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NH Public Risk Pools and Local Officials Address Likely Consequences of Proposed Amendments

CONCORD, NH— Representatives of the New Hampshire Local Government Center (LGC), Primex, and SchoolCare responded today to proposed legislation affecting New Hampshire public risk pools, at a press conference at the Legislative Office Building. Also attending, in support of the three organizations, were numerous local officials who were present to testify at the Senate Finance Committee public hearing later in the afternoon.

LGC Board of Directors Chair Mark Halloran emphasized the importance of reserves to a pooled risk program like LGC's HealthTrust. "Our reserves are based on standard actuarial formulas. We have set a target ratio in the formula that is lower than private industry, and that therefore requires a smaller reserve," said Halloran. "Establishing reserve levels by legislative action is risky. In fact, the various models offered by the House and Senate would likely create a situation in which we would be constantly insolvent and we would lose the confidence of our members and technically be in receivership." Halloran added, "We are sure this not the intent of the sponsors, but the consequences need to be carefully examined."

"We acknowledge the frustration expressed by the Secretary of State's office," said LGC Interim Executive Director Maura Carroll. "LGC, under its former leadership, may have even played a role in creating that frustration. However, I can assure you that we have always complied with State regulations by filing the necessary materials annually with that office. If there's something we have not provided, or more information is needed, we'd be happy to provide it."

Carroll described receiving strong support from the LGC membership, comprised of New Hampshire municipalities, school districts, counties and other governmental organizations. "Our members have expressed strong concern that this legislation could cause LGC, and other public risk pools, to become unstable or insolvent," Carroll said.

Hanover Town Manager Julia Griffin spoke against the proposed legislation, emphasizing that local officials want to continue to receive the money back through more stable rates, as has been the established practice. “It’s unfortunate that this legislation has been introduced in an environment of a long-standing dispute involving a former board member, a member of the Professional Fire Fighters of New Hampshire,” she added.

Halloran stressed, “We hope that as the legislative process unfolds in the days to come, we are able to address the concerns of the legislators, get all the facts on the table and avoid a last minute bill that has long term consequences.”

The New Hampshire Local Government Center (LGC) is a nonprofit organization governed by an active board of directors comprising municipal, school and county representatives, including labor, management and elected officials. A resource for local governments, the LGC provides programs and services aimed at strengthening the ability of New Hampshire municipalities, schools and county governments to serve the public. For more information, visit www.nhlgc.org.