

TESTIMONY
BEFORE THE
INSURANCE AND REAL ESTATE COMMITTEE
LEGISLATIVE OFFICE BUILDING
MARCH 7, 2013

My name is Jennifer Herz and I am Assistant 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 encourages you to closely review **HB 1028** An Act Concerning Insurance Department Examinations of Market Conduct Activity.

Many companies in Connecticut try to control the higher cost of doing business here by saving money through self insuring. CBIA is concerned this bill may increase costs on self insured companies by making third party administrators (TPAs) subject to the market conduct reviews conducted by the Department of Insurance.

Many companies that self insure utilize TPAs to assist with administration. Our concern is that if TPAs are subject to conduct reviews the TPAs' costs will increase and in turn those increased costs will be passed on to self insured companies who utilize TPAs. Once again, adding to the cost of doing business in Connecticut.

However, we have reached out to our members for feedback on this proposal and condition these remarks on providing further comment at the end of next week. CBIA respectfully requests action on this bill is not taken before that time.

In closing, CBIA has concerns regarding the pass through cost to self insured companies due to this bill but reserves further comment until we receive feedback from our membership.

Thank you for the opportunity to offer CBIA's comments.