

Approved: March 7, 1994  
Date

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson William Bryant at 3:30 p.m. on February 22, 1994 in Room 527-S of the Capitol.

All members were present except: Representative Ruby Gilbert, Excused

Committee staff present: William Wolff, Legislative Research Department  
Bruce Kinzie, Revisor of Statutes  
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Dale Sprague, Attorney  
William Sneed, State Farm  
Lee Wright, Farmers Group  
Representative Elaine Wells  
J. Michael Sharman, Christian Brotherhood Newsletter  
Chris Unruh, Overland Park  
Jon Willard, Spring Hill  
Wayne Ova, Faith Baptist, Osawatomie  
Claude Patterson, First Church of the Nazarene  
Leavenworth  
Byron Edmonson, Lawrence  
Jerry Murphree, First Freewill Baptist, Topeka  
Larry Brock, Alta Vista, St. Paul's Lutheran  
Thomas True, Topeka  
Rick Anderson, Teacher, Lansing  
Dick Brock, Insurance Department

Others attending: See attached list

**HEARING ON HB 2996: Driver improvement course for certain traffic infractions, dismissal**

Dale Sprague, attorney from McPherson and former legislator, presented testimony in favor of the bill which would allow good drivers with a minor traffic violation to take a driver improvement course to prevent the infraction from becoming part of their driving record (Attachment 1). A similar law has been in place in Texas since 1979 and takes in more than \$1M per year. Systems used in different counties by prosecuting attorneys are arbitrary regarding moving violations. Some forgive, some prosecute, some suggest giving to charities in lieu of fines, some have diversionary options. The four hour classroom program would be taught by certified driver's training teachers and would be self-funded through a \$1 per ticket assessment and a \$20-30 course cost. This would be a standard diversion for prosecutors to suggest with the curriculum being determined by Departments of Education and Insurance. Suggestions for a balloon amendment included allowing out of state motorists to take the course and change the option for taking the course to every two years.

Bill Sneed, State Farm, stated their position was that the most current analysis of these programs indicates that although such courses may decrease slightly the frequency of traffic violations, it does not decrease the frequency of motor vehicle crashes (Attachment 2). States with the program report the dismissal of traffic violations did not indicate any beneficial impact on safety. There is grave concern that such a program will create a system where "safe" drivers will in essence subsidize the "problem" drivers insofar as there would be the elimination of some relevant information which would affect the underwriting process.

Lee Wright, Farmers Group, stated that the masking of MVR's reduces an underwriters ability to properly separate low risk drivers from higher risk drivers (Attachment 3). Good drivers are penalized by having to pay more than they should to subsidize bad drivers who end up paying less than they should. Driving classes

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,  
Room 527-S Statehouse, at 3:30 p.m. on February 23, 1994.

in California have been comedic in nature to entice driver school customers to enroll in theirs. The highest risk drivers group are those 16-25 with 91% of the teenagers attending semester long drivers ed classes.

### **HEARING ON HB 2840: Insurance laws, not applicable to religious publications**

Representative Elaine Wells explained the Christian Brotherhood Newsletter which was started in 1982 and now has 55,000 subscribers with 25,000 newsletters sent each month (Attachment 4). The Newsletter coordinates voluntary contributions from subscriber to subscriber for medical expenses each month. According to the group, over \$2.5 million in medical bills of the subscribers are paid each month. States are divided over whether they can regulate the brotherhood as an insurer and some states have attempted to ban the Newsletter. Nine states have decided not to regulate the brotherhood because it does not fit the definition of insurance which is usually the contractual transfer of risk for a premium. The Brotherhood is requesting legislation excluding them from Kansas insurance laws so they do not have to renegotiate with each new Insurance Commissioner. Rates for belonging are \$50 per month for a single person, \$100 per month for a married couple or single mother, and \$150 per month for a family.

Written testimony was presented by Representative Joann Freeborn (Attachment 5).

J. Michael Sharman, General Council of the Christian Brotherhood Newsletter, said they provided an efficient and organized way for Christians to share medical expenses by the simple means of Christians sending money directly to other Christians who are currently undergoing a financial need due to a medical problem which is not associated with a motor vehicle accident (Attachment 6). There has never been a complaint in their 12 year existence and they request that they be allowed to continue this practice without interference by state government. Eleven months out of the year the subscriber's dues are sent directly to the named individual in the newsletter and one month annually the dues are sent to Headquarters in Barberton, Ohio for administration costs. \$5.00 a year is assessed to each subscriber for legal fees. Subscribers are screened and must be Christians and not use alcohol, drugs, or tobacco. Homosexuals are not allowed as members. Members must attend church regularly, not have been diagnosed with a severe disease or condition within the past year, and their pastor must sign the application. One pre-existing condition is allowed and the application is renewable each year regardless of health. Applications for assistance are screened and validated. There is a \$125,000 cap on awards. Financial assistance is also available in case of death. The members set their own goals each year and a committee makes the selection of those who will receive assistance from the applications or "be published.". Many Amish and Mennonite families subscribe to the Newsletter.

Chris Unruh of Overland Park told of her family's medical expenses totaling more than \$17,000 one year which were paid by fellow subscribers to the Newsletter. Excess funds were returned to the main office for redistribution.

Jon Willard, attorney in Olathe, said the Brotherhood was a faith builder and offers an alternative to health insurance. The money is not declared as income because the expenses balance it out.

Wayne Ova, Faith Baptist Church of Osawatomie, has been in the program for three years. The Brotherhood affords its subscribers to put into practice what the Bible says and the program works as his family had collected \$60,000 for his family's illnesses.

Claude Patterson, Pastor of the First Church of the Nazarene in Leavenworth, has been a subscriber for several years. It works more efficiently than insurance and the cards, letters, and prayers allow Christians to participate in each other's blessings.

Byron Edmonson, a mechanic from Lawrence, said his family had been involved with the Brotherhood since 1991 and his medical needs have been met. The program works well and he asked that the Legislature do nothing that would hinder or interfere with the program.

Jerry Murphree, Pastor of the First Freewill Baptist Church in Topeka, stated that the organization was founded on Biblical principals which are the laws of Christ. The Brotherhood is based on the law of the cross which requires involvements with other's lives and needs and for Christians to have compassion for each other. He is a new subscriber to the Newsletter and has had many friends who have shared and received the benefits and blessings of the program. Mr. Murphree asked that the constitutional rights of the membership not be violated as this is not insurance; the Brotherhood is sacrifice and involvement.

Larry Brock, St. Paul's Lutheran Church in Alta Vista, said it was the one letter he looks forward to getting and is an opportunity to express his love of Christ.

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,  
Room 527-S Statehouse, at 3:30 p.m. on February 23, 1994.

Thomas True related that his wife's brain tumor bills were paid in full by the subscribers. There is no better way to show charity and faith.

Rick Anderson, a teacher of 20 years from Lansing, told of going through five insurance companies in 20 years and all the complications due to having to switch physicians, differences in coverage, companies going bankrupt, extensive paper work, etc. After becoming a subscriber to the Newsletter, he now knows where his money is going and what is being done with it and knows that his medical bills are covered without all the problems involved with insurance.

Dick Brock of the Insurance Department stated there had been no consumer complaints on this group and advised the Committee be very specific about who they were exempting from insurance regulation if they chose to make exceptions.

The meeting adjourned at 5:05 p.m. The next meeting is scheduled for February 24, 1994.

# GUEST LIST

COMMITTEE: House F & A

DATE: 2-22-84

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Mich. Butler	Mich. Butler	State Farm
Lee W. Best	Overland Park	Farmers Ins.
Danielle Nee	Topeka	State Farm
Jim Cornish	Topeka	K. assn P/C
Jr S. Willard	Coshe	Attorney
Mendell Strom	Topeka	AARP - CETF
Dorsey Seilman	Milltown, Mo, Ks	Brotherhood Member
Robert Lutz	Council Grove, Ks	Christian Brotherhood
Debra Lutz	Council Grove, Ks	Christian Brotherhood
Charles Peterson	Leavenworth, K.S.	Christian Brotherhood
Rozann Patterson	Leavenworth, Ks	Christian Brotherhood
Rick Anderson	403 Hithersgreen Dr. Lawrence, Ks 66043	Christian Brotherhood
Jonny Mumpsee	1701 SW HARP PL Topeka, Ks 66611	First Fwk Church
John Hawthorn	5313 Erie St. Coral Gables, OH 44614	Christian B. hood N. d.
Victor Kramer	121 E 8th Lyndon, Ks 66451	Christian Brotherhood
Wayne K. Orr	915 Retan Osawatomie Way	Christian Brotherhood
Dick Brock	Topeka	Fus. Dept
Larry P. Brakenhoff	Box 235 Alta Vista	Christian Brotherhood
Bill Sneed	Topeka	State Farm
Tip L. Hunt	9840 Rights, Overland Park Kansas 66212	CHRISTIAN BROTHERHOOD NEWSLETTER
Kris Unruh	Overland Park, Ks.	CHRISTIAN BROTHERHOOD NEWSLETTER
Dian Prasko	RT 2 Colony, Ks 66015	Christian Brotherhood newsletter
Bry. Elaine Wells		
Byron Edmandson	Lawrence, Ks	Christian Brotherhood Newsletter
St. Michael Sherman	114 N. West St. CULPEPER, VA 22701	"

Thomas True  
Marcus D. Letonok  
Sharol Couch

P.O. Box 521, MITCHELL, KS  
Topeka  
1334 S Topeka Blvd

Christian Z'Hoof  
Christian Brotherhood  
Ks Chiropractic Assn

**H.B. 2996**

**House Financial Institutions and Insurance**  
**Tuesday, February 22, 1994**

**BASIC PREMISES OF BILL**

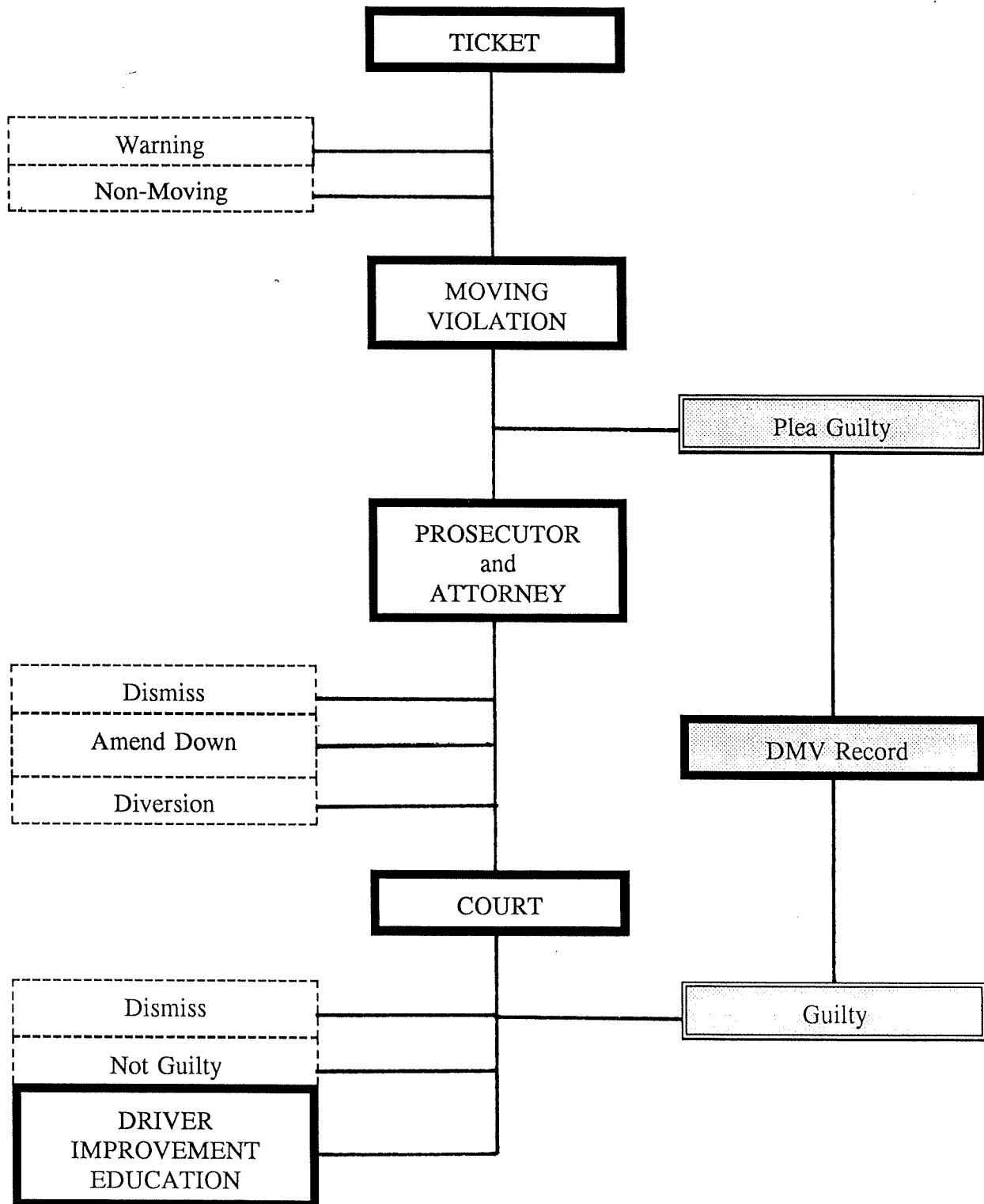
1. Kansas car insurance premiums do not reflect a driver's risk because traffic infraction convictions are based on an arbitrary system and money ability to hire attorneys.
2. Concerned, good drivers should have a mechanism to clear their DMV records.
3. Good public policy encourages quality continuing drivers education classes given by qualified instructors.
4. Good Kansas drivers' insurance rates will be held down.
5. Affordability and availability of car insurance will increase, thereby reducing the number of uninsured motorists.
6. Program modeled after successful programs in other states.

**MECHANISMS OF BILL**

1. Completing an accredited driver improvement course which includes a written test permits otherwise good drivers to prevent a minor traffic infraction from becoming part of their driving records.
2. All Court fines and costs must be paid in full.
3. Major traffic offenses such as DUI or refusal to take a breath alcohol test are excluded from this Bill.
4. Driver improvement courses are only taught by certified drivers education instructors.
5. With proposed amendment, option available only once every two years, and completion of course entered on DMV driving record.
6. Insurance companies cannot raise rates or cancel insurance based on completion of a driver improvement course.

*House FIsA*  
*Attachment 1*  
*2-22-94*

# H.B. 2996: YOUR DRIVING RECORD



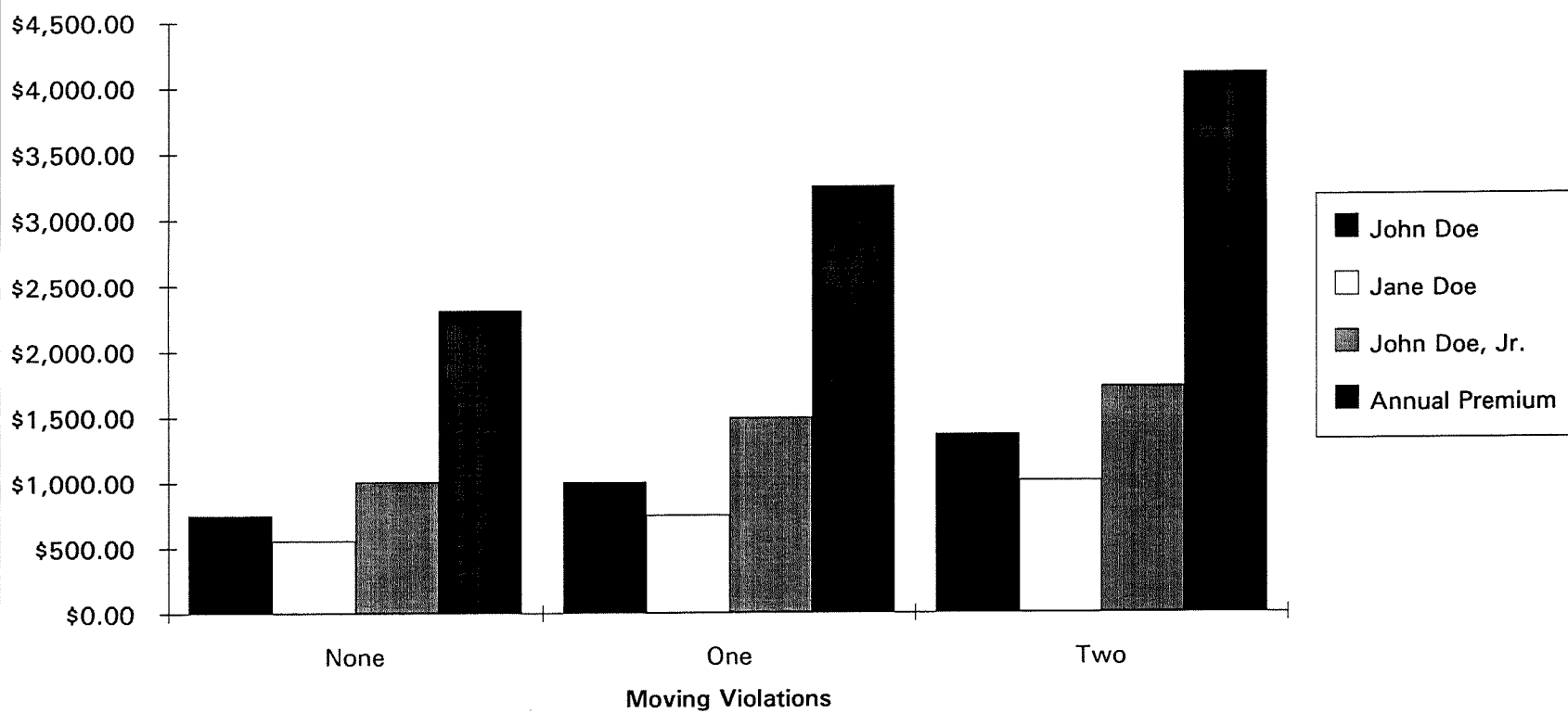
**H.B. 2996**

**Wichita Family  
State Farm Insurance  
Annual Auto Premiums**

<b>Violations</b>	<b>None</b>	<b>One</b>	<b>Two</b>
John Doe	\$748.24	\$1,003.60	\$1,368.16
Jane Doe	\$556.30	\$750.40	\$1,013.68
John Doe, Jr.	\$1,010.98	\$1,496.38	\$1,730.66
<b>Annual Premiums</b>	<b>\$2,315.52</b>	<b>\$3,250.38</b>	<b>\$4,112.50</b>



Wichita Family Annual Auto Premiums



# State Farm auto rates to rise 5.4%

TOPEKA CAPITAL-JOURNAL

TUES. FEB. 22, 1994

P. 142

By LISA M. SODDERS  
The Capital-Journal

**S**tate Farm Mutual will increase its overall auto insurance rate level in Kansas an average of 5.4 percent as of March 15.

At the same time, the insurance company will start giving 5 percent larger discounts to its accident-free customers in Kansas.

Larry Bryan, supervisor of the automobile section for the State Insurance Commissioner's office, called the rate increase more than reasonable.

"Their trended experience for

## State Farm to raise auto rates

Continued from page 1-A

State Farm Mutual Insurance represented a need of a 9.8 percent increase, but to be competitive, in the state of Kansas, with the rest of the companies that they consider competition, they only requested a 5.4 percent increase," Bryan said. The insurance commissioner approved that 5.4 percent jump.

State Farm, the largest passenger auto insurer in Kansas and the nation, had its last raised rates Nov. 1, 1992, Bryan said.

Most of the rate increase will come in liability, personal injury protection and uninsured motor vehicle coverages, according to State Farm.

Comprehensive coverage rates will see little change, while automobile collision coverage rates generally are being reduced.

Bryan said he would expect most companies to see a significant change in comprehensive coverage because of the state's bad weather.

According to State Farm, insurance rates are going up primarily to cover increasing health-care costs.

As a result of these jumps, the company's average annual claim cost per car for bodily injury liability in Kansas rose 24.1 percent in the past two years, while it went up 13.5

percent for personal injury protection.

David Hegarty, territorial underwriting manager for Allstate Insurance Company, Overland Park, said most insurance companies are seeing similar increases in those areas. Allstate hasn't filed for a rate increase, and it probably won't, he said.

But Bill Riedley, regional underwriting manager for Farmers Insurance Company Inc., based in Overland Park, said Farmers probably will file for a rate increase within the next six months, for basically the same reasons as State Farm.

Although Riedley couldn't provide specific numbers, he said the rate jump will be small and will come with increased discounts for policy holders in good standing.

The biggest losses for Farmers have been in property damage liability, bodily injury, personal injury protection and uninsured motorist coverage, Riedley said. Farmers cited increased attorney involvement as contributing to rising claim costs.

Under the new State Farm discount plan, policies that have been in force at least three years without a chargeable accident will be eligible for a 10 percent discount in place of the current 5 percent discount.

For policies that have been accident-free at least six years, discounts will go from the current 10 percent to 15 percent. Customers whose policies have been accident-free at least nine years will continue to get their discounts, even after their first accident.

The discounts apply to premiums for liability, medical payments and collision coverage.

## MEMORANDUM

TO: The Honorable Bill Bryant, Chairman  
House Financial Institutions and Insurance Committee

FROM: William W. Sneed  
Legislative Counsel  
The State Farm Insurance Companies

DATE: February 22, 1994

RE: H.B. 2996

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Mr. Chairman, Members of the Committee: My name is Bill Sneed and I am legislative counsel for The State Farm Insurance Companies. Please accept this memorandum as our testimony concerning H.B. 2996.

As stated by the proponents of the bill, H.B. 2996 would allow an individual charged with a "traffic offense" as defined by the bill to have a right to attend or to participate in a driver improvement course. Upon successful completion of this course, the traffic offense would be dismissed and neither the charge of the traffic offense nor the fact that the person participated in a driver improvement course shall be included in that person's driving record.

The underwriting process for any insurance company is a substantial factor in that company's ability to market an automobile insurance product at a competitive price while maintaining financial stability. In order to continue an effective underwriting program, the insurer must preserve its right to place applicants and insureds in groups according to the probability of accident involvement. This necessarily involves the freedom of the insurer to exclude certain individuals and classes of high-risk drivers, both as new

*Wm W Sneed*  
*Attachment 2*  
*2-22-94*

writings and renewals, from its preferred rate levels. Essential elements of a successful underwriting program are access to relevant data and the freedom to act upon that data in a reasonable manner. Thus, we oppose any proposal which would curtail our access to complete, accurate and relevant information about insurance risks.

In regard to driver improvement courses, it is our position that the most current analysis of these programs indicates that although such courses may decrease slightly the frequency of traffic violations, it does not decrease the frequency of motor vehicle crashes. Consequently, reliance on such courses to reduce highway losses is unwarranted. Most recently, the state of North Carolina established the defensive driving - citation dismissal task force, and in 1991 reported the North Carolina legislature that the essence of the task force findings was that the establishment of such a state-wide program was undesirable and that reliance on such a program was unwarranted.

A similar program was under review in the state of California, and the Department of Motor Vehicles for the state of California, in its report to the legislature under date of November, 1991, stated, "The results support the conclusion that the citation dismissal policy for drivers who attend a traffic violator's school has no beneficial impact on traffic safety." The report went on to further state that the use of such a program as "an additional court sanction" may represent sound policy; however, the dismissal of traffic violations did not indicate any beneficial impact on safety.

As stated earlier, it is our position that insurance companies need all relevant information so that an appropriate underwriting procedure may be undertaken. By

eliminating any relevant information you run the risk of skewing the underwriting process, thus skewing the pricing of the insurance product. Further, based upon our review of the record, we do not believe such courses are actuarially justified, and further, many studies indicate that the courses do not actually provide the needed relief that the proponents of such a bill foresee. Finally, there is grave concern that such a program will create a system where "safe" drivers will in essence subsidize the "problem" drivers insofar as there would be the elimination of some relevant information which would affect the underwriting process.

Based upon the foregoing, we would request that the Committee act unfavorably on H.B. 2996. We would be happy to answer any questions at your convenience.

Respectfully submitted,



William W. Sneed

## HOUSE BILL 2996

### HOUSE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE

FEBRUARY 22, 1994

*Testimony by Lee Wright  
The Farmers Insurance Group of Companies*

Thank you Mr. Chairman and members of the Committee. My name is Lee Wright and I represent the Farmers Insurance Group of Companies. We appreciate this opportunity to appear in **opposition to HB 2996**.

While I am not clear on why this bill was requested and its true purpose, I am certain of what our experience has been in two other states with similar legislation, Texas and California.

Farmers is the second largest writer of private passenger auto insurance in both Texas and California. In Texas, Motor Vehicle Records (MVR's) have been rendered almost useless to insurers because of their defensive driving course laws. The "masking" of MVR's reduces an underwriters ability to properly separate low risk drivers from higher risk drivers.

The consequences of masking are that responsible good drivers are penalized by having to pay more than they should to subsidize bad drivers who end up paying less than they should.

*James F. D. D.*  
*Attachment 3*  
*2-22-94*

would think any responsible Kansas driver with a good driving record who currently enjoys a preferred insurance rate would be outraged at the prospect of paying increased auto rates to subsidize the experience of bad drivers who, under HB 2996, would be legally able to mask their true driving record.

Some would argue you should not have auto premiums increased just because of a single moving traffic violation. We agree, and we do not take underwriting action due to a single violation. Insurance companies look for trends to properly underwrite.

From our experience in California and Texas, we are also concerned with the type and quality of driver improvement courses which might spring up in Kansas.

The first years after the California law became effective those attending driving classes complained of them being boring. As a result, a new competitive market opened for private vendors. Their efforts to entice driver school customers gave birth to comedy driving courses.

Some of my favorite California driver course names include:

- \* "Comedy For Less - No Work - No Test"
- \* "Humor's My Name - Traffics My Game"
- \* "Pizza For You - Comedians 2"
- \* "Whee-L Make U Laff Great Comedians"
- \* "Lettuce Amuse You Comedy Schools, Inc."
- \* "Pizza School - Low on Dough"
- \* "California Jammin Traffic School"
- \* "Comedy For You - A Certificate Too"

have a copy of the complete California list if anyone is interested.

Farmers Insurance Group also questions whether these driver improvement courses are a significant help in making safer drivers.

For example, the highest risk drivers group are those age 16 to 25 with teenage drivers being of particular concern. Yet 91% of these teenage drivers attending public schools take a semester long drivers education course prior to obtaining their license. This is according to the Kansas State Board of Education.

Obviously there is much more involved in becoming a safe driver than classroom training. We would contend an individual's maturity, and the acceptance of responsibility for one's actions are key safe driver characteristics not learned in any 4 hour class session.

In conclusion, HB 2996 will have an adverse impact on the auto rates of the safe drivers in our state. We would also remind the committee, Kansas currently ranks as the 46th lowest in auto premium rates while Texas ranks only 14th and California 8th.

We would respectfully encourage the committee to oppose passage of HB 2996.

That concludes my remarks and I would be happy to answer questions.



STATE OF KANSAS

ELAINE L. WELLS  
REPRESENTATIVE, FIFTY-NINTH DISTRICT  
OSAGE AND NORTH LYON COUNTIES  
R.R. 1, BOX 166  
CARBONDALE, KANSAS 66414  
(913) 665-7740

STATE CAPITOL  
RM. 182-W  
TOPEKA, KS 66612-1504  
(913) 296-7637



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
VICE-CHAIR: GOVERNMENT ORGANIZATION  
AND ELECTIONS  
MEMBER: PUBLIC HEALTH AND WELFARE  
JUDICIARY

TESTIMONY ON H.B. 2840

INSURANCE LAWS, NOT APPLICABLE TO RELIGIOUS PUBLICATIONS

Thank you Mr. Chairman for the hearing on this bill and for my opportunity to testify on it.

Attached is a letter from Jerry Kramer, one of my constituents, who requested that I introduce this legislation. He and his family are members of the Christian Brotherhood Newsletter.

The Christian Brotherhood Newsletter was started in 1982. Attached is a page describing how it began. The founder, a Christian minister who experienced tragedy in his family started the newsletter with 212 subscribers. Today there are over 25,000 newsletter sent each month with over 55,000 subscribers covered.

The Christian Brotherhood Newsletter coordinates voluntary contributions from subscriber to subscriber for medical expenses each month. According to the group, over \$2.5 million medical bills of the subscribers are paid each month.

The reason a bill request was made is because some states, (Delaware, Maryland, North Dakota, Washington, Arkansas) have attempted to ban the newsletter.

States are divided over whether they can regulate the brotherhood as an insurer. Those states that banned or attempted to, did so on the grounds that its newsletter, description of benefits and promotional materials constitute an implied insurance contract. Nine states have decided not to regulated the brotherhood because it does not fit the definition of insurance, which is usually the contractual transfer of risk for a premium. (ATTACHED ARE ARTICLES)

In Kentucky a judge ruled that it could not be regulated as insurance simply because it coordinates payments among Christians who pay for one another's bills.

*Elaine L. Wells*

*Attachment 4*

*3-22-94*

Because of the costly effort to fight court battles, and regulators, the organization is asking for support in states for legislation to allow the Newsletter to continue without regulation. Pennsylvania passed legislation such as this bill to protect the brotherhood, following the state's insurance department's attempt to regulate it. After Kentucky's circuit court judge made his ruling, it was passed by the legislature. And in Maryland, when the Insurance Commission sued the organization, a judge denied the state's motion for a summary judgement. (SEE ATTACHMENTS)

Kansas was one of nine states who reviewed the program and determined that it was not transacting the business of insurance in our state. A copy of a letter written by Fletcher Bell in 1989 is attached. To ensure that decision remains intact the brotherhood is asking for this legislation excluding them from our insurance laws. Each time the insurance commissioner is up for election they do not want to worry that the decision made by Commissioner Bell will be change. Having a statute which excludes them will avoid costly court battles, as they have experienced in other states.

To explain briefly how the newsletter works: subscribers send a completed application to the office in Ohio, (copy attached). Each month they are sent the newsletter filled with needs of other subscribers. A voluntary amount of \$50 single, \$100 a couple, and \$150 family is sent to the choice of the subscriber. There are no reserves, because the money is sent directly to the one in need. One month each year the subscriber sends the amount to the office in Ohio to cover administrative expenses.

There are over 500 families who subscribe to the newsletter in Kansas. Over ten families in my district are among them. Many in the Brotherhood would have like to have been here for support of this legislation including those in Ohio. But their schedules did not permit. (SEE ATTACHMENTS)

After watching a video, listening to a tape, and reading the literature, I wonder if their approach of covering medical expenses is better than our welfare system, and government involvement in insurance. It brings back the philosophy of the church helping those in need. Maybe if we all participated, there would not be a need for health care reform.

Again, thank you, Mr. Chairman, and I would be happy to respond to questions.

JERRY KRAMER



PHOTOGRAPHER

# Kramer Photos

BOX 87 118 S. MAIN  
MELVERN, KANSAS 66510  
(913) 549-3546

January 28, 1993

For  
703-829-0619 828-3220

Dear Elaine,

Greetings! Congratulations on your re-election.

I am writing you regarding a Health Care Group to which I belong. It is called the Christian Brotherhood Newsletter. It is not an insurance company. It is merely a group of Christians who share with other members of the group when a medical need arises. There are currently over 40,000 families across the country who belong, with approximately \$2,000,000.00 per month paid for medical expenses.

Currently, there are several states who are trying to make it illegal for us to continue to operate, and we have had to spend tens of thousands of dollars in attorney fees to defend our right to participate in this ministry.

We have been advised that the best and final solution to the problem is to seek legislative relief. To accomplish this we need legislators to draft legislation which establish the fact that our program is not one of insurance and should be permitted to operate in the state without interference from state regulators.

I am enclosing a bill that has been enacted in Kentucky to protect the right of subscribers in that state. My brother-in-law Delbert Scott, a State Rep in Missouri, has had dealings in his state regarding this matter and would be a good source for any questions you might have, or you can call the attorney for the Brotherhood, Mike Sharman at 703-825-9600.

Home  
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644-  
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Our new president has plans to implement a national health care program. I am not sure exactly how it will work, but unless some exemption is made for our program, we will all be forced to participate in a program that we might consider unsatisfactory. We would much rather have a choice.

Elaine, thanks for any work you can do for this. Also, thanks for the great job you do representing the 59th District.

Sincerely,

*Jerry C. Kramer*  
Jerry C. Kramer

4-3

## **Bruce E. Hawthorn**

Bruce E. Hawthorn, founder, director, and President of the Christian Brotherhood Newsletter and the Barberton Rescue Mission, was born April 8, 1941, in Chippewa, Ohio, to George and Madalyn Hawthorn. The youngest of four children, Bruce showed an early interest in becoming a minister by beginning his public speaking career at age 13. He graduated from Millersburg (OH) High School in 1959, and attended pastoral training at Salem Bible College, Salem, Ohio. He was ordained to the ministry at 18 years of age.

At age 20, Bruce felt God's call to begin a ministry to alcoholics. He founded the Barberton Rescue Mission, a rehabilitation and housing center for alcoholics and drug addicts in 1960. The mission was first located in downtown Akron, Ohio, and then expanded to rural Clinton, Ohio, on a 13 acre plot with 13 buildings. The mission has housed over 30,000 men and women in its 30 year history, accommodating 60 to 70 fully housed and fed alcoholics at any one time, free of charge to the recipient.

In 1980 a series of adverse events in Bruce's life led to the founding of the Christian Brotherhood Newsletter. In one week his four year old daughter broke her arm, his 16 year old daughter wrecked the car, his 7 year old son had appendicitis, which resulted in peritonitis, and his 14 year old son had an accident at school where he cracked his cheek bone and damaged his eye. These events convinced him that a program of Christians praying for and financially supporting other Christians in crisis was needed. After collecting the names of interested people for over a year, the Newsletter published its first need in April, 1982. At present, the Newsletter publishes qualifying medical needs of Christians, allowing other subscribers to contribute directly to the subscriber in need. The Newsletter publishes over \$2.2 million of medical needs each month, employs 60 workers, and is housed in a three-story former school building in Barberton, Ohio.

In 1981 a tragic auto accident took the life of his wife, Phyllis, and his youngest daughter, Elizabeth. The surviving children, Lisa, Thomas, and Ellsworth, were seriously injured. These events gave Bruce renewed determination that such a program as the Christian Brotherhood Newsletter was greatly needed. Bruce later married the former Marlene Bellis of Salem, Ohio. They have one child, Melissa.

Bruce is much in demand as a speaker. He has spoken in all fifty states and in many foreign countries to over a million people in multitudes of churches, camps, conferences and conventions.

# National Report

The New York Times

## Christian Group Criticized As Unsound Insurance Plan

By MICHAEL deCOURCY HINDS

Special to The New York Times

BARBERTON, Ohio — Two white adillacs are parked in front of the inverted schoolhouse occupied by the Christian Brotherhood Newsletter, a not-for-profit charity, in this small city west of Akron. Inside, two cooks are preparing a free lunch for the brotherhood's 60 employees.

The employees, nearly all related to Bruce E. Hawthorn, who founded the brotherhood, eat breakfast and lunch in private dining room, visit their children in the cheerful nursery and, after work, exercise in the gymnasium.

But the brotherhood's days of prosperity may be numbered. Officials in eight states say the organization is illegally operating an unlicensed health- and life-insurance business. Delaware, Maryland, North Dakota, Washington and Wisconsin have banned the brotherhood, and Arkansas, Iowa, Pennsylvania are officially considering bans.

The Christian Brotherhood Newsletter began as a monthly publication designed to help its fundamentalist Christian subscribers share financial burdens, a quasi-insurance system based not on a contract but on what they call a mutual trust in providence.

### Computerized Postcards

The idea was simple: People would pay a monthly fee to subscribe to the newsletter, and in return, when they were in need, the newsletter would publish their medical expenses of up to \$1 million per illness, or up to \$50,000 as death benefit, bringing reimbursements from other subscribers' monthly fees.

The system is more formalized now. Eleven months of the year, subscribers receive a computer-generated postcard, which has all but superseded the published newsletter, directing them to send their monthly fee to a particular person in need. The subscriber whose expenses are being paid receives a list of those expected to contribute and reports back to the brotherhood if the money is not received.

In the 12th month, subscribers send their fees of some \$2.2 million to the brotherhood to cover administrative expenses. The brotherhood also asks subscribers to pay some expenses directly. In the June newsletter, for example, the brotherhood asked a group of subscribers to send \$5 checks to its lawyer.

The brotherhood has 23,000 subscribers, up from 2,400 in January 1989. Regardless of age or health, monthly fees are \$50 for an individual, \$100 for a couple and \$150 for a family of any size. The brotherhood does not accept homosexuals, people who smoke or drink alcohol, unwed mothers, women seeking abortions or people who do not regularly attend a Christian church.

Some insurance regulators say the brotherhood is likely to collapse soon, since it has no reserve fund for unexpected losses or for paying off pending claims — valued, by one estimate, at \$10 million by the State of Delaware — should the operation fail.

"In their eyes, the brotherhood is fulfilling God's work, but Jesus isn't an underwriter," said Roger H. Needham, a spokesman for the Delaware Department of Insurance and a certified public accountant who restructures failing insurers. "These guys are not bad guys, they just don't know what they are doing."

John Hawthorn, 56, the older brother of the founder and a vice president of the operation, conceded that the brotherhood could collapse.

"If it's true, what critics are saying, we could be in financial trouble," Mr. Hawthorn said. "But it won't be their predictions that will cause it to collapse, it will be God saying that its mission has ended."

Mr. Hawthorn acknowledged that the brotherhood had dropped its practice of assuring subscribers that their needs would be met, but he could not recall precisely when.

### Need for Constant Growth

According to Mr. Needham, the brotherhood program is analogous to a Ponzi scheme, requiring a constant flow of new investors to pay off those who joined the scheme earlier.

Under pressure from regulators, the Christian Brotherhood Newsletter recently discontinued a successful marketing program. Should it stop growing altogether, it would have to increase subscription fees significantly, Mr. Needham said. As fees reached the levels of conventional insurance, younger and healthier people would be likely to drop their subscriptions and buy traditional insurance, leaving behind a pool of subscribers whose needs would go increasingly unmet.

States are divided over whether they can regulate the brotherhood as an insurer. Five states have banned it on the ground that its newsletter, description of benefits and promotional materials constitute an implied insurance contract.

But this month, Kentucky joined nine other states, including New York and New Jersey, in deciding not to regulate the brotherhood because it does not fit the states' definition of insurance, which is usually the contractual transfer of risk for a premium.

The group denies that it sells insurance and asserts that it is accountable to no one but God. "The Bible has been teaching the concept of helping each other for centuries, and we're helping Christians do that efficiently with computers," said Mr. Hawthorn, the brotherhood's 52-year-old founder.

### Praise From Subscribers

Some subscribers, including Carl Varadin, a janitor in Hannibal, Mo., and his wife, Joan, a restaurant cashier, say the brotherhood has been a blessing. They heard about the program last year while listening to a talk show on a Christian radio station, and sent away for the program's 12-page guidelines, which read much like an insurance policy, describing "qualifying medical needs" and a variety of



David Murray Jr. for The New York Times

"I thought after some very serious thought that Clinton ought to know about this plan," Joshua Massaro, a general contractor in Hoschton, Ga.,

said of the Christian Brotherhood Newsletter. The publication was designed to help its subscribers share the financial burdens of health-care costs.

## Paying others' bills for a promise to help later.

exclusions, including some "pre-existing conditions" and illnesses that occur during a subscriber's first three months.

In return for a monthly "unit subscription" fee of \$150, the Varadins were assured that, should they or their two sons get sick or die before age 65, the brotherhood would publish their medical bills of up to \$100,000 each, minus a \$200 deductible, and death needs of up to \$50,000 each.

After making some inquiries with friends and local hospitals familiar with the brotherhood, the Varadins dropped their conventional health insurance policy, which had cost \$500 a month.

Last November, Mr. Varadin, 53, was hospitalized with pneumonia and the next month Mrs. Varadin, 50, had a heart attack. They submitted their medical bills, totaling \$69,652 after a \$200 deductible. As required by the brotherhood, they also submitted a signed statement from their pastor, affirming that, to the best of his knowledge, the Varadins complied with the guidelines by attending church regularly, and not smoking, drinking or practicing a homosexual life style.

### 'A Whole Network'

Apart from this pastoral confirmation, the brotherhood operates on the

honor system, without claims investigators or physical examinations.

The brotherhood reviewed the Varadins' bills, and in March, sent postcards to nearly 800 subscribers, asking them to send letters of encouragement, prayers and their monthly subscription to the Varadins. The postcards, generated by the group's computer and automated mailing system, have replaced the original newsletter that had performed the same function. What remains of the newsletter are a few "prayer pages," with brief descriptions of needy people not covered by the regular programs, including people who have been dropped from the program or failed to make the monthly subscription gift, even after two reminders.

"We got all but a couple hundred dollars of the \$69,652 bill," said Mr. Varadin. Many people also sent letters wishing them well, and some called to say that their church congregation was praying for the Varadins. "It was like a whole network of caring people," Mrs. Varadin said.

In interviews with nearly a dozen subscribers, all spoke about the Christian Brotherhood Newsletter as an insurance program.

### Disclaimers and Optimism

Indeed, Joshua Massaro, 63, a general contractor in Hoschton, Ga., said that the program should be a model for national health insurance. "I thought after some very serious thought that Clinton ought to know about this plan," Mr. Massaro said. He said the sub-

scription includes his wife, Carolin and costs \$100 a month, \$200 a month less than he was planning to pay for Blue Cross plan with a \$5,000 deductible.

Mr. Massaro signed up last September and had a heart attack in January. In April, other subscribers began sending him checks totaling \$30,700 to cover his hospital bills.

The brotherhood's promotional material mixes blunt disclaimers with optimistic statements. A 1992 brochure addressing prospective subscriber states: "It is very important that you realize that the Brotherhood Newsletter is not an insurance company. It is not-for-profit ministry which simply puts Christians in need with those who are willing to share. Even though the Christian Brotherhood has operated flawlessly for almost 10 years, there are no guarantees by Christian Brotherhood Newsletter that the member will continue their faithfulness."

But other promotional material distributed by a marketing agent last year, refer to the Christian Brotherhood Newsletter as "insurance program" and assert: "The CBN plan was designed to be as secure as an insurance company."

Insurance regulators say they have not received any complaints about the brotherhood, which has coordinate about \$14 million in subscription payments this year alone. But they are surprised.

"I've seen a number of insurance companies come and go," said Mr. Needham of Delaware, "and they always look good right until the end said Mr. Needham."

Copy

# Pace

Saturday, July 11, 1992

Section E

RECEIVED

THE NEWS JOURNAL

DEAR ABBY

COMICS

## Delaware opposes Christian 'insurance' plan

By RHONDA B. GRAHAM  
Staff reporter

In the home of John and Lois Mast last October, a midwife delivered the couple's third child — a son named Jedediah.

Three months later, the \$1,460 the couple had paid the midwife in advance was reimbursed by Christian strangers.

"It was so neat they didn't know us. They sent us cards, they mentioned the baby's name. That's the beautiful part of it, people are sharing because they want to," says Lois Mast.

The Mast family, who are Mennonites, had relied on the Christian Brotherhood Newsletter, a network of Christians who help pay members' medical costs.

"We believe that welfare is the job of

the church, not the government," says CBN's founder, the Rev. Bruce Hawthorn.

But what CBN calls welfare, the state

**The Rev. Bruce Hawthorn  
says CBN has 14,000  
newsletter subscribers and an  
estimated 33,000 members.**

of Delaware calls insurance — the kind that promises too much and may ultimately deliver too little.

In April, state Insurance Commissioner David N. Levinson ordered the company to stop operating in Delaware.

Hawthorn says CBN has 14,000 newsletter subscribers and an estimated 33,000 members, who pay about \$1.4 million a month in medical costs for each other.

Hawthorn said Delaware is the first state to have issued a cease-and-desist order. But CBN has stopped sending the newsletter to homes in Wisconsin because that state has questioned its operations, and the state of Washington expects to issue a ruling by Labor Day.

The 10-year-old monthly newsletter publishes the names of members who have medical bills exceeding \$200. Members make donations ranging from \$50 to \$150 to a specific member each month, until the need is met or another member is assigned them, Hawthorn says.

If a subscriber has not sent a check after three reminders, that portion of the

bill is assigned to another subscriber.

Since Levinson issued his order, 10 Delaware churches have taken up CBN's cause. Members give to their congregation's benevolence fund and the church donates to the CBN member in need.

Since January, two Delaware families have had their bills paid in full by the CBN plan — the Masts in Milford and the Rev. Everett and Catherine Isaacs of Houston, who had a claim for \$8,293.

Both families see their participation as Christian duty, not as involvement in an insurance plan. "I think it's one of what George Bush calls a thousand points of light that the state commissioner would like to put out," says Everett Isaacs, who had prostate surgery this year.

"They don't guarantee the payments, they just list the need. It's interesting

how the money always comes through," said Isaacs, pastor of the non-denominational Pilgrim Chapel in Harrington.

According to evidence submitted at a state hearing last October, none of CBN members' claims have gone unpaid. But the hearing officer, former state Supreme Court Justice William Duffy, said, "What is past is not necessarily prologue."

Duffy ruled that the CBN application process implies a contract, and that its operation is like that of an insurance company.

One thing that concerned Levinson's office was the CBN requirement that members wait 90 days before their bills can be paid. Hawthorn says this is to make sure all bills have come in.

See DELAWARE — E3

## Delaware: 'Insurance' opposed

FROM PAGE E1

"It's an illusion of coverage. They are not dishonest people. They are not crooks, they are simply trying to do good, but sometimes when you are trying to do good you can do tremendous harm," says Catherine Mulholland, director of company regulation for the insurance commissioner's office. "From an actuarial viewpoint it's not sound. It's worse than pay as you go — you are getting \$1 in and paying claims that were incurred three or four months ago," she said.

Mulholland asked five insurance companies to price the benefits being offered by CBN. Two responded, saying they thought CBN was underpriced — not enough money comes in to provide the benefit being offered.

Hawthorn believes the companies saw CBN as competition and therefore had a vested interest in portraying the network in a bad actuarial light.

"Our concern is solvency. I needed to know whether they could provide the benefit for the price quoted," Mulholland said.

"To me that was very prejudicial on the part of our insurance commissioner's office," says Stanley Livingston, staff administrator of Branch, Valley Baptist Church, Talleyville.

The church relies on CBN to help pay the costs of one of its staff members, because adding another employee to the church's regular medical policy would have cost too much.

### To our readers

News of special religious events must be submitted in writing for the Saturday religion page, preferably on the letterhead of the sponsor.

The information must be received by Monday, five days before publication. Include the time, date, place and address of the event, along with a daytime telephone number for a contact person. Send items to: Religion Page, The News Journal, Box 15505, Wilmington 19850.



## Sports

**Deafness is no  
barrier for  
Senators' Pride**  
—Page C1



## Perspective

**Baseball and  
radio: A natural  
double play**  
—Page D1



STATE

4-7

# Sunday Patriot-News

Volume 44 — No. 38

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Price \$1.50 Suggested newsstand, store, vending  
machine or carrier delivery.

### ■ HEALTH CARE

## Christian newsletter helps pay the bills

**State sees group  
as illegal insurer**

By George Weigel  
Patriot-News

David and Cindy Mott of York pay their family's medical bills by going to the mailbox and looking for checks from strangers.

They have no health insurance. They dropped it last year when premiums hit \$450 a month.

But the Motts fully expect money to come rolling in whenever they need it. They are part of a

### Inside

• How the newsletter  
works—Back Page

network of 50,000 people who believe they've found an answer to the health-care cost crisis that has baffled so many politicians.

It's called the Christian Brotherhood Newsletter. This nationwide newsletter, started by a pastor in Barberton, Ohio, links the names of people in need with people who can help.

Each month, each subscriber gets the name of a person or family to whom he is expected to send a \$50 gift. In return, subscribers can expect other subscribers to send them \$50 gifts when they need help paying medical bills.

The catch, if you call it that, is that all subscribers must be church-going, pastor-certified Christians.

"It's almost as if this is one big church and everyone is dropping \$50 in the offering plate to go toward medical bills," says Daniel Hoover, a Dillsburg subscriber.

But this tale of brother helping brother doesn't end there.

The state Insurance Department wants to put a stop to the idea.

It claims the Christian Brotherhood Newsletter is actually a form of unlawful insurance. It contends the plan is putting the Motts, the Hoovers, and an estimated 6,000 to 7,000 other subscribers in Pennsylvania at "grave risk."

An April 28 department complaint charges that the newsletter has insufficient reserves to pay claims, is counting on current payments to pay past needs, and is "operating in a financially haz-

See LETTER — Back Page

# State: Christian group is insurer

LETTER — From Page A1

ardous condition."

"These people are really gambling," warns Insurance Department spokeswoman Leslie Osborn. "There's no guarantee this setup is going to be around tomorrow. If it shuts down, these people are going to be left holding the bag."

But the network's members trust in their fellow subscribers.

"It works," says David Mott, whose family has been on the receiving end of gifts twice since December, when his fourth child, Samuel, was born with a breathing disorder. "The whole thing depends on the character of Christian people."

"That's what attracted me — dealing with fellow Christians," says Hoover, a semi-retired former pastor and English teacher who now works as a handyman. "They may not be saints, but they have higher morals than most people."

If a licensed insurer folds, claims are paid from one of three guaranty funds financed by the insurance industry as a whole.

"The danger here is that this plan is not protected by any of the guaranty funds," Osborn says.

She says the department is particularly concerned because people are dropping licensed coverage to use the newsletter plan.

The newsletter publishers argue their system is not insurance at all.

"We say 31 times in our literature, 'This is not insurance,'" says John Hawthorn, a vice president for the newsletter. "For it to be insurance, there has to be a promise to pay and an assumption of risk. We do neither."

He says the newsletter merely passes along names. It's up to subscribers to send money.

The only money the newsletter collects is one payment of \$50 per participating subscriber (up to \$150 per family) each year to cover printing, mailing and administration expenses.

Page 1 of the newsletter's policy manual makes it clear there's no guarantee subscribers will ever get a penny and that there's no obligation for subscribers to send money to those in need.

"How many insurers do you know that begin their contract by saying, 'This is not a contract and you may never get paid a penny'?" Hawthorn asks.

Hawthorn is the brother of Bruce Hawthorn, the pastor who

## How the newsletter works

Subscription is limited to people who are "Christian by Biblical principles," attend church three of every four weeks (as certified by their pastor), and "abstain from alcohol, tobacco, illegal drugs, and a homosexual lifestyle."

Subscribers are assigned names each month of people who need help paying medical bills. The subscribers are expected to send \$50 per each covered member in their household, up to \$150 per family. That money goes directly to the person or family in need.

A needy subscriber sends copies of the medical bills to the newsletter office along with a pastor's certification that the

bills are authentic. If the need qualifies based on payment rules all subscribers vote on each year, the need is assigned to enough subscribers so that their \$50 payments will add up to cover the bills.

If some assigned subscribers fail to pay, the subscriber in need notifies the office, which then sends a reminder. If the subscriber still doesn't pay, the need is assigned to other subscribers, and the non-paying subscriber can drop out or go in an "optional" group. Their names won't be assigned, but will be published in case others wish to send money.

— George Weigel

founded the newsletter.

Bruce Hawthorn got the idea after his wife and 4-year-old daughter were killed in an accident in 1981, and he ended up with \$54,000 in hospital bills. That need was printed in his rescue mission's newsletter, and within 45 days, enough money came in to take care of the bills.

The Insurance Department's Osborn says the Hawthorns may not be calling the newsletter's program insurance, but if it looks like insurance, acts like insurance, and is sold as insurance, it is insurance.

"People are clearly buying it as insurance," she says.

Osborn admits no subscribers have complained about the plan, but she adds that's not unusual so long as an unlicensed plan is still operating.

She points to the growing number of unlicensed insurers that are cropping up lately to give a lower-cost alternative to companies and individuals who can't afford licensed coverage.

Two of them — Atlantic Healthcare Benefits Trust and United Healthcare Benefits Trust — shut down earlier this year, leaving state subscribers with unpaid claims, Osborn said.

"By law, we're mandated to protect consumers," she said. "We've tried to help the newsletter comply with our rules but we failed. . . . I'm afraid these subscribers are going to be in for a rude awakening if something happens."

The department's complaint advises the newsletter publishers to show why the department should not ban the publication and levy fines that could amount to \$1,000 per Pennsylvania subscriber. A hearing date has not yet been set.

The newsletter plans to fight the action.

The program also has run into legal problems in Washington, Delaware, Wisconsin, North Dakota, and Maryland, although Hawthorn says about two dozen other states have looked at the system and taken no action against it.

Newsletter Vice President Ron Beers equates the program to the Amish practice of banding together to rebuild a neighbor's burned-down barn.

"Who's to tell us who we can give money to?" he asks. "That's not the state's business."

Mott agrees.

"I never have considered this insurance," he says. "It's just an organized way of helping one another. The money leaves my checkbook and goes directly into another person's checkbook. There's nothing off the top."

"It would seem to me," says Hoover, "that at a time when many perceive that we are in the midst of a health-care crisis, the state would applaud a group that has found a unique way to solve the problem."

"We do not need a 'reserve.' We simply depend on the goodwill of like-minded Christians."



**CHRISTIAN BROTHERHOOD NEWSLETTER**  
**127 HAZELWOOD AVE, BARBERTON, OH 44203**

**DALE E. BELLIS, PUBLIC RELATIONS : 216-848-9477**

**FOR IMMEDIATE RELEASE FOR June 23, 1993**

**VIA PR NEWSWIRE US1**

**Pennsylvania House of Representatives Passes Bill Supporting the Christian Brotherhood Newsletter**

A Newsletter that coordinates voluntary contributions from subscriber to subscriber for medical expenses should be made exempt from insurance regulations according to a bill passed by the Pennsylvania State House of Representatives on June 23, 1993. The bill passed by a substantial margin of 124 to 77. The Christian Brotherhood Newsletter, administered by Rev. Bruce Hawthorn in Barberton, Ohio, prompted the introduction of the bill. The Newsletter lists medical expenses each month and suggests that other subscribers send donations directly to the subscriber in need on a voluntary basis.

Although no complaint had ever been filed against the Christian Brotherhood Newsletter by a subscriber in its entire 11 year history, the Pennsylvania State Insurance Commissioner took action against the Newsletter in April 1993, issuing an order to show cause on the grounds that the Newsletter was an unauthorized insurer. After extensive negotiations, a regulatory impasse was reached between the Christian Brotherhood Newsletter and the Office of Insurance Commissioner. The Newsletter subscribers appealed to their legislators for a clarification that they are exempt from insurance regulations. The Newsletter is a voluntary, benevolence program that makes no promise to pay and publishes the needs of Christians and creates a way for other Christians to help out if they choose to do so.

Primary House Sponsor of the bill, Representative Joseph Pitts, (R-Chester Co.), minority chairman of the House Appropriations Committee, said that, "creative ways to tackle health care costs by the citizens of Pennsylvania should be encouraged and not prohibited by unnecessary regulations". Rep. Pitts, further, said that, "Newsletter subscribers should be free to care for each other as their conscience dictates. In this instance, the purpose of this legislation is to permit Christians to develop a network of support without legal obstacles."

The bill, designated as House Bill #294, stipulates that the Pennsylvania State Insurance Regulatory code does not apply to a non-profit, religious organization that "acts as an organizational clearinghouse for information between subscribers who have financial, physical, or medical needs and subscribers who choose to assist with those needs, matching subscribers with the present ability to pay with subscribers having a present financial or medical need." The bill makes provision for any organization to develop a medical expense cooperative as long as the suggested amounts to give are "voluntary among the subscribers, with no assumption of risk or promise to pay..."

The bill is now being considered for passage in the State Senate when it reconvenes in November of this year.

**CHRISTIAN BROTHERHOOD NEWSLETTER  
127 HAZELWOOD AVE, BARBERTON, OH 44203**

**DALE E. BELLIS, PUBLIC RELATIONS : 216-848-9477**

**NEWSFLASH NEWSFLASH NEWSFLASH NEWSFLASH NEWSFLASH**

**FOR IMMEDIATE RELEASE FOR MARCH 25, 1993  
VIA PR NEWswire TO WA**

**Washington State Senate Passes Newsletter Benevolence Bill**

A Newsletter that coordinates voluntary contributions from subscriber to subscriber for medical expenses should be made exempt from insurance regulations according to a bill passed by the Washington State Senate March 15, 1993. The bill passed by a wide margin of 38 to 9. The Christian Brotherhood Newsletter, administered by Rev. Bruce Hawthorn in Barberton, Ohio, prompted the introduction of the bill. The Newsletter lists medical expenses each month and suggests that other subscribers send donations directly to the subscriber in need on a voluntary basis.

Although no complaint had ever been filed against the Christian Brotherhood Newsletter by a subscriber in its entire 11 year history, the Washington State Insurance Commissioner took action against the Newsletter in May, 1992, issuing a cease and desist order on the grounds that the Newsletter was an unauthorized insurer. After extensive negotiations a regulatory impasse was reached between the Christian Brotherhood Newsletter and the Office of Insurance Commissioner. The Newsletter subscribers appealed to their legislators for a clarification that they are exempt from insurance regulations. The Newsletter is a voluntary, benevolence program that makes no promise to pay and publishes the needs of Christians and creates a way for other Christians to help out if they choose to do so.

Primary senate sponsor of the bill, Senator Dean Sutherland, 17th District, a member of the Labor and Commerce Committee, who heard the bill, said that, "creative ways to tackle health care costs by the citizens of Washington should be encouraged and not prohibited by unnecessary regulations". Sen. Sutherland, further, said that, "Newsletter subscribers should be free to care for each other as their conscience dictates. In this instance, the purpose of this legislation is to permit Christians to develop a network of support without legal obstacles."

The bill, designated as Senate Bill #5682, stipulates that the Washington State Insurance Regulatory code does not apply to an organization that, "Acts as an organizational clearinghouse for information between subscribers who have financial, physical, or medical needs and subscribers who choose to assist with those needs, matching subscribers with the present ability to pay with subscribers having a present financial or medical need." The bill makes provision for any organization to develop a medical expense cooperative as long as administrative costs do not exceed 8.34% of the total needs published each year. The bill further requires that any explanatory documents such as pamphlets, advertisements or subscription forms contain a front page statement that, "This is not an insurance contract. If you are not helped with any of your needs, you have no legal recourse against any other subscriber or the organization. No contract of insurance or indemnification exists either in fact or implied."

The bill is now being considered for passage in the House of Representatives. A hearing is scheduled before the House Financial Institutions and Insurance Committee for March 29, 1993.

**CHRISTIAN BROTHERHOOD NEWSLETTER  
127 HAZELWOOD AVENUE, BARBERTON, OHIO 44203**

**DALE E. BELLIS, PUBLIC RELATIONS: 216-848-9477**

**FOR IMMEDIATE RELEASE FOR JUNE 7, 1993  
VIA PR NEWswire MARYLAND STATE NEWSLINE & WASHINGTON D.C. NEWSLINE**

**Christian Health Care Ministry  
Being Attacked in Maryland Still Alive in Kentucky**

A Christian health care ministry which is under attack by the Maryland Insurance Commissioner, has been given a clean bill of health by a Kentucky Circuit Court Judge.

Judge William Graham of the Franklin Circuit Court in Kentucky's capitol city recently held that the Christian Brotherhood Newsletter of Barberton, Ohio cannot be regulated as insurance simply because it coordinates payments between Christians who pay for each other's medical bills. The Kentucky Department of Insurance had sued the Christian Brotherhood Newsletter and its founder, the Reverend Bruce Hawthorn, accusing them of acting as unauthorized insurers. In denying the State's motion for a summary judgment, Judge Graham's written opinion declared: "Unless the agreement transfers a risk of the individual subscriber to the company or to other subscribers, it cannot be construed as a contract for 'insurance' as defined in [the Kentucky Insurance laws] . . . From the documents provided by both the [State] and [the Christian Brotherhood Newsletter], it is apparent that there has been no risk-shifting. The subscription agreement and the guidelines specifically state that there is no indemnification, the risk remains with the subscriber, and there is no promise or guarantee that payment will be forthcoming from any other subscriber to the plan. The risk of incurring medical charges, under the documents, remains with the subscriber. As there is no shifting of risk, the defendants' agreement cannot be considered 'insurance'."

Although no complaint had ever been filed against the Christian Brotherhood Newsletter by a subscriber in its entire 12 year history, the Maryland State commissioner began action against the Newsletter in January of 1993. A hearing was held March 10, 1993, where the Newsletter produced evidence that it was an expression of its subscribers' religious belief and merely a means of bringing people together to help each other in times of medical expense crisis. The Newsletter's Vice President, John Hawthorn, stated that in the Newsletter's view, the Associate Deputy Commissioner had prejudiced himself in the matter by first being involved in the investigative stage and then in the negotiating stage by issuing a letter to the Newsletter in December, 1992, stating that in Raimondi's opinion the Newsletter was conducting the business of insurance and urging it to concede. Mr. Hawthorn said that the Newsletter's general counsel, J. Michael Sharman, had filed a motion to disqualify Mr. Raimondi from acting as the hearing examiner in the case due to his lack of objectivity, but the motion was heard and decided by Raimondi himself and he refused to do so. "How is it possible for a judge to make a fair and impartial decision based on the facts presented if he has already stated his position on the matter in question before he's ever heard our evidence

**CHRISTIAN BROTHERHOOD NEWSLETTER**  
**127 HAZELWOOD AVE**  
**BARBERTON, OH 44203**  
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**NEWSFLASH NEWSFLASH NEWSFLASH NEWSFLASH NEWSFLASH NEWSFLASH**

**- FOR IMMEDIATE RELEASE FOR March 17,1993-**  
**VIA PR NEWSWIRE US2**

**VIRGINIA SAYS CHRISTIAN NEWSLETTER LEGAL**

The Christian Brotherhood Newsletter, based in Barberton, Ohio, whose subscribers contribute more than \$2 million a month to people who have medical expenses but no medical insurance, was declared by the Virginia Commissioner of Insurance to not be "subject to regulation by the Virginia State Corporation Commission Bureau of Insurance". Virginia had investigated the Brotherhood Newsletter and its operations for several months to determine if it was a plan of insurance. The Commissioner said further that, "As a result of our review, we do not believe at this time that the Christian Brotherhood Newsletter and its related health care arrangements are subject to regulation" by the state of Virginia.

"We are truly grateful for this outcome", said Rev. Bruce Hawthorn, founder and publisher of the Newsletter. "We feel this is vindication for our efforts to keep on doing the right thing-just help people when they have a need", he said. Newsletter subscribers send \$50 monthly payments directly to other subscribers who verify they have unpaid medical bills. Once a year they send their monthly amount to the Barberton office to pay for publishing the Newsletter, and support the Barberton Rescue Mission, a home for recovering alcoholics Hawthorn founded in 1961.

Virginia now joins a growing list of states that have reviewed the Christian Brotherhood Newsletter and have removed their restrictions or determined that they have no jurisdiction over a benevolence ministry. These states include Alabama, Kansas, Michigan, Ohio and South Dakota. Other states are in the review process "and we expect favorable rulings in many other states", said Rev. Hawthorn. "It is our hope", said Hawthorn, "that this positive action by the Commonwealth of Virginia will influence these other states to allow us to operate fully and without interference".



# LOCAL

• The Region, Page 3 • Deaths, Pages 5, 6  
• TV, Page 12 • Comics, Pages 13 and 14

## IN THE REGION

Page D4, Wednesday, June 9, 1993

...the officers teaching the

### Ky. loses suit challenging newsletter

• Christian publication cannot be regulated as insurance, judge rules

Beacon Journal staff report

A Kentucky judge has ruled that the Christian Brotherhood Newsletter of Barberton cannot be regulated as insurance simply because it coordinates payments among Christians who pay for one another's medical bills.

The Kentucky Department of Insurance had sued the Christian Brotherhood Newsletter and its founder, the Rev. Bruce Hawthorn, accusing them of acting as unauthorized insurers.

In denying the state's motion for a summary judgment, Judge William Graham of the Franklin Circuit Court in Frankfort, Ky., wrote in his June 2 opinion: "Unless the agreement transfers a risk of the individual subscriber to the company or to other subscribers, it cannot be construed as a contract for 'insurance' as defined in (the Kentucky insurance laws).

"... The subscription agreement and the guidelines specifically state that there is no indemnification, the risk remains with the

#### QUOTE

"Unless the agreement transfers a risk of the individual subscriber to the company or to other subscribers, it cannot be construed as a contract for 'insurance'."

WILLIAM GRAHAM  
Circuit Court Judge

subscriber, and there is no promise or guarantee that payment will be forthcoming from any other subscriber to the plan."

The newsletter lists medical expenses each month and suggests that other subscribers voluntarily send donations directly to the subscriber in need.

The program involves 50,000 people across the United States, including 3,000 in Ohio.

Although no complaint has ever been filed against the Newsletter by a subscriber, the Kentucky state commissioner began action against the newsletter in May 1992.

Kentucky joins the insurance departments in Oregon, South Dakota, Ohio, Virginia, Kansas, Alabama and Michigan, which have determined that the newsletter is either not insurance or presents no harm to the public. Still at odds with the newsletter are the states of Washington, Pennsylvania, Maryland and Wisconsin.

#### DON'T MISS

##### Family skeptical

Mother of alleged murder victim questions suspect's motives in setting up trust for family.  
Page D2.

##### Gas tax increases

Starting July 1, motorists will pay a penny more at the pumps because of increase in state gas tax.  
Page D3.

#### OHIO LOTTERY

- Tuesday's Buckeye 5 numbers: 4, 17, 25
- Sales: \$982,110
- Tuesday's Pick 3 numbers: 931
- Pick 3 wagers: \$1,218,202.50
- Pick 3 payout: \$256,692
- Tuesday's Pick 4 numbers: 2800
- Pick 4 wagers: \$265,461.50
- Pick 4 payout: \$121,700
- Tonight's Super Lotto jackpot: \$16 million

# Where health insurance meets charity

BARBERTON, Ohio (AP) — A clergyman's health care system relying on good faith to cover medical bills gives a timely twist to the issue of church vs. state.

As the Clinton administration ponders how to provide medical coverage for 36 million Americans without insurance, 21,000 subscribers to the Christian Brotherhood Newsletter help one another with \$2 million in monthly doctor and hospital bills.

Twenty-five states have questioned whether the nonprofit newsletter amounts to mail-order insurance that should be regulated. Delaware, Maryland, Washington, and Wisconsin have banned it.

The Rev. Bruce Hawthorn says he relishes the attention of regulators, saying membership grows after each encounter with bureaucrats.

The network, based in the Akron suburb of Barberton, is growing by about 1,000 members monthly, bringing \$50,000 more each month for those whose needs are published for other members to meet.

Mr. Hawthorn credits divine inspiration for the program. "The program is God's," he said. "Greed would have destroyed it."

Mr. Hawthorn, 52, founded the



The Rev. Bruce Hawthorn publishes a newsletter that acts as an insurer.

newsletter in 1981 after a traffic accident in which his wife and 4-year-old daughter were killed and three other family members were injured. Friends familiar with his work at an Akron mission for alcoholics paid his \$54,000 in bills from the accident.

"I realized there needed to be a program like this if for no other reason the spiritual and the emotional support that you receive when you're going through a tragedy," Mr. Hawthorn said.

Single subscribers pay \$50 a month; families pay \$150.

Eleven months a year, subscribers receive notices asking them to mail their gift directly to a person whose name, diagnosis and expenses are detailed. One payment a year goes to the newsletter to cover costs.

Mr. Hawthorn draws an annual salary of \$40,000. The average salary among 60 employees is \$21,900. He said the donation structure means 91 percent of the gifts go directly to those in need.

"The home office never has the opportunity to misuse, mishandle or redirect funds that it never receives," Mr. Hawthorn said.

The Federal Trade Commission, U.S. Postal Inspection Service and the Ohio Attorney General's Office have no complaints with the newsletter. "It looks like an old-fashioned 'look out for one another' type of thing," said Paul Griffo of the Postal Inspection Service.

Mr. Hawthorn noted that contri-

butions are voluntary and no benefits are guaranteed. "I'll publish your needs; I'm not insuring you," he said.

But in Delaware, regulator Roger Needham called it "insurance with a wink." In Wisconsin, the state banned the operation with the same reasoning. Washington state officials declined comment on their ban because a court appeal is pending.

Maryland officials could not be reached for comment.

The plan came through for the Rev. Atlee Barkman of Millersburg, whose medical insurance did not cover \$1,119 in tests last year.

"We appreciate it," said Mr. Barkman, 63. "This is about all we have."

Ruth Ivey of Hartville, who at 63 is too young for the Medicare coverage enjoyed by her husband, mails \$50 monthly to the designated recipient and tries to remember to pray for that person.

"You're helping whoever is in need," said Mrs. Ivey, a subscriber for seven years.

She has had medical expenses paid twice in four years, most recently an April 1992 bill for \$566 for treatment of Graves' disease, a thyroid disorder.

4-14



STATE OF KANSAS

# KANSAS INSURANCE DEPARTMENT

420 S.W. 8th  
Topeka 66612-1678 913-296-3071

1-800-432-2484  
Consumer Assistance  
Division calls only

FLETCHER BELL  
Commissioner

March 16, 1989

Mr. Bruce Hawthorn  
6680 Taylor Road  
Clinton, Ohio 44216

RE: Brother's Keeper Program

Dear Mr. Hawthorn:

This will acknowledge receipt of your letter pertaining to the above captioned matter.

Upon review of your newsletter and the description of how your program operates, it would appear that Brother's Keeper Program is not assuming a risk and, therefore, is not transacting of the business of insurance in this State. This Department suggests, however, that any language in your newsletter or literature referring to the term "major medical plan" be removed, as it appears to create an inference that your program constitutes that of insurance.

Should you have any questions regarding this matter, please do not hesitate to contact this Department.

Very truly yours,

Fletcher Bell  
Commissioner of Insurance

Steve Imber  
Legal Division

SI:jlb  
LE/6517

# Christian Brotherhood Newsletter

127 HAZELWOOD AVE.  
BARBERTON, OHIO  
44203-1300



Christians United For Caring  
9 a.m. - 5 p.m. EST Monday - Friday  
Phone: (216) 848-1511

## FOR SUBSCRIPTION

**A Christian is to do good to all men especially unto those of the HOUSEHOLD of faith.** (Gal 6:10) I believe the Bible teaches that welfare is the job of each Christian and of the church. As a part of the body of Christ I will endeavor to work with the church to fulfill biblical admonitions which include Gal 6:2: **Bear ye one anothers' burdens and so fulfill the law of Christ.**

## WAIVER

To make sure there is no misunderstanding or confusion, I understand that the board of publishers can refuse to run my need for any reason that they choose. I have no legal expectation that anyone is obligated to respond to my need.

**-I understand and agree that no contract of indemnification exists. I understand that if I am not helped with any of my needs, I have no legal recourse against any other subscriber, the publisher or the church for any published need of mine that is not met.**

**-I understand that I have no recourse against the commissioner of the Insurance Board of my state, concerning the Christian Brotherhood Newsletter. Further, if at some later date, it is determined that I, in fact, had a right of legal recourse, I waive that right.**

## SPECIAL NOTE FROM THE PUBLISHER

**The Christian Brotherhood Newsletter** is a tool to help fulfill biblical admonitions. The Publisher has no control over the actions of churches or subscribers. Whether you send your gift directly to the one in need, through the church, or do not send a gift at all - *it is purely your decision.*

## SUBSCRIPTION TO THE CHRISTIAN BROTHERHOOD NEWSLETTER

I understand that my annual check to the Publisher enables the Publisher of the **Christian Brotherhood Newsletter** to help me in the following ways:

- to keep information that concerns my (my family's) subscription
- to print, publish and mail a newsletter each month listing those in need so that I may, if I choose, pray for them, send cards or letters of encouragement and a gift of money
- to conduct a vote of the body of Christ, each November, to determine the Guidelines established by the subscribers (in some states)
- to publish needs, chosen by the Publisher, in the Newsletter, as they see fit
- for this check I will receive 12 issues, whether or not I respond to a need

**ATTENTION:** The insurance board of my state may assume that expectations of payment through the **Christian Brotherhood Newsletter**, which I have, constitute a contract of insurance. To correct that possible misunderstanding, this is what I have as expectations: I may have expectations from God, my fellow man, in the principle of the golden rule or other of my beliefs. I also understand that if I submit a need for publication, no subscriber is obligated to respond in any way. If I submit a need for publication, I understand that the Publisher may or may not publish it, subscribers may or may not respond and it may or may not be met. **NEEDS WILL NEVER BE PUBLISHED FOR INJURIES WHICH ARE A RESULT OF AN ACCIDENT INVOLVING A MOTORIZED LICENSED VEHICLE.**

I understand and agree to the above.

Signed \_\_\_\_\_ Date \_\_\_\_\_

I attend or am being represented by (church) \_\_\_\_\_

church address \_\_\_\_\_

city \_\_\_\_\_ st \_\_\_\_\_ zip \_\_\_\_\_

Pastor's signature \_\_\_\_\_ Ph# \_\_\_\_\_



# INFORMATION FOR CHURCH USE ONLY

Th \_\_\_\_\_ church requests th \_\_\_\_\_  
Christian Brotherhood Newsletter collect and file this information for me.

ONE UNIT \_\_\_\_\_ ONE QUALIFYING PERSON SUBSCRIBING  
TWO UNITS \_\_\_\_\_ TWO QUALIFIED MARRIED PERSONS, SINGLE PARENT AND ONE CHILD  
OR A SINGLE PARENT AND CHILDREN (DIVORCED, WIDOWED OR SEPARATED, **WITH NO  
OTHER PERSON, AGENCY OR GROUP LEGALLY RESPONSIBLE FOR THE CHILDREN'S  
MEDICAL BILLS**)

THREE UNITS \_\_\_\_\_ FAMILY: ANY QUALIFYING THREE OR MORE IMMEDIATE FAMILY  
MEMBERS (See Guideline Article V)

Last Name \_\_\_\_\_  
First Name \_\_\_\_\_ B/D \_\_\_\_/\_\_\_\_/\_\_\_\_ Spouse \_\_\_\_\_ B/D \_\_\_\_/\_\_\_\_/\_\_\_\_  
Address \_\_\_\_\_ Apt # \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip code \_\_\_\_\_ County \_\_\_\_\_  
Home ph# ( \_\_\_\_\_ ) \_\_\_\_\_ - \_\_\_\_\_ ch/work ph# ( \_\_\_\_\_ ) \_\_\_\_\_ - \_\_\_\_\_  
Organization \_\_\_\_\_

## Children and Birthdates

_____	____/____/____	_____	____/____/____	_____
_____	____/____/____	_____	____/____/____	_____
_____	____/____/____	_____	____/____/____	_____

## FAMILY HEALTH HISTORY (USE OTHER PAPER IF NECESSARY)

List all health conditions which any member of your family has had symptoms of, were tested or  
received treatment and / or medication for during the past twelve months. **SYMPTOMS OF  
CONDITIONS SHOULD BE LISTED, EVEN IF THEY HAVE NOT BEEN DIAGNOSED OR  
TREATED** Example: bunions, allergies, hemorrhoids, etc

Family member: _____	Condition: _____	Dates of trtmnt _____
Family member: _____	Condition: _____	Dates of trtmnt _____
Family member: _____	Condition: _____	Dates of trtmnt _____
Family member: _____	Condition: _____	Dates of trtmnt _____

PLEASE LIST ALL TREATMENT FOR HEART, CANCER, HYPERTENSION, OR DIABETES AND  
GIVE THE APPROPRIATE DATES OF TREATMENT.

## RECIPIENT OF DEATH PROVISION

Surviving Spouse as first choice: Yes/No choice \_\_\_\_\_  
Second Choice \_\_\_\_\_ Third choice \_\_\_\_\_

I want to subscribe the first of (month): \_\_\_\_\_

I am enclosing \$ \_\_\_\_\_

Jan Feb Mar Apr May Jun Jul Aug Sept Oct Nov Dec

Circle the month that you wish to join and the two months following it. These three months will  
comprise your 90 day wait. The **first** of these three months is your actual joining date. This date  
will not be changed under any circumstances after this form is received by our office. Please read  
the statement below and sign on the line provided.

**I UNDERSTAND THAT ANY SYMPTOMS OF A CONDITION THAT OCCUR BEFORE JOINING  
OR WITHIN THE ABOVE CIRCLED MONTHS (MY 90 DAY WAIT) WOULD BE CONSIDERED  
PREEXISTING AND I WILL NOT SUBMIT NEEDS FOR THIS CONDITION.**

Signed \_\_\_\_\_ date \_\_\_\_\_

(SUBSCRIBERS CANNOT QUALIFY NEEDS OVER THE TELEPHONE.)

4-17



*Teaching God's Principles of Handling Money*

601 Broad Street, S.E. ■ Gainesville, GA 30501 ■ (404) 534-1000 ■ Larry Burkett, Director

April 2, 1992

TO WHOM IT MAY CONCERN:

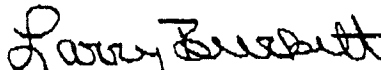
RE: Christian Brotherhood Newsletter  
Bruce and John Hawthorne

I have personally known Bruce and John Hawthorne for more than 5 years. I find them to have the utmost individual and business integrity and a paramount commitment to their biblical convictions and beliefs.

As the President of Christian Financial Concepts, I have a national daily radio program heard on over 1000 radio stations nationwide. Bruce has been a guest on our program explaining the Brotherhood Newsletter concept. Due to the exposure of these broadcasts, we have been involved with thousands of people's decisions to join the Brotherhood Newsletter. We have never had one complaint sent to us about the Brotherhood Newsletter as a result of our involvement.

This health plan is not for every individual, but there is no question in my mind that it is meeting a tremendous need.

In Christ,

  
Larry Burkett

LB/cj

JOANN LEE FREEBORN  
REPRESENTATIVE, 107TH DISTRICT  
CLOUD, OTTAWA COUNTIES  
AND PART OF CLAY AND DICKINSON COUNTIES  
RR 3, BOX 307  
CONCORDIA, KANSAS 66901-9105

STATE CAPITOL  
TOPEKA, KS 66612-1504  
913-296-7692  
1-800-432-3924



TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
MEMBER: AGRICULTURE  
PUBLIC HEALTH AND WELFARE  
ENERGY AND NATURAL RESOURCES  
JOINT COMMITTEE ON CHILDREN AND FAMILIES

HB 2840

February 22, 1994

Testimony before the  
House Financial Institutions and Insurance

by

Representative Joann Freeborn

Chairman Bryant and Members of the Committee,

I am submitting this written testimony to request support for HB 2840. It is my understanding that dollars are sent direct to the person who has the need. I feel that this does not violate the law and allows an economical way to deal with medical costs.

Using a News Letter to provide information to persons who want to be a part of this method of private pay, is efficient and very open. It is obvious that there can be no secrets. If there are violations of Federal Postal Laws, there is a method of enforcement.

I recommend that Christian Brotherhood be allowed to provide the services in the method they have successfully used without interference from State Government.

*House F.I.D.*  
*Attachment 5*  
*2-2-94*

TESTIMONY FOR HB 2840  
by J. Michael Sharman

Thank you Chairman Bryant for the opportunity to speak today on behalf of House Bill 2840, sponsored by Rep. Elaine Wells. As the General Counsel of the Christian Brotherhood Newsletter representing the religious rights of the newsletter subscribers -- and as a subscriber myself -- I appreciate and endorse her efforts to provide legislative protection for the subscribers' ability to "Share ye one another's burdens and so fulfill the law of Christ", as the subscribers believe they are told to do in Galatians 6:2.

Our publication is a unique one. We provide an efficient and organized way for Christians to apply that 1st century scripture to a pressing 20th century need: health care. In 1993, we shared \$27 million of medical needs, by the simple means of Christians sending money directly to other Christians who are currently undergoing a financial need due to a medical problem.

Similar legislation to that proposed here was signed into law by Governor Casey of Pennsylvania last Thursday after a unanimous vote in both the Pennsylvania Senate and the House. Last year, it received a favorable vote in the Washington State Senate. Earlier this month, this legislation passed the Kentucky House with no dissenting votes, and is anticipated to soon clear the Senate. Oklahoma has introduced the legislation, and bills are also being prepared in Minnesota, Iowa and Indiana as well.

We have had favorable court rulings in the states of Washington, Kentucky and Maryland, and have had favorable administrative decisions in ten other states. Only two states, Wisconsin and Delaware have final orders against our publication.

We have never had a complaint filed by a subscriber on any issue, anywhere, at any time during our 12 year existence. Whether one believes that we are undergoing a "health care crisis" or not, it is our sincere belief that as Christians we must not only speak our faith but live it also, as it says at James 2:14-16 "What does it profit my brethren, if someone

*House File  
Attachment 6  
2-22-94*

says he has faith but does not have works? Can faith save him? If a brother or sister is naked and destitute of daily food, and one of you says to them, 'Depart in peace, be warmed and filled,' but you do not give them the things which are needed for the body, what does it profit?"

We believe that if we can assist our brothers and sisters in an area of pressing need -- come to them with letters of encouragement, with prayers and with financial help -- then we are more closely living out the lives that would reflect well upon the name of Christ.

We do not ask for any state money or subsidy to do so, we are simply asking for protection for our continued freedom to do so.

Thank you. I would be glad to answer any questions which you might have.

J. Michael Sharman  
General Counsel  
Christian Brotherhood Newsletter  
114 N. West Street  
Culpeper, VA 22701

(703) 825-9600