

## Health, life insurers hold \$1.88 billion in fast-food stocks: AJPH article

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Just weeks after the passage of a health bill that will dramatically increase the number of Americans covered by private health insurers, Harvard researchers have detailed the extent to which life and health insurance companies are major investors in the fast-food industry - to the tune of nearly \$2 billion.

Although fast food can be consumed responsibly, research has shown that fast-food consumption is linked to obesity and cardiovascular disease, two leading causes of death, and contributes to the poor [health](#) of children. The evidence is so compelling that as part of the new health law more than 200,000 fast-food and other chain restaurants will be required to include [calorie counts](#) on their menus, including their drive-through menus.

A new article on [insurance](#) company holdings, published online in today's [Thursday, April 15] [American Journal of Public Health](#), shows that U.S., Canadian and European-based insurance firms hold at least \$1.88 billion of investments in fast-food companies.

"These data raise questions about the opening of vast new markets for private insurers at public expense, as is poised to happen throughout the United States as a result of the recent health care overhaul," says lead author Dr. Arun Mohan.

Among the largest owners of fast-food stock are U.S.-based Prudential Financial, Northwestern Mutual and Massachusetts Mutual Life

Insurance Company, and European-based ING.

U.S.-based Northwestern Mutual and Massachusetts Mutual Life Insurance Company both offer life insurance as well as disability and long-term care insurance. Northwestern Mutual owns \$422.2 million of fast-food stock, with \$318.1 million of McDonald's. Mass Mutual owns \$366.5 million of fast-food stock, including \$267.2 in McDonald's.

Holland-based ING, an investment firm that also offers life and disability insurance, has total fast-food holdings of \$406.1 million, including \$12.3 million in Jack in the Box, \$311 million in McDonald's, and \$82.1 million in Yum! Brands (owner of Pizza Hut, KFC and Taco Bell) stock.

New Jersey-based Prudential Financial Inc. sells life insurance and long-term disability coverage. With total fast-food holdings of \$355.5 million, Prudential Financial owns \$197.2 of stock in McDonald's and also has significant stakes in Burger King, Jack-in-the-Box, and Yum! Brands.

The researchers also itemize the fast-food holdings of London-based Prudential Plc, U.K.-based Standard Life, U.S.-based New York Life, Scotland-based Guardian Life, Canada-based Manulife and Canada-based Sun Life. (Table of data available at <http://bit.ly/ds7elr> ; all data current as of June 11, 2009.)

"Our data illustrate the extent to which the insurance industry seeks to turn a profit above all else," says Dr. Wesley Boyd, senior author of the study. "Safeguarding people's health and well-being take a back seat to making money."

Mohan, Boyd and their co-authors, Drs. Danny McCormick, Steffie Woolhandler and David Himmelstein, all at the Cambridge Health Alliance and Harvard Medical School, culled their data from Icarus, a

proprietary database of industrial, banking and insurance companies. Icarus draws upon Securities and Exchange Commission filings and news reports from providers like Dow Jones and Reuters. In addition, the authors obtained market capitalization data from Yahoo! Finance.

The authors write, "The health bill just enacted in Washington will likely expand the reach of the insurance industry. Canada and Britain are also considering further privatization of health insurance. Our article highlights the tension between profit maximization and the public good these countries face in expanding the role of private health insurers. If insurers are to play a greater part in the health care delivery system they ought to be held to a higher standard of corporate responsibility."

Several of these same researchers, all of whom are affiliated with Physicians for a National Health Program, have previously published data about the extent to which the insurance industry is invested in tobacco. They say that because private, for-profit insurers have repeatedly put their own financial gain over the public's health, readers in the United States, Canada and Europe should be wary about insurance firms' participation in care.

**More information:** "Life and Health Insurance Industry Investments in Fast Food," Arun V. Mohan, M.D., M.B.A.; Steffie Woolhandler, M.D., M.P.H.; David U. Himmelstein, M.D.; and J. Wesley Boyd, M.D., Ph.D. American Journal of Public Health, April 15, 2010.

Provided by Physicians for a National Health Program

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