

Testimony of
Ron Miller
Owner of
Four Corners Rest Home

In opposition to

S.B. No. 471, (Proposed) AN ACT REQUIRING RESIDENTIAL CARE HOMES TO CARRY LIABILITY INSURANCE.

Senator Gerratana, Representative Ritter and Members of the Public Health Committee,

My name is Ron Miller. My wife, Molly, and I are the owners/operators of Four Corners Rest Home an 18 bed Residential Care Home located in Milford. I am writing to you today to voice our opposition to SB 471- An Act Requiring Residential Care Homes to Carry Liability Insurance.

Let me begin by questioning the reasoning behind the introduction of this bill. The title of Proposed Bill 471 implies that Residential Care Home's are not currently required to carry Liability Insurance. This would be incorrect. The Department of Public Health for many years, as part of its initial and renewal licensing process, has required that Residential Care Homes carry Malpractice and Public Liability Insurance. I have attached to my testimony the licensing section that directly addresses this requirement.

This bill, however, sets specific minimum guidelines in the amount of insurance required. This may cause a problem for many homes, their insurers, and tax payers.

Though our home currently carries the minimum required in this bill, it is my understanding, through representatives in the industry; some insurers are reluctant to write coverage in the larger proposed amount. The adoption of this bill may further reduce the pool of insurers in what is already a small market thereby raising rates.

10 to 15 years ago our industry went through a difficult time due to skyrocketing liability insurance premiums. Coverage, which was difficult to find, was about three fold what we currently pay. During this time our home was forced to reduce our liability limits by 2/3 just to stay viable as a business. We need this flexibility if an event like this were to reoccur in the future.

We are very concerned with the budget this year. The adding of additional burdens to our industry with little in the way of rate relief would represent a significant hardship for Residential Care Facilities.

Ultimately, it will be the tax payers who will be paying for the adoption of this bill in the way of higher taxes. I can conservatively state that the cliental in our industry is at least 95% state assisted. Liability Insurance premiums, a component in the rate setting process, will rise and this cost will be passed along in the way of higher facility rates.

In closing, this bill's Statement of Purpose, "***To protect residents of Residential Care Homes***", I believe should be left in the hands of the Department of Public Health through its facility inspection process and the State Ombudsman's Office as advocates for our residents.

Thank You,

Ron Miller