

WASHINGTON, DC (July 28, 2010) – Rep. Jan Schakowsky (D-IL) today responded to new earnings reports from major insurers, Wellpoint Inc. and Aetna Inc., both of which collected hundreds of millions in profits while, at the same time, spending hundreds of millions less on medical care for consumers. These reports came on the heels of last week’s earnings report from UnitedHealth Group, Inc., which also reaped massive profits and spent less on consumer care.

“These windfall earnings on the part of big for-profit health insurers are the umpteenth example of why this industry needs to be checked,” said Schakowsky. “While Wellpoint, Aetna and UnitedHealth Group rake in huge profits, they are simultaneously spending less on the medical care that their customers need. What’s more, we’ve already seen them inflict double-digit premiums on consumers this year.

“This adds up to corporate greed at its worst – and further proof that we need to pass the Health Insurance Rate Authority Act, which I introduced earlier this year. It would give the Secretary of Health and Human Services the ability to block or modify unreasonable health insurance rate increases in states, like Illinois, that lack the authority to protect consumers.”

Aetna reported that their profits rose by over 34% to \$1.05 billion for the first half of 2010 compared to the same period in 2009, while they spent \$557 million less on medical care. Wellpoint’s profits rose by over 25% to \$1.6 billion for the first half of 2010 compared to the same period in 2009, while they spent \$1.21 billion less on medical care. And in the first half of 2010, UnitedHealth Group’s profits rose by \$471 million – over 25 % – to \$2.3 billion. They brought in \$2.4 billion more in premiums, but only spent \$1.3 billion more in payments for medical care.

