

April 13, 2021

Dear Governor Lamont:

Connecticut is where we have chosen to keep our companies, support our communities, and for many of us, raise our families. Our State has long been dubbed the 'Insurance Capital of the World' and today the health insurance industry directly supports approximately 25,000 Connecticut employees. Another 23,500 jobs are generated due to our industry's business activity, bringing the total number of insurance-related jobs throughout the State to nearly 50,000. In 2018, a Connecticut Economic Resource Center (CERC) study estimated that our insurance industry contributed over \$15 billion to the State's economy.

However, despite our continued loyalty, depth of experience, and talent we have chosen to grow here, the Legislature is once again considering a government-run health care plan that will increase costs to the State and its taxpayers. We thank you, Governor, for recognizing the dangers of this proposal and protecting the residents and businesses of this State from cost increases. We applaud your recent comments affirming taxpayers will not be "the backstop" to subsidize or pay for this plan. Thank you for understanding that a public option would increase costs and erode private insurance options by competing on an unregulated and un-level playing field.

The State Partnership Plan does not have the proven experience to run a health insurance program for its residents. The State Comptroller administered the Partnership Program at a shortfall of \$10 million in 2018 and \$31 million in 2019. The argument put forth attempts to argue the Partnership Program is solvent and successful; we would argue that taking from one pot of money to cover a deficit in another is not sound fiscal policy. Continuing on this path will only further deteriorate the State's fragile economy.

We are equally concerned with the Legislative proposals that institute a health insurance tax which would also increase business costs through premium increases. While we believe your intent is one we share—to bolster the State's health exchange, Access Health CT — we firmly believe that State and newly passed federal funding can and should be used for this purpose — not a new tax on policyholders. Residents are already paying over \$100 million in health insurance taxes to the State. The State should not attempt to lower the cost of insurance for some by imposing significant new taxes on others that will inevitably be passed along to policyholders in the form of higher premiums. Most importantly, as mentioned previously, the recently signed American Rescue Plan Act of 2021 provides the premium relief the proposals seek without increasing taxes. We hope you will reconsider those proposals that impose a tax to pay for premium subsidies.

You rightly called upon the private market to continue innovating and providing more choices for some of our struggling small employers. We have done just that. There are now a number of offerings with new products in the market. To allow carriers to innovate and further compete, the Administration and the Legislature should explore updating the current legal and regulatory framework to allow for maximum flexibility.

We look to you to provide leadership and focus on proposals that will provide much-needed stability and support. The pandemic has demonstrated that employees can work virtually,

making it easier for companies to choose where they are domiciled and grow. As a result, it has never been more critical for the State to create a climate that retains and attracts businesses that will help stabilize the economy. All of us will have to decide where it will be best to deploy our resources long term. Private employers and taxpayers should not fund unsustainable public policy pursuits.

As companies committed to the people and communities of Connecticut, we look forward to working with you, your administration, and the Legislature to find ways to build a sustainable, affordable and more accessible health system for the people we are privileged to serve.

Thank you,



Gail K. Boudreaux, President and CEO, Anthem



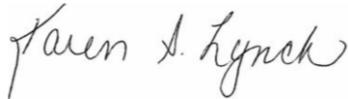
Thomas A. Croswell, CEO of the combined
Harvard Pilgrim Health Care and Tufts Health
Plan



David M. Cordani, President & CEO, Cigna



Dirk C. McMahon, President & COO,
UnitedHealth Group



Karen S. Lynch, President & CEO, CVS Health