




TOWN OF DURHAM

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Memorandum

TO: House Commerce and Consumer Affairs Committee

FROM: Todd I. Selig, Administrator 

DATE: February 4, 2026

RE: Support for HB 1491, Support for SB 605, Opposition to SB 297

For the record, my name is Todd Selig and I serve as Administrator for the Town of Durham, New Hampshire. I am writing to share Durham's perspective on several bills affecting public-sector health risk pools.

Durham has long relied on pooled purchasing of health coverage as a way to provide good benefits at a reasonable, predictable cost to our employees and retirees, while protecting local taxpayers. When risk pools are well-run and properly regulated, they allow towns, schools, and counties to budget responsibly and avoid large swings in health costs from year to year. Recent events in New Hampshire show very clearly what happens when reserves are allowed to fall too low and when assessments are used as the back-stop: local governments are hit with sudden, unbudgeted bills and are forced to cut, defer, or raise taxes to respond.

With that context, here is how the Town of Durham views the pending legislation.

HB 1491 – Strong Support

Durham strongly supports HB 1491 because it draws a clear, sensible line between two different types of risk pools and aligns regulation with the actual risk they take on.

HB 1491:

- Keeps assessable pools under the Secretary of State, consistent with their existing practice.
- Moves non-assessable health pools under the Insurance Department, with modern solvency oversight and risk-based capital standards similar to those used for other insurance entities.
- Explicitly allows non-assessable pools to maintain adequate reserves, rather than forcing them into artificially low caps that have already proven inadequate.

For a town like Durham, this matters in several ways. First, the non-assessable model has protected us from surprise assessments and allowed us to plan around a known, fixed cost for health coverage. Second, we want these pools to be supervised by a regulator whose core expertise is in insurance and solvency, using tools that look at risk over multiple years, not just a narrow 12-month window. Third,

recent New Hampshire experience with low-reserve pools and subsequent assessments underscores that the problem was not "too much" reserve, but too little.

HB 1491 does not pick winners and should not. It simply matches each model with the right regulatory framework and allows both to function responsibly.

SB 605 – Support

Durham supports SB 605 because it clarifies that both assessable and non-assessable risk pools are permitted, and it gives communities realistic time to pay any special assessments.

In plain terms, SB 605:

- Recognizes that some pools bill after the fact (assessable) and some, like HealthTrust, set rates up front and do not issue assessments (non-assessable).
- Requires assessable pools, if they issue a special assessment, to give member communities up to 36 months to pay.

From a municipal budgeting standpoint, that matters. When a town or school district gets a large health-pool assessment with only a short time to pay, the choices are all bad: raid reserves set aside for other purposes, cut projects or staff, or raise taxes mid-year. Stretching any required payments over three years is simply more consistent with how we actually plan, adopt, and adjust budgets.

SB 605 also quietly but importantly affirms that the non-assessable model we participate in is lawful and expected to continue, which is essential for our ability to offer fixed, predictable health costs.

SB 297-Type Late Bill – Strong Opposition

Durham strongly opposes any bill modeled on last session's Senate-amended version of SB 297 that would outlaw non-assessable health risk pools and cap reserves in the 12–16 percent range.

From the perspective of local government, such a bill would:

- Eliminate the non-assessable model that has kept at least one pool financially positive while avoiding surprise assessments.
- Force all pools into reserve levels that are well below what health risk pools and the broader health insurance industry typically maintain.
- Increase the likelihood of future assessments on towns and school districts when claims inevitably run higher than expected.

We have just watched what happens when reserves are held too low and assessments are treated as the safety valve: a pool closes, another struggles, and local governments and school districts receive unprecedented, unplanned bills, which is highly undesirable. That is not an experiment we should repeat by locking the same low-reserve model into statute and prohibiting the alternative that has demonstrated stability.

Durham's interest is straightforward. We want risk pools to remain viable over the long term, to avoid surprise assessments, and to let us budget transparently with our residents. That requires adequate reserves, clear and appropriate oversight, and flexibility for both assessable and non-assessable models to operate, rather than a one-size-fits-all cap that ignores both national practice and recent New Hampshire experience.

Thank you for your consideration.