
Insurers Rise in Rankings of Political Contributors

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WASHINGTON January 19 (BestWire) - Insurers are the sixth-largest group of donors to political campaigns, federal campaign-finance reports show, which is two slots higher than the last election cycle, when several key insurance-related issues weren't yet on the legislative horizon.

So far in the 2004 election cycle, insurers--as individual employees, companies and members of political action committees--have given \$9,729,800 to national-level candidates, according to Federal Election Commission data released in early December. More than two-thirds of that money, 68%, so far has gone to Republicans, the party in control of both Congress and the White House.

Those donations are in line with insurers' giving patterns during the 2002 election cycle, when a similar proportion of their money--69%--went to Republicans; insurers gave \$37,570,420 during that two-year period.

But during this election cycle, insurers are giving more when compared with other industry groups. Only lawyers; the retired; and the real estate, securities and investment, and health industries are giving more, according to the campaign-finance data. Insurers this election cycle are giving more than candidate committees, organized labor and oil and gas interests. In the 2002 election cycle, insurers ranked eighth in political giving, behind lawyers, retiree groups, real estate professionals, securities and investment concerns, candidate committees, health professionals and the entertainment industry.

The increased giving, relative to other industries, comes as several issues crucial to insurers' financial health once again are looming: Class-action lawsuit reform, changes to medical-malpractice liability and multibillion-dollar asbestos suits still lingering in state and federal courts. Universal health care is now raising its head again, with several of the candidates for the Democratic presidential nomination vowing to provide it if elected, and a number of changes to tax policy affecting insurers also are up for discussion.

Class-action and medical-malpractice reform are still high on the congressional agenda. Insurers have been backing a bill that would make it harder to bring class-action suits to trial, saying that frivolous filings and huge attorneys' fees are to blame for ever-increasing insurance premiums. Insurers have been seeking limits on pain-and-suffering awards in medical-malpractice lawsuits for similar reasons. The Bush administration has supported both bills, though neither had passed when Congress adjourned for the year in December. Both issues will likely be debated soon after the House and Senate return to Washington on Jan. 20.

Among the biggest issues for insurers last year was Medicare, which was revamped radically under GOP-led legislation signed into law by President Bush in November. That legislation represented a major victory for insurers, which have been trying to privatize health care for years; the new Medicare system allows seniors to participate and choose among private health insurance plans. The legislation also included \$12 billion to encourage health insurers to offer Medicare products.

Campaign-finance records, meanwhile, show that members of Congress who voted in favor of the Medicare bill in November tended to get nearly twice as much from drug manufacturers and

health insurers, which stood to benefit from many of the changes in the bill. Federal Election Commission data, current as of Dec. 7, 2003--after the bill was passed--were cross-referenced with the names of members of Congress and their votes for or against H.R. 1, the Medicare legislation.

Those data show that contributions from drug companies--as they are listed in FEC data--to the 204 Republicans who voted for the bill averaged slightly more than \$28,000, while GOP members who voted against it netted just \$8,100. Though only 16 Democrats voted for the Medicare package, they too saw bigger contributions from the drug industry--\$16,300--compared with the other 189 Democrats who voted against it, who received an average of \$11,800.

Those defined in the FEC data as health insurers also gave more to those who voted in favor of the Medicare bill. Republicans supporting it got an average of \$19,300, vs. \$13,800 for those who didn't. The contrast was even greater among Democrats, who historically have gotten fewer contributions from insurers; Democrats who voted in favor of the Medicare legislation got an average of \$22,400, compared with \$9,700 for those who didn't.

Data in the 2002 election cycle covers contributions made between Jan. 1, 2001 and Dec. 31, 2002. Data for the 2004 election cycle cover Jan. 1, 2003 through Dec. 31, 2004. The 2004 cycle data used for comparison here are current as of Dec. 7, 2003.

The top insurance industry donors to campaigns so far in the 2004 election cycle are: Aflac Inc., which has given \$550,042; the National Association of Insurance & Financial Advisors, which has given \$378,800; MetLife, with \$365,960; Blue Cross/Blue Shield, with \$347,962; and American International Group Inc., with \$324,954. Rounding out the top 10 are: Cigna Corp., \$296,043; American Financial Group Inc., \$293,250; the Independent Insurance Agents & Brokers of America, \$257,852; New York Life Insurance Co., \$254,166; and the American Council of Life Insurers, \$218,095. All of those donors' giving skewed heavily toward Republicans.

Three of the top 10 recipients of insurers' largesse were rivals for the Democratic presidential nomination: Sen. Joe Lieberman, D-Conn., who so far has received \$173,000; Sen. John Kerry, D-Mass., \$130,750; and Rep. Richard A. Gephardt, D-Mo., \$113,200. Only President Bush received more from insurers than did Lieberman, with \$1,401,029. Others in the top 10: Sen. Chris Dodd, D-Conn., \$150,859; Sen. Chuck Grassley, R-Iowa, \$127,484; and Sen. Arlen Specter, R-Pa., \$117,100. Grassley was co-chairman of the GOP-led committee that crafted the Medicare legislation signed into law in late 2003.

The bulk of money raised and donated by insurers--and other businesses--is given by political action committees, or PACs, entities that are formed solely to raise money for political campaigns. Under current federal campaign-finance laws, PACs can give as much as \$5,000 to a candidate committee per election, whether it's a primary, general or special election. PACs also can give as much as \$15,000 a year to any national party committee, and as much as \$5,000 to another PAC.

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