

Insurance and Real Estate Committee JOINT FAVORABLE REPORT

Bill No.: HB-7260

AN ACT EXCLUDING BEER MANUFACTURERS, THEIR EMPLOYEES AND THE DEPENDENTS OF THEIR EMPLOYEES FROM VARIOUS PROVISIONS OF THE INSURANCE STATUTES CONCERNING SMALL EMPLOYER HEALTH

Title: INSURANCE COVERAGE.

Vote Date: 3/14/2019

Vote Action: Joint Favorable

PH Date: 3/7/2019

File No.:

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SPONSORS OF BILL:

Insurance and Real Estate Committee

REASONS FOR BILL:

To allow the Connecticut Brewer's Guild to purchase health insurance for members as an organization.

RESPONSE FROM ADMINISTRATION/AGENCY:

None expressed.

NATURE AND SOURCES OF SUPPORT:

Michael S. Teed, Black Pond Brews LLC supports this bill because it helps promote the rapid development of the brewing industry in Connecticut. He states three justifications for this purchasing power for the Guild: (1) their rigorous licensing and membership restrictions, (2) the already established support and interest from the insurance industry, and (3) it will allow Connecticut owned and operated breweries to affordably provide their employees insurance to keep a booming industry growing.

Brian Lowell, Employee Benefits Consultant, ACBI supports the bill in testimony, and also states that enacting this bills is not setting a precedent, as a similar exception was made decades ago for the Connecticut Independent (Private) Schools Health Plan. He also cites the pricing impact this will have, stating the problems with payment increases for health

insurance that Two Roads Brewery overcame while in the small group rating pool and how those rate increases were reversed when they grew their business into the large pool.

NATURE AND SOURCES OF OPPOSITION:

Connecticut Association of Health Plans errs their concerns on the potential negative consequences that allowing this might have on those who are left in those remaining in the market. Also, they remark that this could set a precedent for more groups to motion for an exception in the statute and the market will deteriorate.

Reported by: Logan Cotter

Date: 03/27/19