



NEWS RELEASE

Immediate Release

Contact: Andrew Simonelli
Phone: 202.785.7872
Email: simonelli@actuary.org

Actuaries Say Base Health Insurance Oversight on Actuarial Principles

WASHINGTON – 24 Feb. 2010 – Policy efforts for effective oversight of health insurance premiums must be based on actuarial principles, the **American Academy of Actuaries** stated today. The actuaries are urging that any such effort reflect the following principles:

- **Health insurance premiums be adequate to pay projected claims, expenses and supporting risk charges**
- **Premium rating oversight be done in conjunction with insurer solvency oversight**
- **Premium oversight requires strong actuarial representation**

These three criteria will ensure that premium oversight mechanisms incorporate the appropriate processes to evaluate premiums and premium increases, said **Cori Uccello**, the senior health fellow for the American Academy of Actuaries. They also will make certain that insurers can pay future claims and that premium increases reflect actuarial science.

“It is imperative that any new premium oversight mechanism include strong actuarial representation,” she said. “Actuaries and actuarial principles have key roles in both the premium rate development process as well as in current regulatory oversight.”

For more information or to schedule an interview with Cori Uccello, please contact Andrew Simonelli, assistant director of communications for the American Academy of Actuaries, at 202.785.7872. For more information on the American Academy of Actuaries, please visit: www.actuary.org.

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The American Academy of Actuaries is a 16,000-member professional association whose mission is to serve the public on behalf of the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.