

Thank you Commissioner Mc Carty, Members of the Office of Insurance Regulation and Florida Health Insurance Advisory Board.

My name is Julian Lago and I am a licensed agent here in Florida and currently serve as President of the Florida Association of Health Underwriters(FAHU).

Our organization is the state affiliate of the National Association of Health Underwriters (NAHU) which represents the agent community involved in the distribution, sale, marketing and servicing of health insurance to both individuals and businesses. Our agents service clients of all sizes from the individuals looking for affordable family coverage to the large employers able to self funded its employees coverage.

Commissioner we thank you for the opportunity to discuss the impact of MLR to both the individual and small group market. Many of our FAHU members are in fact small business owners that have built there businesses servicing their clients and community in which they live and serve many rolls as agents. I would like to share with you the role of an agent in our current market place here in Florida. We serve as advisors to small business and individual seeking to understand insurance. Our products are complex and the purchase of insurance requires one to take many things into consideration.

Individual products currently require medical underwriting which does vary by carrier. The agent will walk the client through this process. Risk tolerance of the clients varies and needs to be explored so that each client can select the right deductible and plan that work for their needs.

Group Products offered to small business require the agent to assist not only with product selection but also with day to day administration, COBRA education, and compliance. New products such as HSA require high level of employee education and ongoing administration support. Many businesses lack the HR infrastructure of larger employers and depend heavily on their broker /agent to support them.

As members of FAHU we support MLR definitions that take into account a board and flexible view on the many health insurance activities that support quality of care. Similarly, well established role of agents and brokers in disseminating vital information and performing services which help reduce cost and improve quality must also be taken into consideration. We are concerned that markets such as New Jersey that have a heavy MLR restriction have seen a reduction in carriers and have seen significant premium increases.

In closing "We are where the tire meets the road " Our phones are already ringing with questions on health Carewe hearHow is this new health reform going to impact me , my family , my employees and my business? The goal of PPACA was to provide affordable and quality health care to all Americans, and we must keep these goals in mind as we develop important MLR guidelines. Agents play an important role in assisting clients not only purchase insurance but also to understand and keep their insurance affordable. An industry without a vibrant agent community will surely suffer. Agents help our clients navigate the complexity of products, enroll , underwrite , handle claims issues, meet compliance requirements, select network providers and access appropriate care.

We believe that today more than ever before the Florida insurance market needs the professional agent and all the services provided to individuals and businesses.

Thank you

Julian Lago

FAHU State President