

5670



Town of Coventry

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OFFICE OF THE TOWN MANAGER
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January 26, 2009

Insurance and Real Estate Committee
Room 2800, Legislative Office Building
Hartford, CT 06106

RE: Bill 5670

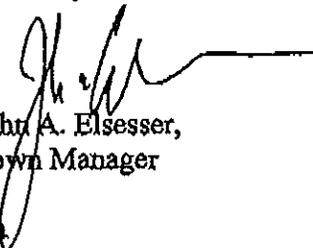
Dear Senator Joseph Crisco and Representative Steve Fontana, Co-Chairs,

I am writing on behalf of the Town of Coventry and Council of Small Towns in support of Bill 5670 which, if adopted, would exempt municipalities and their school districts from the current 1.75% Premium Loading Tax. In Coventry this is the equivalent of over \$90,000 or one teacher with benefits.

We believe that the state should exempt municipalities since this is truly a sales tax and it is inappropriate to tax another government agency. This was recognized when the state exempted itself from this tax in 1997. It is also an unfair burden on the smaller towns. Many large to mid size municipalities are able to self insure medical. As self insured they are exempt from this tax. Towns which joined MEHIP are also exempt. Making all municipalities exempt would level the playing field and provide a modicum of relief from years of staggering double digit insurance increases.

We respectfully ask that you treat small towns as you treat yourself and extend the exemption to all towns whether self-insured, participating in MEHIP or buying insurance on the open market.

Sincerely,



John A. Elsesser,
Town Manager
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