SENATOR STEVE DAINES (MT)

THE COMPETITIVE HEALTH INSURANCE REFORM ACT

One Page Summary

Background and need for legislation:

- The Supreme Court ruled that the insurance business is "interstate commerce" in the landmark 1944 case *United States v. South-Eastern Underwriters Association*. Accordingly insurers are subject to Congressional oversight under the Commerce Clause, and federal antitrust laws under the Sherman Act.

- In a bid to circumvent the decision, insurance companies lobbied Congress to create a special-interest loophole, exempting them from federal antitrust laws. The result was the McCarran-Ferguson Act of 1945.

- The consolidation of insurance brokers over the past 70 years, especially since the passage of the ACA, has made the market ripe for abuse. This bill will establish transparency and enhance consumer protections while promoting access to affordable health insurance.

- This bill is the Senate companion to H.R. 372, introduced by Rep. Paul Gosar, which passed the House of Representatives 416-7 in March 2017.

Bill summary:

- The Competitive Health Insurance Reform Act would amend McCarran-Ferguson to restore the application of federal antitrust and competition laws to the business of health insurance.

- The bill will ensure that health insurance issuers are subject to the same laws which prohibit unfair trade practices such as price fixing, collusion, or market allocations. This will address instances of artificially higher premiums, unfair insurance restrictions, and harmful policy exclusions.

- The application of federal anti-trust laws is more relevant now than ever. Popular cost-reducing reform priorities – such as selling insurance across state lines – are predicated on the robust competitive markets this bill will ensure.