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### **“Consumer Response to a National Marketplace for Individual Health Insurance”**

#### **Abstract/Overview:**

The McCarran-Ferguson Act was adopted in 1945 after extended controversy over the jurisdiction of state and federal governments in regulating the business of insurance. As a result of McCarran-Ferguson, every insurer must be licensed in the beneficiary's state of residence. Flash forward to the 21st century. Most large employers that offer health insurance are exempt from McCarran-Ferguson by virtue of another federal law, the Employee Retirement Income Security Act (ERISA). Today only individual (non-group) and small-group health insurance markets are regulated by the states, which have responded with a complex patchwork of mandates and laws that vary widely among the states. This analysis estimates the difference between national and state-specific individual insurance markets on take-up of individual health insurance. The goal of the research is to see whether the number of uninsured individuals could be reduced by a change in policy that allows consumers to purchase health insurance across state lines.