



The Trusted Choice

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**Michigan Association of Insurance Agents**

*Representing Independent Agents*

October 27, 2011

The Honorable Kathleen Sebelius  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue SW  
Washington DC 20201

Dear Secretary Sebelius:

I am writing on behalf of the Michigan Association of Insurance Agents to express this Association's strong support for the State of Michigan's application for a Medical Loss Ratio (MLR) adjustment. MAIA's 8000+ member agents are "in the trenches" every day advising consumers regarding their health insurance, and the confusion and misunderstanding on the part of consumers regarding the Patient Protection and Affordable Care Act is already evident.

Agents serve a key beneficial purpose in the health care market place. They provide credible advice and trustworthy counsel to consumers who are confused or overwhelmed by the products and system, and serve as advocates to those who confront problems and barriers. Competent, qualified, and accountable agents will be even more important going forward as health care reform unfolds.

Already the dominant provider of health care insurance in Michigan with primary delivery of its products through agents, Blue Cross Blue Shield of Michigan, has dramatically reduced commissions to agents in response (in part) to PPACA's provisions. Such actions dictated by the need to meet the MLR standards will impact agents with lower income levels and higher workloads forcing many to discontinue offering their services when they are most needed. This reduction will mean that "**consumers may be unable to access agents**" as noted among the six criteria used by HHS to determine the risk of market destabilization.

Supporting Michigan's application for a MLR adjustment in the short-term will partially mitigate the disruption created by the MLR on Michigan residents. We again strongly urge you to approve such adjustment as you have done in other states.

Thank you.

Robert D. Pierce CAE  
CEO

