



State of Connecticut  
HOUSE OF REPRESENTATIVES  
STATE CAPITOL  
HARTFORD, CONNECTICUT 06106-1591

5669

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Good Afternoon Senator Crisco, Representative Fontana and members of the Insurance and Real Estate Committee.

For the record I am Diana Urban, State Representative from the 43<sup>rd</sup> District and I am here today to testify on HB 5669 AN ACT CONCERNING EMPLOYER HEALTH INSURANCE PREMIUM PAYMENTS FOR TERMINATED EMPLOYEES.

In essence this bill is directed to small businesses with less than 50 employees. These businesses have found that when employees quit they are obligated to pay their health care insurance premium for the whole month. As you well know that can be an amount in excess of \$1000 for a family and in this economic climate could prove devastating to the solvency of the small business.

Business owners with more than 50 employees are not subject to premium payments after the employee is terminated. The employee has the option to begin COBRA the day they leave so that they will be covered by health insurance. The company does not have to pay the additional days of the month.

A business with under 50 employees has to pay up to one whole month (depending on when the termination took place) of an employees health care benefits if they quit or get fired.

Clearly we are not dealing with a level playing field and are actually penalizing the small business owner who often times is operating at the margin. They are paying the premiums for employees that are not working for them while larger businesses are not subject to the same rule. This sends a negative message to small business owners in Connecticut.

Although I know we are all concerned about health care coverage for Connecticut residents, this unequal treatment is not a way to extend the coverage for some employees and not for others. The increased expense of not allowing the small business owner the option for the terminated employee to begin COBRA the day after they leave but require them to pay through that month yet allow the business owner with 50 or more employees to opt not to pay through the month of termination does not make sense.

We all know that small businesses are the major job generators in our economy and we want to do everything possible to help them stay in business...especially during these trying economic times.

I hope that you will report this bill favorably out of Committee and send a message to the small business owners that Connecticut appreciates them and wants them to stay in business.

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