



ATTN: RIN 1210-AB85
Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655, U.S. Department of Labor
200 Constitution Avenue NW, Washington, DC 20210

The National Association of Tax Professionals (NATP) is the largest association dedicated to equipping tax professionals with the resources, connections and education they need to provide the highest level of service to their clients. NATP is comprised of over 23,000 leading tax professionals who believe in a superior standard of ethics and exemplify professional excellence. Our members are small business owners who represent the backbone of this country by delivering needed services to more than 8 million taxpayers annually.

On behalf of our members, we are writing to you in support of the Department's proposed regulations as they relate to AHPs. Like many associations, our members face ever-increasing health insurance costs. By forming AHPs, membership organizations will allow businesses to aggregate workforces and take advantage of the flexibility and lower costs that are currently available only to large employers. Small businesses could thus offer more competitive benefits, allowing them to compete with large employers and international competitors to retain and recruit employees, and expend more of their limited managerial resources on the important business of running their businesses.

Some claims have been made that by allowing AHPs, the market would then flood with cheap, thinly funded plans that offer minimal benefits. We strongly disagree, if done in an appropriate manner. We believe that legitimate membership organizations will not risk their goodwill and reputation with their members by offering substandard insurance plans. Instead, the economies of scale that an AHP could produce would allow the association to offer more comprehensive coverage than members could afford on their own, implement realistic risk pooling, and minimize compliance cost.

Much of the skepticism directed against AHPs stem from historical instances of bad actors offering thinly capitalized plans that collected premiums, but disappeared when claims came due. While the proposed regulations recommend some measures that may help prevent such fraudulent activity by a newly formed AHP, we are concerned that allowing anyone to form an AHP without a clear connection to an existing membership association could lead to the abuses of the past..

To address this, we recommend that forming an AHP be limited to legitimate, established associations, defined by the following attributes:

- Non-profit corporation with a federal tax exemption
- Established and operating for more than 5 years
- Average revenue or expenses of \$5 million over the last 5 years

- Substantial activities or programs in support of its members, other than the AHP
- Members that confirm membership at least annually, and who share a common industry, profession, field or demographic
- Members that have significant voting or participation rights, or whose interests are protected by other legal duties arising under state or federal law.

Associations exist to improve the industries and professions that they serve; many have done so successfully for over a century; they can be counted on to do right by their constituents, perhaps in ways that have not been anticipated by policymakers. Again, we welcome the Department's proposed regulations since we believe that AHPs can help provide better benefits at lower costs, especially for small employers who have fewer choices every plan year. We appreciate this opportunity to comment, and are willing to assist in this effort in any way we can.

Sincerely,

A handwritten signature in black ink that reads "Scott R. Artman". The signature is written in a cursive style with a large initial "S".

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