



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

500 New Jersey Avenue, N.W.
Washington, DC 20001-2020
202.383.1194 Fax 202.383.7580
www.realtors.org/governmentaffairs

Al Mansell, CRB
President

Terrence M. McDermott
EVP/CEO

GOVERNMENT AFFAIRS
Jerry Giovaniello, Senior Vice President
Walter J. Witek, Jr., Vice President

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U.S. House of Representatives
Education and the Workforce Committee
Washington, D.C. 20515

Dear Representative

On behalf of the more than one million members of THE NATIONAL ASSOCIATION OF REALTORS® (NAR), I want to thank you for cosponsoring HR 525, the Small Business Health Fairness Act. We look forward to the full Committee on Education and the Workforce's consideration of the bill next week and to working with you in support of the successful passage of the bill this year.

Today, over twenty-eight (28) percent of our REALTOR® members are without any health insurance coverage while an additional four percent will shortly lose the COBRA (Consolidated Omnibus Budget Reconciliation Act) coverage that they now have. Perhaps most troubling is the fact that the percentage of members without insurance has doubled since our last membership survey. The reason cited by the overwhelming majority of survey respondents for not having health insurance coverage was "Premiums are just too costly."

NAR and its state associations believe that HR 525 can provide a mechanism for REALTOR® associations to make affordable group health insurance coverage available to real estate professionals around the country. Realty firms are the prototypical small business; currently over fifty (50) percent of all REALTOR® firms are composed of five or fewer agents. As a result, we believe that our members are exactly the types of independent contractor and small businesses that will benefit from the Small Business Health Fairness Act.

By allowing large numbers of firms to band together, small business health plans will also allow independent contractors, small business owners and employees to benefit from the same administrative efficiencies enjoyed the successful Fortune 500 companies and union insurance plans. In the small group and individual insurance market, one-fourth to one-third of every premium dollar is estimated to be spent on administrative costs; in the larger group plans, these costs are as small as 5 to 10 percent of every premium dollar.

Given the benefits that will accrue and the financial safety and soundness safeguards that have been built into the legislation, NAR strongly supports the passage of HR 525. We thank you for your cosponsorship and support for this vital piece of legislation.

Sincerely,

Al Mansell, President
National Association of REALTORS®