



**TESTIMONY BEFORE THE
INSURANCE AND REAL ESTATE COMMITTEE
LEGISLATIVE OFFICE BUILDING
MARCH 7, 2019**

My name is Michelle Rakebrand and I am Assistant Counsel for the Connecticut Business and Industry Association (CBIA). CBIA is the largest business association in Connecticut and has represented both small and large businesses for over 200 years. We are proud to say that most of our membership is made up of small employers.

CBIA stands in support of HB 7265 because the bill provides small businesses and sole proprietors with greater flexibility when purchasing health insurance through the private sector at no cost to the state or state taxpayers. By allowing multiple entities to come together to purchase insurance as though they were a single large employer they will enjoy the flexibility and potentially some cost savings experienced by larger private sector employers.

The Patient Protection and Affordable Care Act doesn't require small employers, a business with less than 50 full-time equivalents, to provide health insurance for their employees, but many of them choose to do so as an important employee benefit. HB 7265 would require the Insurance Commissioner to adopt regulations regarding AHPs, which would give individuals and small businesses access to more flexible and potentially more affordable healthcare coverage.

Association Health Plans are health insurance plans sponsored by an employer-based association, such as a professional or trade group and are treated as a large-group plan for the purpose of law. AHPs make it easier for groups of people, small employers, sole proprietors and their families to come together based on geography or professional interests to attain many of the advantages traditionally reserved for large employers including greater flexibility and increased plan options.

A survey conducted by Employee Benefit Advisor found that group purchasing can result in savings for small businesses while reducing administrative overhead, expanding available benefits and serving as a tool to attract new talent by offering compelling benefits packages. ¹

CBIA urges support for HB 7265. Thank you for your time and consideration.

¹ <https://www.employeebenefitadviser.com/opinion/how-the-new-ahp-rule-changes-will-transform-for-small-businesses>