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457

*TESTIMONY OF
ATTORNEY GENERAL RICHARD BLUMENTHAL
BEFORE THE INSURANCE AND REAL ESTATE COMMITTEE
JANUARY 27, 2009*

I appreciate the opportunity to support Senate Bill 457, An Act Concerning Consumer Report Cards. This proposal requires the disclosure of medical loss ratio information on the annual Insurance Department consumer report card for health insurers.

Currently, health insurers must disclose medical loss ratio information to the Insurance Commissioner. In the past, the Insurance Commissioner has not released this information publicly nor provided such information in the annual consumer report card on health insurers.

Medical loss ratio information provides consumers and oversight organizations with critical data on the amount of insurance premium revenue that is spent on medical services and administration. This information may point to the need for greater scrutiny of a health insurer. For example, significant administrative expenditures coupled with low medical services costs may be an indicator of an insurer that spends too much money avoiding legitimate health insurance claims, to the detriment of the insured.

Insurance Commissioner Sullivan, to his credit, has agreed to include medical loss ratio information on the consumer report card. In light of our experience with the refusal of previous commissioners to exercise their discretion to disclose medical loss ratio information, the legislature should mandate such disclosure.

I urge the committee's favorable consideration of Senate Bill 457.