

#10 November 13, 2002

VIA E-Mail: regcomments@fincen.treas.gov

ATTN: Section 352 - Insurance Company Regulations

Dear Sir or Madam:

I am writing on behalf of the American Association of Health Plans (AAHP) to comment on the proposed rule regarding anti-money laundering programs to be established by insurance companies pursuant to Section 352 of the USA Patriot Act. 67 Fed. Reg. 60625 (September 26, 2002).

AAHP is the national trade association representing health maintenance organizations, preferred provider organizations, point-of-service plans, and other similar health plans. AAHP represents more than 1,000 managed health care organizations serving nearly 160 million Americans, the majority of whom are participants or beneficiaries of employee benefit plans under the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. §1001, et seq.

AAHP supports the provisions in the proposed rule which limit the definition of "insurance company" to any person engaged within the United States as a business in "the issuing, underwriting, or reinsuring of a life insurance policy; the issuing, granting, purchasing, or disposing of any annuity contract; or the issuing, underwriting, or reinsuring of any insurance product with investment features similar to those of a life insurance policy or an annuity contract, or which can be used to store value and transfer that value to another person."

This above definition does not include health plans within the definition of "insurance company" which is consistent with the Department of Treasury's focus on "those sectors of the insurance industry that pose the most significant risk of money laundering." Indeed, the "Supplementary Information" section in the proposed rule notes that the elements which pose a significant risk for money laundering that are present in life insurance policies and annuity contracts "generally do not exist in insurance products offered by property and casualty insurers, much less by title or health insurers...."

If I can provide you with any additional information please do not hesitate to contact me at 202-778-3259.

Sincerely,

Diana C. Dennett
Executive Vice President