



Chairman Brinkman, Vice Chairman Henne and Ranking Member Bocchieri, my name is Carolyn Mangas and I am the government affairs manager for the Ohio Insurance Agents Association (OIA). I am here today, along with one of OIA's member agents Victoria McCoy, to testify in support of Senate Bill 227.

OIA is the collective voice of more than 1,300 independent insurance agencies that employ more than 10,000 Ohioans. We promote, progress and protect the professional advice and guidance only independent agents provide. Our members write 82 percent of the commercial insurance policies and 44 percent of personal insurance policies in Ohio. We help agents by providing agency valuation support, succession planning, advocacy initiatives, professional development, business solutions and industry thought leadership. We are committed to fighting the commoditization of insurance because we believe the right insurance matters.

S.B. 227 would require health insurers to release certain monthly claims information to group plan policyholders. Ultimately, this legislation will provide a solution to a problem that our members have brought to my attention over the last several years. By allowing risk advisors and employers access to this information, Ohio employers can make better decisions regarding properly assessing health care options to potentially reduce their health care costs.

As Sen. Huffman cited in his sponsor testimony, Louisiana and Texas have laws in place to require health insurers to release claims data. Releasing this information is not a violation of HIPAA. In fact, HIPAA has specific language stating that insurance carriers can release this information for insurance-rating purposes.

Notably, the Ohio Senate passed S.B. 227 unanimously.

Independent insurance agent Victoria McCoy is here today to further explain the need for S.B. 227 and how it will help her to better advise Ohio businesses on their health care options.

My name is Victoria McCoy and I am the President of Employee Benefits for Associated Insurance Group in Westerville, Ohio. Associated Insurance Agencies Inc. was founded in 1923 as a small local insurance agency that specialized in providing automobile, homeowner, and business insurance to the residents of Central Ohio. Today, our insurance agency represents more than 20 insurance companies and has grown to a team of more than 50 expert advisors. Associated Insurance has Ohio offices in Circleville, Grove City, Logan, Mount Vernon, Newark, Pickerington, Westerville, and Xenia, Ohio. As an independent insurance agency, we are able to select regional and national insurance companies that allow our agents to specifically tailor our products to meet all of our clients' insurance and financial needs.

I've been working in the health insurance industry for over 25 years, spending the majority of my career in the fully-funded market space, and in recent years, finding ways to assist clients with alternative funding arrangements, specifically, partial self-funding. The Affordable Care Act has developed additional opportunities in the partial self-funded realm through level-funded programs or plans using stop-loss insurance with a claims administrator. My expertise is utilizing these types of plans for companies with 50 to 1,000 employees.

When developing these plans, it is important to have access to the group's health insurance claims data for the current and previous two years to design a program balancing the level of risk and reward. Companies with 100-plus employees have always had access to their claims data. If you are a company

between 50 and 100 employees or sitting on the 100-plus bubble, insurance carriers do not typically release claims data.

When providing companies with reasonable health insurance options, having access to claims information allows the benefits advisor to show additional funding arrangements that otherwise would not be available. When the data is not available to be presented to a stop-loss insurance company, the rates released are more conservative and, in most cases, not competitive to the fully insured quotes. This forces the employer group to select the program with increasing rates, generating higher underwriting profits for the insurance carrier.

Having access to such claims data will promote competition between insurance carriers. Currently, there are only five fully insured carriers in our area. However, there are more than 15 stop-loss carriers we can use in this same area. The increase in stop-loss carriers allows the advisor to negotiate on behalf of the employer group more aggressively to provide the most competitive plans and rates.

The data should be for companies with 50 and above full-time equivalents (FTEs) or an Applicable Large Employer (ALE). Our intention is to use this data for quoting alternatively funded programs, as well as fully insured programs. As mentioned, we feel the threshold should be at 50 FTE's because smaller groups should not look at alternatively funded programs due to the level of risk inherent at that employer size.

In closing, we believe S.B. 227 will provide significant help to both risk advisors and Ohio employers and their employees. S.B. 227 will provide additional information that can serve as a much-needed tool to empower better decision-making in the health insurance marketplace.

For these reasons, we encourage you to support S.B. 227.