



March 25, 2002

Dear Representative / Senator _____:

As you may know, the high cost of health care has been the top concern of NFIB's small-business owners since 1986. One way we propose to address that problem is to allow small businesses to band together in Association Health Plans (AHPs) and purchase health insurance at much lower prices.

AHPs operate under the same fundamental economic principle as the case of soda that was delivered to your office with this letter. NFIB purchased this case of soda at a local Giant supermarket for \$5.25 including tax, or approximately 22 cents per can. If we had purchased each can individually from a vending machine in your office building, a case would have cost us \$14.40, or 60 cents per can. That's an incredible savings of 63 percent for the same amount of soda – thanks to economies of scale!

The same principle would work to make health insurance more affordable. If Congress approves AHPs, trade groups like NFIB could negotiate with insurance companies and purchase tens or even hundreds of thousands of policies at a lower rate, then pass the savings along to their members. Studies show that AHPs would save the typical small-business owner between 15 percent and 30 percent on health insurance and help as many as eight million currently uninsured Americans finally afford the coverage they deserve.

Labor unions and big corporations already have the ability to purchase health insurance at discounted rates; small business is simply asking for that same right. Opposing AHPs is like forcing small businesses to buy cans of soda one at a time out of a vending machine, except it's their health - not their thirst - that's at stake!

When Congress returns from the spring recess you will have an opportunity to help control the high cost of health care on Main Street, and we hope you will support AHPs as one great way to fix the problem. In the meantime, we hope you and your staff enjoy the cost-effective refreshments that arrived with this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Danner", is written over a long, thin horizontal line that extends to the right.

Dan Danner
Senior Vice President
NFIB (National Federation of Independent Business)