



Courtney B. Larkin
Insurance & Real Estate
Committee
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Support for SB 256

Good afternoon. My name is Courtney Larkin. I am a Second Vice President and Senior Counsel of Government Relations for Travelers.

Travelers is a leading property and casualty insurer selling insurance primarily through independent agents and brokers. We have more than 33,000 employees countrywide and 7,000 of whom are in Connecticut. We offer a wide range of coverage in the auto, home and business settings. We only sell property and casualty insurance and are not in the business of life or health insurance. In Connecticut, we are the second largest commercial insurance writer, the largest homeowners writer and the fourth largest auto insurance writer with a total direct written premium of approximately \$620 million.

I am here to express Travelers support of SB 256, *An Act Concerning Assessments for Health Benefit Reviews Performed by the Insurance Department*. This bill provides that assessments for the health mandate study, be made only against domestic *health* insurers and domestic entities authorized to write health insurance in the state. The bill carves out companies that write other lines of insurance. Currently, as enacted in Public Act 09-179 (C.G.S. § 38a-21), all domestic insurers regardless of what lines of business they write are subject to the assessment for this health mandate study as it is based upon the formula that is used to fund the insurance department.

We were surprised by the size of the invoice from the Insurance Department and that we would be funding approximately fifteen percent of a health mandate study that does not relate to our business. Under PA 09-179, we are paying \$550,000 towards the health mandate study, more than every insurer is paying except one.

Travelers is the second largest funder of the insurance department at over \$3 million a year. We support a strong department as it is in our best interest and the industry's best interest to have a well funded department to serve as our regulatory body and oversee such important issues as solvency, rate regulation, market conduct and consumer issues.

In this fiscal environment, we also understand why the legislature is assessing insurers as a funding mechanism. However, it does not make sense to assess all non-health domestic insurers when the study is specific to the health line of insurance. Assessing a property and casualty insurers for the health mandate study is no different than assessing any other business in the state of Connecticut. Travelers receives no benefit from this study, the study outcome

has no impact on how property-casualty insurance is regulated in the state, nor does the imposition of health mandates affect our business.

In fact, paying for this study puts us at a competitive disadvantage with out of state companies who compete with us in Connecticut. Our cost of doing business in the state has been increased over a half of a million dollars for a study that does not pertain to the lines of business we sell. We would like to think that, if the situation was reversed, we would pay for a property and casualty study without the assistance of the health insurers.

Thank you for your time and attention to this piece of legislation. I am happy to answer any questions you have.