

Senate Commerce Committee

Aaron Jones 271-2609

HB 499-FN, making technical corrections to certain insurance laws.

Hearing Date: April 8, 2025

Time Opened: 11:29 a.m.

Time Closed: 11:39 a.m.

Members of the Committee Present: Senators Innis, Ricciardi, McGough, Fenton and Reardon

Members of the Committee Absent : Senator Murphy

Bill Analysis: This bill makes various technical corrections to the insurance laws.

The bill is a request of the insurance department.

Sponsors:

Rep. Hunt

Who supports the bill: Representative John Hunt, DJ Bettencourt (NH Insurance Department), Michelle Heaton (NH Insurance Department), Emily Doherty (NH Insurance Department), James Hatem

Who opposes the bill: No one

Who is neutral on the bill: No one

Summary of testimony presented in support:

Representative John Hunt

- This bill was a housekeeping measure for the Insurance Department. It would streamline fees and get rid of unnecessary ones. He said the Department was getting ahead of the curve.

DJ Bettencourt, Commissioner, Michelle Heaton, Director of Health and Life Division, and Emily Doherty, Property and Casualty Division, New Hampshire Insurance Department

- Over the past several years, Commissioner Bettencourt said the Insurance Department has thoroughly reviewed all of the insurance related statutes, and

they have sought to modernize and clean them up. He said the proposal before the Committee was a continuation of that effort.

- Section 1 cleaned up language related to the No Surprises Act, which is a prohibition on balanced billing in most instances. The Department has written rules to implement the bill, which was SB 173 (2024). During drafting, however, they realized they needed to align the language with federal law. They had to ensure the dispute resolution process mirrored the federal process.
- Section 2 pertained to notification for the discontinuance of lines of business. He said there were a number of carriers who changed their Medicare Advantage offerings. If carriers are going to dramatically change their offerings, or withdraw from a line of business, they need to notify the Department. This notification would apply across the board.
- Ms. Heaton clarified that this bill only pertained to casualty companies. She noted the Medicare Advantage portion is in a separate bill, but they worked in tandem. If carriers withdrew from a line of business, the Department would keep track of it.
- Commissioner Bettencourt said that Sections 3 and 4 were pure clean ups related to unadmitted surplus lines of insurance.
- **Senator McGough** asked why this bill needed to include the unadmitted surplus lines.
 - **Ms. Doherty** said the Department regulates unadmitted surplus companies, and this would clarify that those companies need to use New Hampshire licensed adjusters. It also would clarify that their investigative statute would apply to those companies.
- **Senator McGough** asked why there was an adjustment to the capital reserve.
 - **Commissioner Bettencourt** said their Financial Regulation Unit was in charge of taking in information when an insurance company would like to form and domesticate their business in New Hampshire. The Unit has seen, over the past several years, individuals and entities coming forward and claiming they want to form an insurance company, but when their financials are examined, it is not a serious proposal. He wanted the threshold raised, so they tried to find a balance for new entrances into the market. Presently, it is \$800,000, and they raised it up to \$3 million.
- **Senator McGough** asked if this was comparable to other states.
 - **Commissioner Bettencourt** noted it was still on the lower end. They have ensured that New Hampshire will continue to be a very business-friendly state for forming an insurance company. He believed they struck a balance between filtering out proposals that were not serious, while also ensuring no one was discouraged from domesticating in New Hampshire.
- **Senator McGough** asked if anyone has failed to pay claims because they did not have the capital.
 - **Commissioner Bettencourt** replied no. The Financial Regulation Unit has done a good job in overseeing the financial health and solvency of companies. They have not had a domestic insurance company in New Hampshire go insolvent since the mid-1990s. The team will intervene when financial metrics fall below certain thresholds. Even if a company

became insolvent, there would still be the Guarantee Fund that would ensure claims are still paid, even if a company is in financial distress.

Summary of testimony presented in opposition: None

Neutral Information Presented: None

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Date Hearing Report completed: April 11, 2025