



# News Release

National Association of  
Insurance Commissioners

**FOR IMMEDIATE RELEASE**

## REALITY CHECK: LOBBYIST TWISTS THE FACTS

**KANSAS CITY, Mo. (April 3, 2008)** — Today, the National Association of Insurance Commissioners (NAIC) responded to exaggerations and inaccuracies in recent statements attributed to Marc Racicot, president of the American Insurance Association.

“High-paid insurance lobbyists consistently criticize and attempt to undermine state insurance regulators for what they consider to be slow filing processes,” said Sandy Praeger, NAIC President and Kansas Insurance Commissioner. “It is ironic that as they complain about process delays, consumers tell us that some insurance companies are slow to pay claims. In fact, 60 percent of consumer complaints reported to the NAIC by states are the result of claims handling problems caused by insurance companies. A large majority of them due to slow claims payment processes or outright denials.”

State Regulators have made great strides increasing market efficiencies while maintaining consumer protections. The NAIC’s System for Electronic Rate and Form Filing (SERFF) is used by state regulators to receive and process insurance product filings. Through SERFF the average turnaround time for home and auto insurance product filings is less than 32 days. For life and health products the average is just under 46 days. To date, nearly 3,000 companies are licensed to file products in all 50 states, the District of Columbia and Puerto Rico through SERFF. State regulators will not sell out consumer protections for speed.

“Insurance products are often complicated. They contain separate premium rates for every zip code, application forms with confusing questions, and an abundance of advertising materials promising everything from peace of mind to health and wealth,” said Praeger. “When insurers carefully review their requirements and submit good applications, the approval process is very fast. When companies fail to comply with state laws or offer questionable products, it takes time to review and correct their work to make sure that products deliver the benefits promised to consumers.”

“State regulators invest heavily in tools like SERFF to provide the industry the speed-to-market that companies need to compete,” said Praeger. “It is time for the industry to address speed-of-payment to consumers.”

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### About the NAIC

Headquartered in Kansas City, Missouri, the National Association of



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Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The NAIC's overriding objective is to assist state insurance regulators in protecting consumers and helping maintain the financial stability of the insurance industry by offering financial, actuarial, legal, computer, research, market conduct and economic expertise. Formed in 1871, the NAIC is the oldest association of state officials. For more than 135 years, state-based insurance supervision has served the needs of consumers, industry and the business of insurance at-large by ensuring hands-on, frontline protection for consumers, while providing insurers the uniform platforms and coordinated systems they need to compete effectively in an ever-changing marketplace. For more information, visit NAIC at [www.naic.org/press\\_home.htm](http://www.naic.org/press_home.htm).

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