



**Washington Community Action Network**  
(formerly Washington Citizen Action)  
3530 Bagley Ave N \* Seattle, WA 98103  
206-389-0050 p \* 206-389-0049 f  
[www.washingtoncan.org](http://www.washingtoncan.org)

**FOR IMMEDIATE RELEASE:**  
Saturday, August 25, 2007  
10:30 AM

**Contact:**  
[Joshua Welter](#), [Washington CAN!](#)  
206-389-0050 x108 office  
206-383-1857 cell

[Diana Rashid](#), [Washington CAN!](#)  
206-389-0050 x109

## Health care activists deliver Premera CEO one-way ticket to Arizona

***Outraged that the insurer has siphoned millions from Washington policyholders to subsidize a for-profit health plan in Arizona, consumer group calls for greater accountability***

[Mercer Island, WA]— On Saturday, a delegation of health care activists from [Washington Community Action Network \(Washington CAN!\)](#), descended on the luxurious Mercer Island home of Premera Blue Cross CEO, Herbert Randle Brereton “Gubby” Barlow, to offer him a one-way ticket to Arizona. The consumer group is outraged that Premera has siphoned millions from Washington policyholders to subsidize a for-profit health plan in Arizona.

Last week [the Seattle Times reported](#) that Washington State Insurance Commissioner Mike Kreidler ordered LifeWise Health Plan of Arizona – a for-profit subsidiary of Premera Blue Cross – to stop selling new business and to immediately file a viable financial plan. The non-profit Premera has injected \$49 million into LifeWise.

“At a time when more and more people are struggling to pay for the skyrocketing cost of health insurance, and many are forced to go without coverage entirely, it is obscene that Premera is exploiting Washington rate-payers to fund a for-profit expansion plan in another state,” said **Deana Knutsen, chair of the Washington CAN! board**. “If Gubby Barlow and Premera can’t act in the best interests of Washington consumers, perhaps they should pack their bags and leave.”

By transferring money from Washington to its Arizona business, Premera’s subsidiary has been able to expand its market share by selling one of the lowest priced individual health plans available in Arizona, also priced far lower than the cost of insurance in Washington.

Individual premiums for LifeWise of Arizona average \$110 monthly. In Washington, Premera sells individual policies through two corporate identities – Premera Blue Cross and LifeWise of Washington, a subsidiary. Average monthly individual premiums for LifeWise of Washington are \$175. Premera Blue Cross individual premiums run a whopping \$428 each month, nearly four times the price in Arizona.





**Washington Community Action Network**  
(formerly Washington Citizen Action)  
3530 Bagley Ave N \* Seattle, WA 98103  
206-389-0050 p \* 206-389-0049 f  
[www.washingtoncan.org](http://www.washingtoncan.org)

---

[Washington CAN!](#) says that Premera's actions point to the need for greater public accountability over insurance industry practices. They say that government can be a better watchdog over insurance companies by setting reasonable rules to limit excessive industry profits, lower insurance prices, and ensure that insurers can't game the system to cover only the healthy and wealthy.

"If Premera weren't allowed to overcharge Washington residents and accumulate massive reserves of our premium dollars, we wouldn't see problems like this," said Knutsen, noting that in recent years Premera's excess surplus has grown dramatically, now totaling over \$740 million.

In contrast to Premera's wealth, activists on Saturday took a collection to pay for the one-way Greyhound bus ticket purchased for Barlow. "Plane tickets were expensive," explained Knutsen. "But if Gubby feels the need to upgrade, we imagine he can afford it." According to the Office of the Insurance Commissioner, Barlow received more than \$1.9 million in salary, bonus and other compensation in 2006.

The group delivered the bus ticket directly to the doorstep of Barlow's home on the southern tip of Mercer Island, which has direct dock access to Lake Washington. The Seattle-based real estate site Zillow.com estimates Barlow's home is worth more than \$4.6 million.

###

*With over 30,000 members across the state, [Washington CAN!](#) is the state's largest grassroots community organization. [Washington CAN!](#) fights for progressive social change at the local, state, and national levels, with a focus on issues that most directly affect the lives of Washington residents. Our mission is to achieve economic fairness in order to establish a democratic society characterized by racial and social justice, with respect for diversity, and a decent quality of life for those who reside in Washington State.*

