



STATE OF MINNESOTA

Office of Governor Tim Pawlenty

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

October 21, 2009

Dear Fellow Governors:

As the discussion over health care reform continues on a national level, there are important actions states can take to increase access to affordable, high-quality health insurance.

I recently announced a number of health care reform initiatives in Minnesota, including a proposal to create an Interstate Health Insurance Compact (IHIC). Such a compact would allow participating states to share common regulatory standards and facilitate the purchase of health insurance across state lines, increasing competition and choice. I write today to invite you to join with Minnesota to begin formation of an IHIC.

The new organization would be modeled after the Interstate Insurance Product Regulation Compact (IIPRC), which was established in 2004 and now has 33 member states. Prior to implementation of IIPRC, some critics argued that it would result in a dilution of consumer protection in the member states. Time and experience have proven those fears unfounded. In many instances, the standards set up by the IIPRC are stronger than existing state standards. With the valuable input of consumer representatives, state legislators, and regulators, the IIPRC has been able to ensure consumer protection while promoting a modern, competitive national marketplace. As with the IIPRC, we would seek congressional consent to formalize the IHIC.

Like life insurance, health insurance is an area that would benefit from a consistent set of standards to enable true market competition to flourish nationally. Those standards should be informed by the collective wisdom of those closest to consumers – states and their insurance regulators. Our citizens will benefit from more robust competition, leading to increased choices and better values.

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It is my hope that many states will be willing to join together to form an Interstate Health Insurance Compact. If you are interested in exploring this opportunity, please have your appropriate state official contact Minnesota Commissioner of Commerce Glenn Wilson at glenn.wilson@state.mn.us or at 651-296-6025.

Working together, and with the assistance of the National Association of Insurance Commissioners, we can take the next steps to provide our citizens with an additional tool to access health insurance.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read 'T. Pawlenty', with a long horizontal stroke extending to the right.

Tim Pawlenty
Governor

Cc: Commissioner Glenn Wilson, Minnesota Commerce Department