

# ACBI Testimony in Support of HB7260

**Brian Lowell** – Employee Benefits Consultant for ACBI Insurance.

## **About ACBI**

We are an Insurance brokerage firm located in Shelton CT, specializing in health insurance and employee benefits for Employers in CT and across the country.

My specific role at ACBI over the last 7+ years is to act in a consultative capacity with clients to oversee strategy, service and plan management. I've been in the insurance industry for 16 years, beginning with underwriting risk management for Aetna and moving on to other financial and account management roles within the industry. This includes overseeing the financials for the Connecticut Independent Schools Health Plan at a prior employer.

## **Summary of HB7260**

ACBI in coordination with the Connecticut Brewers Guild is exploring the creation of a singular health program for their membership. We are seeking to do so through creation of a 4<sup>th</sup> exception to the Connecticut small employer definition, thereby excluding members of the guild from the small employer community rating law. We will create an ERISA defined plan with bi-laws specific to the health program to protect membership and maintain consistent risk from an insurance underwriting perspective. Eligibility for this proposed plan will be tied to membership of the Guild and other parameters set forth by their Board of Directors.

The goal is to create this exception (not change CT Law on Association Health Plans), based on specific criteria with a small but thriving workforce. There are a finite number of breweries in Connecticut with specific occupations and low risk factors. In addition, we believe that the Connecticut Brewers Guild is unique due to its young demographics, low turnover and commitment to health and wellness.

An important point I want to reiterate is that this is not setting precedent, as a previous exception was installed for the Connecticut Independent (Private) Schools Health Plan 20+ years ago. As I mentioned briefly, I do have personal experience working on the Private School health program from a prior employer and can attest to the benefit of “scaling up” in the insurance marketplace.

## **How it Helps Support a Thriving Connecticut-Made Industry**

Overall, we feel that implementing this health plan will allow this industry to continue to thrive by lowering insurance costs, creating access to better more cost effective health coverage, attract and retain a more stable workforce. We feel this will be done with minimal impact to the Connecticut small group insurance pool or the individual marketplace. As of the last small group rate filing there were approximately 293,000 members in both the individual and small group markets (46% indiv, 54% small grp), so pulling out several hundred or even 1,000 members is less than 1/2%. Based on my industry experience I believe this will have zero impact on individual and small group insurance rates in CT. Further to that point, we also believe this can be a sound alternative to those who may be priced out of the individual market place altogether and may have otherwise forfeited the chance to have insurance coverage (particularly with the removal of the individual mandate for 2019).

We feel this will create an immediate pricing impact, as well as long term financial stability. A perfect example of this is Two Roads Brewing Company in Stratford. When Two Roads began in 2012, they were subject to individual and small group rating pools and consequentially received double digit rate increases every year. As they grew and entered the large group insurance market where specific company demographics and employee claim experience become key factors, they received an immediate 15-20% cost savings in the first year. In the 4 years since, they have not received an annual increase of more than 5% and have been able to increase enrollment every year. This nominal increase year over year has allowed them to keep their employee costs relatively flat.



I believe that based on the above, there is a sound and thoughtful argument to approve this statute modification to assist a blossoming industry in Connecticut. Almost every legislator has a brewery local to them or has an employee within their district.