



**STATE OF CONNECTICUT**  
*INSURANCE DEPARTMENT*

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**Testimony of The  
Connecticut Insurance Department**

**Before  
The Insurance and Real Estate Committee**

**February 17th, 2011**

**Senate Bill 11—An Act Concerning the Rate Approval Process for Health  
Insurance Policies**

Senator Crisco and Representative Megna, committee co-chairs and ranking members, and Members of the Committee, the Insurance Department appreciates the opportunity to submit written testimony on Senate Bill 11.

Of all the responsibilities we have as a regulatory agency, there are none more important or that has a greater direct impact on the consumers and families of Connecticut than that of reviewing and possibly approving rates that will affect their budgets each and every month. It is a responsibility we carry out with careful detail and professionalism, using sound and accepted actuarial standards. We are clearly mindful of the cost of health insurance and its impact on consumers in this economic climate. In fact, department actuaries traditionally rule in favor of consumers in all instances where there is not clear, strong and abundant actuarial support for a proposed increase.

Our mission as regulators is one of great balance – protect consumers and yet ensure that there is a viable, robust and competitive market from which they can choose. We have that market in Connecticut. Unlike other states that have extremely limited choices, Connecticut has eight companies writing individual major medical health insurance.

There is widespread agreement in this room and in the halls of the Legislature that state government must support commerce while being as cost-effective and efficient as possible. The Governor has emphasized this countless times, as has leadership on both sides of the aisle.

That is why it is important to realize that as we sit here now, Connecticut does have a very cost-effective, efficient and transparent method for reviewing rates, one that invites and accepts public comment. Our rate review system has been singled out by the U.S. Department of Health and Human Services as an effective process.

However, Commissioner-designate Leonardi clearly recognizes the concerns raised by the public, members of this Committee and other state officials over the rate review process last fall. He has questions as well.

It is his intent to fully understand the process, including what decisions and standards were applied in each case. To that end, the Commissioner-designate respectfully requests that the Committee delays moving forward with the bill at this time to give him the opportunity to conduct a top-to-bottom review of the rate review process.

In fairness to Commissioner-designate Leonardi, who will begin his new position next month, the Insurance Department asks that the Committee grant him the time he needs for his thorough review.

It is his hope that you will grant him the time to get the answers to his questions about the inner-workings of the agency that Governor Malloy has entrusted him to lead.

After a comprehensive scrutiny of the rate review process, Commissioner-designate Leonardi welcomes the opportunity to appear before you, to report his findings and ultimately work with each and every one of you going forward.

Finally, Commissioner-designate Leonardi wants to strongly impress upon this Committee that he is committed to ensuring that the agency operates in a professional and highly responsive manner.

Thank you for the opportunity to submit comments on SB 11.