

February 5, 2014

Senator Randi Becker, Chair
Senate Health Care Committee
110 Irv Newhouse Building
PO Box 40402
Olympia, WA 98504-0402

RE: SB 6458

Dear Senator Becker:

As consumer representatives to the National Association of Insurance Commissioners, we are writing to express our strong concerns regarding SB 6458, which would eliminate the office of the insurance commissioner, and put in its place an appointed insurance board.

First, we are strongly concerned that replacement of an elected insurance commissioner with an appointed board in Washington State would take away a strong voice for consumers and set an unfortunate precedent for the nation, weakening the state's ability to implement strong consumer protections and respond to the powerful and savvy insurance industry. Unlike an elected insurance commissioner--who is personally accountable to the public as an independent voice for consumers who depend on good insurance products to protect their health, valuable possessions, and financial stability--an appointed board would be able to pass the buck or otherwise avoid responsibility for protecting consumers of insurance products and ensuring the financial solvency of companies that do business in your state.

Insurance departments need a strong and effective leader who is directly accountable for protecting consumers. Were this legislation to pass, Washington State would lose just such a leader in Commissioner Mike Kreidler, who has been chosen as insurance commissioner by Washington State voters three times in the past decade. Commissioner Kreidler has been exceptionally responsive to the needs of consumers, not just in Washington State, but nationwide in his active leadership through the National Association of Insurance Commissioners (NAIC). Indeed, in 2009, the consumer representatives to the NAIC awarded Commissioner Kreidler our national "Excellence in Consumer Advocacy Award" given out annually to honor the regulator we believe has most effectively represented and advanced the interests of consumers.

Among his accomplishments, Commissioner Kreidler and his staff have won multiple victories for consumers, including cutting excessive rate increases on home and auto policies, helping consumers recover about \$10 million a year in denied and delayed payments on their coverage, rejecting a bid by the state's largest non-profit health insurer to become a for-profit company, and regaining national accreditation that had been lost under previous leadership, meaning that

the Department of Insurance's ability to monitor insurance companies for financial stability meets or exceeds national standards.

Losing the service of Commissioner Kreidler, particularly at this most critical juncture in the implementation of major insurance reforms in this country, would be a severe loss for the consumers of Washington State and set a bad precedent. We sincerely hope your state will reject this proposal.

Sincerely,

Timothy Jost, NAIC Consumer Representative

Adam Linker, NAIC Consumer Representative

Brenda Cude, NAIC Consumer Representative

Cynthia Zeldin, NAIC Consumer Representative

Brendan Bridgeland, Center for Insurance Research

Bonnie Burns, NAIC Consumer Representative

Kathleen Gmeiner, NAIC Consumer Representative and on behalf of UHCAN Ohio

Lincoln Nehring, NAIC Consumer Representative

Marguerite Herman, Consumer Advocates-Project Healthcare

Daniel Schwarcz, NAIC Consumer Representative

Christine Barber, NAIC Consumer Representative

Alyssa Vangeli, NAIC Consumer Representative

Amy Bach, Esq., United Policyholders

Sabrina Corlette, NAIC Consumer Representative

Stephanie Mohl, NAIC Consumer Representative

Sonja Larkin-Thorne, Consumer Advocate, NAIC Funded Consumer Representative, IAIS Consumer Observer

Elizabeth Abbott, Health Access California

Peter Kochenburger, NAIC Consumer Representative