

3/6/2018

Mr. Alexander Acosta
Secretary of Labor
U.S. Department of Labor
900 Constitution Avenue NW
Washington, D.C. 20210

Re: “Definition of Employer under Section 3(5) of ERISA-Association Health Plans”; RIN 1210-AB85
or Docket ID No. 2017-28103 (submitted electronically)

Dear Secretary Acosta:

Virginia REALTORS® represents over 33,000 real estate licensees across the Commonwealth of Virginia, a vast majority of which are independent contractors. As self-employed individuals, it is often difficult for real estate professionals to find affordable health care coverage when costs are continually rising and insurance options are diminishing. The Department of Labor’s notice of proposed rulemaking has the potential to increase health insurance options, which is greatly welcomed by real estate professionals and their families.

In Virginia, just over 400,000 individuals enrolled in individual health insurance plans for 2018. For these individuals, 2018 saw an increase in premium rates ranging from 35 percent to 81 percent. While premium subsidies kept more than 8 out of 10 individuals from seeing an increase in their premiums, 17 percent of exchange enrollees, plus everyone who has off-exchange coverage, bore the brunt of the premium increases.

Many individuals also found themselves potentially without health insurance in 2018 as several insurers considered withdrawing from Virginia. As of August 2017, three companies indicated that they planned to exit the Virginia exchange at the end of 2017. Such a departure would have left 63 of Virginia’s 133 cities and counties without coverage. In mid-September one insurer previously planning to withdraw from the exchange decided to remain in Virginia to ensure that every locality would have coverage. As it is, nearly half of Virginia’s counties have just a single insurer, not only severely limiting individual’s options, but also causing an increase in rates due to a lack of competition.

For real estate licensees, whose income is heavily influenced by the current housing market, fluctuations in premiums with increases ranging between 35 percent and 81 percent can be catastrophic and make planning nearly impossible. Additionally, with nearly half of the Commonwealth only covered by one insurer, individuals do not have the ability to shop for alternatives.

The rule proposes to provide more affordable choices for independent contractors by modifying the definition of “employer” to include “working owners.” This is essential to enabling real estate professionals to participate in an AHP in the large group market, rather than being forced to purchase in the more costly and volatile individual insurance market. Large group plans typically have more flexibility in plan design and offer greater negotiating power to bargain for lower premiums – benefits



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that are key to reducing health care costs. The rule would also protect consumers enrolling in these plans by prohibiting discrimination based on health status.

However, the proposed rule includes provisions that may restrict many self-employed persons from seeking more affordable insurance in an AHP. For example, working owners are excluded from eligibility if they have an offer of coverage from a spouse's employer subsidized group health plan. Coverage available through a spouse's employer may not be the most affordable option for a family. Eliminating this requirement will provide more insurance choices for many real estate professionals and their families.

The need for affordable health insurance options remains a top concern among practicing real estate professionals. Allowing working owners to participate in AHPs will offer new options for health insurance coverage, providing much needed relief that will support the real estate industry as a whole. Ensuring the proposed rule does not impose burdensome, unnecessary requirements on working owners is also essential. Thank you for the opportunity to comment on this proposed rule.

Sincerely,

Virginia REALTORS®