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Ladies and Gentlemen of the Program Review and Investigation Committee:

I would like to make my testimony before you today straight and to the point. My name is Chad Yonker and I am the Executive Chairman of ContribuQuote, a startup insurance business with a patent-pending product that we believe will result in a revolution in the way people across the country view the purchase of insurance. ContribuQuote is also an approved company under Sections 38a-88a of the Connecticut General Statutes, otherwise known as the Insurance Reinvestment Act.

In my view, there are many important issues to examine when reviewing the Insurance Reinvestment Act, but as it specifically relates to ContribuQuote, it must be clearly understood by the Committee that our late-stage negotiations with the SG Insurance & Technology Fund for start-up seed capital will cease if Sec. 5 of HB 5347 is enacted. It is also extremely unlikely that we will find replacement financing in such a difficult funding environment as we are faced with today. Given that our business plan projects the potential creation of hundreds of new Connecticut jobs, the lack of such funding would be a disaster, not only for ContribuQuote, but also for the State and for the local community of New Milford where we have been in active negotiations on the lease of a "New Facility".

Given that ContribuQuote will involve cutting edge technology applied to insurance, we evaluated many locations for our base of operations, including the states of Washington and Massachusetts, where technology-based businesses find great support in the community and state legislatures. I can confirm to you today that the deciding factor in locating ContribuQuote in the state of Connecticut was the Insurance Reinvestment Act.

When analyzing the merits of the Act, I ask that you consider the harm that will be done to ContribuQuote, as well as other viable companies that are ready and willing to create new jobs in Connecticut, if Sec. 5 of HB 5347 is enacted. I ask that you also consider the negative trade-off that enactment will create for the state. Such a decision will result in the immediate loss of current and prospective jobs in the state, worsening an already disastrous employment situation. On the other hand, the cost of the tax credit incentives created by a new investment made under the Insurance Reinvestment Act will not begin to be felt by the state for a full four years, and the incentives will not be fully realized for 10 years following the investment. To a businessman such as myself, the Insurance Reinvestment Act appears to hold tremendous value for the state in the current climate of budgetary stress. The Insurance Reinvestment Act creates jobs and business income today, helping to shrink budgetary shortfalls, while the tax credit incentives will not be

felt by the state for many years in the future, presumably when the budget situation has improved along with the economy. Given such a trade-off, enactment of Sec. 5 of HB 5347 would have significant, immediate, negative effects on state of Connecticut employment, making a difficult budgetary situation even worse.

Connecticut's legislative leadership must take a stand against short-sighted policy analysis such as that surrounding the Insurance Reinvestment Act, especially when it directly undermines the very goals of the legislature in growing employment and solving Connecticut's budget shortfalls. Thank you for your time.

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line extending to the right.

Chad P. Yonker  
Executive Chairman  
ContribuQuote