



PROFESSIONAL FIRE FIGHTERS

O F N E W H A M P S H I R E

Chairman Hunt and Members of the Committee,

My name is Brian Ryll, and I am submitting this testimony on behalf of the Professional Fire Fighters of New Hampshire in opposition to HB 1491, relative to pooled risk management programs.

RSA 5-B was enacted for a clear and important purpose: to allow political subdivisions to collaborate in the development and management of pooled risk management programs that function as an extension of the municipalities themselves. These programs pool reserves, risks, claims, losses, and administrative services to carry out essential governmental functions. They are governed by public officials and are intended to operate solely for the benefit of the political subdivisions that participate in them.

These programs are not private insurance companies, and they are not designed to generate profit. Perhaps most importantly, their decisions directly affect the terms and conditions of employment, including healthcare benefits that are frequently negotiated through collective bargaining agreements.

HB 1491 fundamentally alters this framework by dividing pooled risk management programs into separate categories and shifting oversight away from the New Hampshire Secretary of State, an office that has historically provided direct, transparent oversight and is accountable to the citizens of New Hampshire. By transferring this responsibility to the New Hampshire Insurance Department, the bill weakens the accountability and enforcement mechanisms that currently protect both political subdivisions and the employees who rely on these programs.

Supporters of this bill suggest that it provides “stronger” or “more appropriate” regulation. We strongly disagree. Insurance Department regulation is designed for private insurers operating in competitive markets, not for governmental risk pools that function as extensions of political subdivisions and directly affect negotiated employment benefits. Applying an insurance-style regulatory model risks overlooking governance failures and benefit erosion so long as minimum financial benchmarks are met.

This concern is not theoretical. Over the last several years, our members have experienced substantial and harmful benefit changes implemented by HealthTrust, including the removal of prescription drug coverage, increased cost-sharing, reductions in retiree medical benefits, and elimination of wellness and assistance programs. These changes have occurred while HealthTrust publicly claims financial strength and growing reserves.

In response to concerns raised by our members, we reviewed public documents obtained under the state’s Right-to-Know law. Those records show that both the Secretary of State’s Office and the New Hampshire Bureau of Securities Regulation raised serious concerns regarding

HealthTrust's financial solvency, operational practices which include the application of member benefits, and compliance with RSA 5-B. These concerns were found to pose unnecessary risk to HealthTrust's financial condition and to the political subdivision members who depend on the program. This should raise a fundamental question: why would the legislature move oversight away from the very framework that identified these risks in the first place?

Our review of these documents strongly suggests that benefit erosion has been used to mask deeper operational failures. Rather than addressing the root causes of these issues through transparent governance and accountable oversight, the response has been to shift the burden onto employees and retirees through systematic reductions in benefits, while simultaneously supporting legislation that restructures oversight in a way that limits scrutiny and diffuses responsibility.

These changes are not medically driven. They are cost-containment measures intended to compensate for instability elsewhere in the system. The outcome is predictable: firefighters and other public employees are paying the price for problems they did not create.

In addition to harming employees and retirees, these practices expose cities and towns to significant legal and financial risk, including grievance arbitration and unfair labor practice claims under RSA 273-A arising from unilateral changes to negotiated benefits. That risk ultimately falls on municipal budgets and local taxpayers. The very entities pooled risk programs were created to protect.

The only reason many of these issues have come to light is because of public transparency requirements and the current oversight structure. Weakening that structure risks limiting the ability of municipalities, employees, and the public to identify and address problems before they escalate into financial or legal crises.

If reform is needed, it should be accomplished by strengthening the Secretary of State's authority under RSA 5-B to ensure transparency, financial integrity, and responsible governance, not diluting it. Restructuring oversight in response to pressure from any single operator, or in a way that obscures accountability, moves New Hampshire in the wrong direction.

It is for these reasons that we urge the committee to oppose this legislation. Thank you for your time and consideration.

Respectfully,



Brian Ryll
President
Professional Fire Fighters of New Hampshire