

June 16, 2003

Dear Representative:

On behalf of the more than 900,000 members of THE NATIONAL ASSOCIATION OF REALTORS® (NAR), I urge you to support HR 660, the Small Business Health Fairness Act. This bipartisan bill is scheduled for floor consideration on Wednesday, June 11th. As approved by the Education and Workforce Committee by a 26-21 vote, this bill authorizes the formation and multi-state operation of federally-certified association health plans (AHPs).

NAR and its state associations believe that HR 660 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 percent of all REALTOR® firms are composed of 5 or fewer agents and employees. Among even our largest firms, few are currently able to provide affordable insurance coverage for employees or salespersons. Our independent contractor salespersons and realty firms are exactly the types of small and medium-sized businesses that could benefit from passage of the Small Business Health Fairness Act.

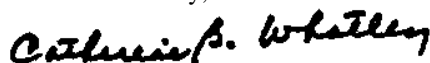
The number of Americans lacking health insurance coverage has increased steadily in recent years. According to the U.S. Census Bureau, the number of Americans with no health insurance increased to 41.2 million Americans last year, an increase of 1.4 million people over the previous year. Notably, these same Census statistics indicate that the loss of employer-sponsored health coverage by small businesses was a significant contributor to the decline in insured individuals.

Small business owners cite rising health insurance costs as the primary factor leading them to discontinue coverage for employees. According to a recent National Federation of Independent Businesses study, health plan costs for small employers increased by an average of \$722 per employee in 2002, an average of \$494 increase per employee in 2001 and \$333 in 2000.

By allowing large numbers of firms to band together, AHPs will also allow small realty firm owners and employees to benefit from the same administrative efficiencies enjoyed by the successful Fortune 500 companies and union insurance plans. In the small group and individual insurance market, approximately one-fourth to one-third of every premium dollar is spent on administrative costs; in larger group plans, these costs are as small as 5 to 10 percent of every premium dollar. The saving inherent in this differential will only help to make health insurance coverage possible.

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 660 and urges you to vote for the bill when it comes to the House floor this week.

Sincerely,



Catherine B. Whatley
President