



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

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March 10, 2009

The Honorable Rob Andrews  
2265 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Andrews:

On behalf of the 1.2 million members of the National Association of REALTORS® (NAR), I want to thank the Health, Education, Employment, Labor and Pensions Subcommittee of the House Education and Labor Committee for holding its March 10, 2009 hearing on “Strengthening the Employer-Based Health Care” We are heartened that the health reform debate that is critical to our members’ wellbeing has begun in earnest.

The debate on health insurance in recent years has focused almost exclusively on the relationship between employers and employees, the deduction that employers receive for providing health insurance coverage and the exclusion from employees’ income of health insurance benefits. A fair amount of attention has also been given to the challenges of small businesses that would like to provide health insurance, but are unable to do so. However, a third group in the work force, that we would ask you to consider in your deliberations, has been consistently overlooked: the self-employed.

The needs of the self-employed are particularly acute, as those workers must fend for themselves in the individual insurance market. We believe that the plague of uninsured workers will persist *unless and until* there are corrections to the dysfunctions in both the individual and small-employer group health insurance markets. That market presents itself as one in which there is no negotiating, no leverage, no economies of scale and absolutely no efficiency.

NAR’s members are real estate brokers, sales people, property managers, appraisers, counselors and others engaged in all aspects of the real estate industry. They are self-employed individuals and small business owners. They know well how hard it is to find and keep health insurance when you have no employer-provided coverage or are responsible for the well-being of employees and their families.

Today, 28 percent of the nation’s 1.2 million REALTORS® do not have any health insurance. Between 1996 and 2004, the percent of uninsured NAR members doubled, going from 13 percent to 28 percent - a rate that is almost double the rate of uninsurance for Americans as a

whole. Today, these statistics translate into over 336,000 uninsured working REALTORS<sup>®</sup>. If the number of associated, and likely uninsured, REALTOR<sup>®</sup> family members is added to that total, the total number of uninsured individuals affiliated with the REALTOR<sup>®</sup> organization is estimated to be as much as 886,000 men, women and children.<sup>1</sup>

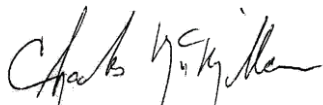
When asked why they are uninsured, the overwhelming majority of uninsured REALTORS<sup>®</sup> – 84 percent – indicate that unaffordable health insurance premiums were the cause. Our members routinely report monthly premiums that can easily reach \$1200 or \$1400 per couple or family. Many of our members report that their monthly insurance premiums now exceed their home mortgage payments.

Finding solutions to the problem of the uninsured must be a top priority for this nation. It is a problem that affects over 46 million Americans today. Like our members, more than half of these individuals are self-employed or the owners and employees of small businesses. These small firms are widely recognized as the largest source of new American jobs and much of the technological innovation from which our economy has benefited. We believe that without change, problems with the availability and affordability of health coverage will increasingly threaten what is a major source of job growth and innovation in this nation.

While America's health insurance delivery system is primarily an employer-based system, we feel very strongly that any discussion of health reform must address the current shortcomings of the nation's state-based individual and small group insurance markets. These markets are not serving the needs of those who like our members are dependent upon them. As you move forward, we ask that the discussions that will shape the future of the American health care system include representatives of each of the key constituencies – including the self-employed who have for too long been overlooked in these discussions. The self-employed are a key component of the nation's workforce and one that must be included in any future discussions.

Thank you for your attention, time and efforts on this most important issue. NAR and its members stand ready to work with you in the coming months to enact meaningful health care reform.

Sincerely,



Charles McMillan, CIPS, GRI  
2009 President  
National Association of REALTORS<sup>®</sup>

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<sup>1</sup> In the case of real estate firms, few firms offer health insurance coverage to salaried employees. In 2004, only 13 percent of firms offered coverage to salaried workers. In 1996, this percentage was 34 percent, more than double the more recent figure.