



CITIZENS FOR ECONOMIC OPPORTUNITY
Corporate Responsibility Campaign

My name is Karen Schuessler and I am the Director of Citizens for Economic Opportunity (CEO). CEO is a coalition of community and labor groups addressing health care reform and corporate responsibility.

I strongly support SB 44, an act concerning the election of the insurance commissioner. Thank you for holding a public hearing on this important issue.

While families and employers are struggling with skyrocketing health insurance costs, according to filings with the U.S. Securities and Exchange Commission, the five largest for profit health insurance companies recorded huge profit gains in the first three months of 2010 compared with a year earlier. WellPoint, UnitedHealth Group, Aetna, Humana, and Cigna reported a combined net income of \$3.2 billion, a 31% increase from the same period in 2009. At the same time of these record profits, Connecticut's previous insurance commissioner kept rubberstamping virtually every insurance company request for a rate hike even though according to Families USA, premiums have increased 96% in Connecticut from 2000 to 2009. In addition, I do not think any of us can forget the outrageous 47% rate hike for Anthem that the former insurance commissioner approved in October 2010. Connecticut residents have suffered enough and it is time to let voters decide who they want looking out for their interests.

Eleven states currently elect insurance commissioners and there are many reasons it makes good sense to elect an insurance commissioner. The most obvious reason is when an insurance commissioner is appointed, the commissioner answers to the Governor. An elected commissioner answers to the public and is more in tune with the needs of the consumer. Elected commissioners are an independent authority and can do what they think is right.

An elected insurance commissioner can represent consumers and help return money to them. For example, Mike Kreidler, has been Washington's Insurance Commissioner since 2000 and according to his website, he has cut excessive rate increases on home and auto policies by more than \$225 million. He also has helped individual consumers recover about \$10 million a year in denied and delayed payments on their insurance policies and blocked Premera Blue Cross' attempt to abandon its nonprofit status.

Commissioner candidates can use their opponents' industry funding against them. In Kansas, Kathleen Sebelius, the U.S. Secretary of Health and Human Services refused to take contributions from the insurance industry and was elected commissioner in a heavily Republican state in 1994. She was an extremely effective insurance commissioner and blocked the proposed merger of Blue Cross Blue Shield of Kansas, the state's largest health insurer with an Indiana based company which was the first time the corporation had been rebuffed in its acquisition attempts.

These days it is even more crucial that the insurance commissioner win voter approval to ensure that the commissioner implements and enforces the extensive insurance reforms. With the passage of federal reform and phase I of Sustinet in 2009 and the anticipated passage of phase II of Sustinet this year, many changes will need to be implemented. Connecticut is also responsible for creating and running new insurance marketplaces called exchanges by 2014. All of these changes give the state insurance commissioner more power and authority to enforce the new rules and it is important that the commissioner be accountable to the public.

There are those who say we have a new insurance commissioner and let's give him time, perhaps the new commissioner will be consumer oriented. However, this legislation has nothing personal to do with the insurance commissioner in office. We need this law to be changed for protection in future years. There is an election for Governor every four years and the Governor currently has the power to appoint who they want so one never knows who is going to be appointed as a commissioner until after the next election.

Thank you for raising this bill and for believing that Connecticut consumers should be allowed to hold insurance commissioners accountable for their actions.

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