



March 20, 2026

Dear Senators,

During the debate relative to risk pools in New Hampshire over the last year, one thing is clear and I believe we can all agree on: risk pools are valuable to our municipalities, school districts, taxpayers, and the tens of thousands of individuals they serve throughout the state.

HealthTrust

HealthTrust offers high-quality, affordable health and welfare coverages exclusively to the public sector of New Hampshire at a cost that is lower than the commercial market. We have served the state for over 41 years. Through careful and actuarially-based planning, HealthTrust has never depleted reserves, never issued a surprise assessment, and never threatened to stop paying claims. We are the only New Hampshire health risk pool that can make that statement.

The coverages we issue are non-assessable, which means the rates (premiums) we charge for a period of coverage are the only obligation of our member groups; no mid-year rate hikes or surprise assessments. These fixed costs provide the stability needed for public sector employers, employees, and taxpayers in order to responsibly manage municipal budgets year-to-year.

Critical Background

[Please see additional critical background information in the appendix below.](#)

At the start of FY2025, there were three health risk pools operating in the state: HealthTrust, SchoolCare, and NHIT. All three have been regulated for many years by the Secretary of State, who employs no actuarial staff, no underwriting staff, and no staff that otherwise maintains insurance industry expertise. Instead, the Secretary has delegated regulation of risk pools to the Bureau of Securities Regulation.

The regulator has long focused on limiting reserves for risk pools. SchoolCare and NHIT operated under Risk Pool Practices Agreements with the Secretary of State that limited their contingency reserves to a low level - approximately 15% of annual contributions (less than half the national average). By the end of FY2025, NHIT and SchoolCare both depleted their contingency reserves. NHIT discontinued operations due to the depleted reserves and SchoolCare issued \$30M in surprise assessments in an attempt to continue operations.

Only HealthTrust was able to maintain the stability that RSA 5-B was meant to provide through the unpredictable claim spikes impacting all three pools in recent years. HealthTrust's success was due to its focus on long-term financial stability and its reliance on the application of sound actuarial methodologies required by RSA 5-B:5.

Two health risk pools followed the Secretary's model and depleted reserves. In contrast, the one risk pool that did not follow that model was successful.

Nevertheless, the Secretary continues to promote a broken system through legislation (SB297 last year and SB661 this year) seeking to codify the low reserve/high assessment model. When the legislative effort in 2025 failed, an enforcement action was brought against HealthTrust seeking to force lower reserves and a return of surplus even as we work on rebuilding reserves to actuarially recommended levels.

When two risk pools have depleted reserves, why is the regulator doubling down on forcing lower reserves?

SB661

SB661 as amended changes New Hampshire law to ban non-assessable risk pools, like HealthTrust, from the state.

It would upend over 40 years of history in the state and current statute (RSA 5-B) by requiring that all risk pools be assessable and removing fixed-cost coverages from the risk pool market. Further, it limits the amount of contingency reserves health risk pools can hold to 20% of annual contributions, which is far below the national average of 34-38%.

While we appreciate the intent behind the member equity accounts, they are not a stand-in for sufficient reserves.

As SB661 removes the stability and predictability critical for those we serve, HealthTrust does not support SB661 as amended. First, it bans HealthTrust's non-assessable model and fixed-cost coverages. Second, it prohibits HealthTrust from holding the reserves recommended for long-term stability and sustainability.

SB661 would essentially codify a failed model. The response to two health risk pools depleting reserves is not to ban HealthTrust's model, which has never depleted reserves even as it managed the same catastrophic wave of claims as the other two.

HB1491

House Bill 1491 recently passed the House and represents a model crafted by the Insurance Department during this same debate last year. It introduces strict regulation and oversight of non-assessable risk pools (such as HealthTrust) by the Insurance Department. This ensures fixed-cost coverages are still available in the state, with prudent oversight by the experts at the Insurance Department to ensure they remain strong and viable for the protection of municipalities and taxpayers.

This proposed regulatory standard is tried and true by regulators both in New Hampshire and across the country. RSA 420-R would apply solvency standards developed by the National Association of Insurance Commissioners (NAIC) and the American Academy of Actuaries, which are used in all 50 states.

The Insurance Department has actuaries on staff who are intimately familiar with New Hampshire's health coverage market, thus allowing for a savings of the several hundred thousand dollars the Secretary of State has spent on out-of-state actuaries over the last few years.

While RSA 420-R represents regulation that is more rigorous than both RSA 5-B today and SB661, HealthTrust fully supports these standards and oversight. Under this model, HealthTrust and other risk pools will continue to thrive for the benefit of the public sector.

A Path for Both

HB1491 contains provisions for both assessable risk pools under RSA 5-B and non-assessable risk pools under RSA 420-R. Of note, during the Senate Finance Committee's deliberation, supporters of SB661 stated they would also support HB1491.

While we do not support SB661, we understand that variety and choice are important and the public sector of New Hampshire and their taxpayers are benefited by having choices to enhance a thriving risk pool market. We support legislative initiatives that allow both assessable and non-assessable risk pools to thrive.

We are available to speak with you and to provide any additional information you would like as you work through this critical issue.

Sincerely,



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Appendix: Critical Background Information

The regulator has long sought for risk pools to hold very little in reserves. In 2014, the Supreme Court of New Hampshire struck down the Secretary of State's attempt to limit contingency reserves to 15% of contributions and instead held that RSA 5-B:5 requires risk pools to "establish necessary reserves in accordance with an actuarially sound methodology . . ." Appeal of Local Gov't Ctr., 165 N.H. 790 (2014).

The Secretary entered into Risk Pool Practices Agreements with SchoolCare and NHIT getting them to agree to operate under the low-reserve model, apparently to avoid enforcement actions.

Under the agreements, the reserves that they were allowed to maintain were limited to approximately 15% of annual contributions, less than half the national average of 34-38%.

HealthTrust refused to sign such an agreement which would require it to maintain reserve levels below its actuary's recommendations. Instead, HealthTrust has consistently set its reserves using an actuarially sound methodology in accordance with the Supreme Court's interpretation of RSA 5-B.

Flash forward to a year ago. Both SchoolCare and NHIT depleted reserves as of June 30, 2025. Both issued debilitating assessments to their member groups in an attempt to stave off insolvency. NHIT closed, removing one of the three options from the marketplace. These assessments have been headline-news in numerous communities due to their fiscal impacts, including Concord, Portsmouth, Dover, Londonderry, Lebanon, Farmington, and more.

HealthTrust did not deplete reserves. Our model worked when faced with unpredictable claims spikes and, because we relied on actuaries, the higher reserve levels allowed us to cover all claims without issuing disruptive assessments. We are successfully replenishing those reserves today.