



CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION

TESTIMONY  
BEFORE THE  
INSURANCE AND REAL ESTATE COMMITTEE  
LEGISLATIVE OFFICE BUILDING  
FEBRUARY 3, 2011

My name is Eric George and I am Associate Counsel for the Connecticut Business & Industry Association (CBIA). CBIA represents approximately 10,000 businesses throughout Connecticut and the vast majority of these are small companies employing less than 50 people.

CBIA opposes **SB 34, AN ACT PROHIBITING OFFSETS FOR DEPENDENT CHILDREN IN DISABILITY INCOME PROTECTION POLICIES**. This bill will increase employers' long term disability (LTD) costs by not allowing LTD payments to be offset by dependency benefits under Social Security Disability Income (SSDI). The legislature shouldn't be approving any bills that increase the cost of doing business, even in the best of times. And during this time of economic crisis and financial uncertainty, the General Assembly must refrain from making it harder and more expensive for companies to conduct their business operations.

Generally, employees receive approximately 60% of their wages that they were earning prior to their disability. Currently, these disability payments are offset by other sources of income, including SSDI. The employee out on disability continues to receive the 60% of their wages, but now they are getting it from multiple sources. This allows disability insurance providers to price their products lower and save Connecticut employers money.

In addition to increasing employers' cost of doing business, prohibiting disability offsets actually will create a disincentive for workers to return to work, because they could be earning closer to 100% of their wages while being out on disability.

Again, please reject **SB 34** thank you for the opportunity to offer CBIA's comments on this legislation. I look forward to working with you on this and others.