularly stressed rates until the examination of the prices and remarkable jumps in loss reserves can be fully analyzed.** For instance, medical malpractice and homeowner rates should be frozen. A roll back of unjustified rate increases that have already taken effect should then be in order. (The manner in which insurance rate rollbacks can be written and implemented to

comply with all Constitutional requirements is explained in *Calfarm Ins. Co. v. Deukmejian*, 48 Cal.3d 805 (1989), and *20th Century Ins. Co. v. Garamendi*, 8 Cal.4th 216 (1994). These cases substantially upheld Prop 103, the California insurance reform initiative that rolled back auto insurance rates by 20%.)

- d. **Require that risks with poorer experience pay more than good risks in lines of insurance where such methods are not in use today.** For example, require medical malpractice insurers to use claims history as a rating factor, and to give that factor significant weight. Auto insurers use an individual's driving record as a rating factor; workers compensation insurers use the employer's loss experience as a rating factor— so-called “experience mod.” Malpractice insurers should do the same. In addition, you should require all medical malpractice insurers to offer all “good” doctors— *i.e.*, all doctors meeting an objective definition of eligibility based on their claims history, their amount of experience and perhaps other factors – the lowest rate.
- e. **Reduce the percentage of assets that insurers can invest in stocks or other risky assets.** Insurers should not be permitted to raise their rates in order to recoup losses on stocks or other risky assets. The less risky their investments, the more secure policyholders are, and the more stable are rates.
- f. **Create a standby public insurer to write risks when the periodic cycle bottoms and hard markets occur, such as a medical malpractice insurer funded by a start-up loan from the state to compete with the existing malpractice carriers.** Several states have created such carriers to write workers' compensation, and in many states such carriers have helped bring down workers' comp rates. Similarly structured medical malpractice insurers should have similar success.
- g. **More strongly regulate auto and homeowners insurance to prevent shock price increases and insecurity for policyholders.** For example, you must prevent insurers, like State Farm, from overreacting by not writing new business in some states and by adopting draconian underwriting rules for renewal business. If the rate increases are shown to be high due to corporate policy (such as State Farm holding down prices as a marketing strategy), prices should not be allowed to go up suddenly but be spread over at least a three-year period to avoid “sticker shock” for your state's citizens.
- h. **Ask NAIC to stop implementation of the deregulation of commercial rates and forms which NAIC is unwisely pushing at this time.** Oppose the implementation of such deregulation in your state.

The vast majority of American consumers, businesses and professionals make a considerable annual investment in insurance coverage to protect them against unanticipated losses. As the official charged with regulating the insurance industry and protecting the interests of insurance consumers in your state, you have a unique and pressing obligation to take steps to reform regulation of the insurance industry, which consistently looks for scapegoats to cover up its own mismanagement and the results of its own economic cycles.

Thank you for your time and consideration. Please do not hesitate to contact us with any questions.

Sincerely,

J. Robert Hunter

On behalf of Americans for Insurance Reform:

Alabama Watch, AL	Families Advocating Injury Reduction, IL
Arizona Consumers Council, AZ	Families for Improved Care, OH
Boston Women's Health Collective, MA	Florida Public Interest Research Group, FL
California Advocates for Nursing Home Reform, CA	Foundation for Spinal Cord Injury, Prevention, Care and Cure, MI
Caribbean Women's Health Association, Inc., NY	Foundation for Taxpayer and Consumer Rights, CA
Center for Economic Justice, TX	Free Hand Press/Mouth Magazine, KS
Center for Insurance Research, MA	Georgia Public Interest Research Group, GA
Center for Justice & Democracy, NY	Good Old Lower East Side, NY
Citizen Action/Illinois, IL	Gray Panthers National Office, DC
Citizens' Committee to Protect the Elderly, VA	Headway for Brain Injured, Inc., NY
Citizens' Environmental Coalition, NY	Illinois Public Interest Research Group, IL
Citizens for Consumer Justice, PA	Indiana Public Interest Research Group, IN
Coalition for Consumer Rights, IL	Joint Public Affairs Committee for Older Adults, NY
Colorado Progressive Coalition, CO	Massachusetts Public Interest Research Group, MA
Colorado Public Interest Research Group, CO	Mental Health Association of New York State, Inc., NY
Community Food Resource Center, NY	Michigan Consumer Federation, MI
Concerned Citizens of Clarence, NY	Minnesota Consumers Alliance, MN
Connecticut Public Interest Research Group, CT	Regene Mitchell, Consumer Federation of California, CA*
Consumer Federation of America, DC	National Gay and Lesbian Task Force, DC
Consumers for Civil Justice, NJ	National Women's Health Network, DC
Consumers United/Minnesotans for Safe Foods, MN	New England Patients' Rights Group, Inc., MA
Cornerstone, MN	
Dalkon Shield Information Network, PA	
Democratic Processes Center, AZ	
DES Action, CA	
Jennifer Dingman, PULSE of Colorado*	
Disabled in Action of Metropolitan New York, NY	
Empire State Family Farm Alliance, NY	

(continued on next page)

New Hampshire Public Interest Research Group, NH	Public Interest Research Group in Michigan, MI
New Jersey Public Interest Research Group, NJ	Rhode Island Public Interest Research Group, RI
New Mexico Consumer Action, NM	SafetyForum.com, VA
New York Public Interest Research Group, NY	Senior Action in a Gay Environment/Queens, NY
New York StateWide Senior Action Council, NY	SmokeFree Educational Services, NY
North Carolina Hunger Network, NC	Texans for Public Justice, TX
North Carolina Public Interest Research Group, NC	Texas Watch, TX
Oregon Consumer League, OR	USAction, DC
Oregon State Public Interest Research Group, OR	U.S. Public Interest Research Group, DC
Patient Information Alliance, NY	Utah Citizens Alliance, UT
Patients' Rights Advocacy, WA	Vermont Public Interest Research Group, VT
Pennsylvania Consumer Council, PA	Washington Public Interest Research Group, WA
Pennsylvania Public Interest Research Group, PA	West Virginia Citizen Action Group, WV
People's Medical Society, PA	Woodstock Institute, IL

* Organization listed for identification purposes only.

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