



Update on Recent Events Impacting NH Health Risk Pools and Context

October 1, 2025

Dear Member Groups,

I am writing to provide clarity regarding HealthTrust and the events that have unfolded over the last eight months, through last week's bylaw changes approved by the HealthTrust Board. This communication is timely and important in light of recent announcements and actions by the two other health risk pools in the state, SchoolCare and New Hampshire Interlocal Trust (NHIT).

We understand that there is a lot of confusion currently in the marketplace, and we want to provide a comprehensive update to our Member Groups. **It is my sincere hope that you will take the time to read this message in full, as I believe it provides context for recent events and how they connect.**

Two Models:

Core to understanding what has unfolded in recent months is understanding the differences between two main types of risk pools (and insurance coverages in general, particularly through mutual insurance companies):

Under **assessable** coverage, when losses cause reserves to fall below the level needed for financial stability, the entity providing coverage (i.e., risk pool) can go back to the policyholders (e.g., participating cities, towns, schools, etc.) and require policyholders to pay additional funds to cover losses that occurred during the *current or prior* year. The additional funds would be owed even if the policyholder decided to non-renew coverage.

Non-assessable coverage means your contributions (premiums) are the limit of your exposure and you cannot be required to pay additional assessments. The risk pool holds the risk of losses. A risk pool offering non-assessable coverage would typically hold higher reserve levels, as there is no immediate source of additional revenue if claims exceed reserves. Rather, the risk pool would rebuild reserves through a *prospective* capital risk charge added to future premiums.

Transparency is Critical:

Generally, across the nation, assessable plans are expected to clearly state prior to issuing coverage that the coverage is assessable and describe the methodology of levying assessments. This expectation exists because policyholders need to know whether, in the event of losses, they will be responsible for additional assessments. In other words, they should know in advance if they are exposed to this risk. Typically, policyholders must understand and agree to this additional liability as part of the contracting process.

Models in New Hampshire:

HealthTrust has long operated as a non-assessable risk pool. This is a core principal of our organization. We believe that the political subdivisions of New Hampshire, and their taxpayers, need rate stability and protection from sudden losses and unexpected assessments. We also believe that unexpected increases to the second highest budget item on municipal and school budgets is not an effective, or even viable, solution. In implementing this model, HealthTrust is a non-profit self-insured risk pool, meaning HealthTrust holds the risk of losses (i.e., HealthTrust is the self-insured party). Member Groups are in a non-assessable, fixed-cost coverage arrangement, meaning groups such as cities, towns, schools, and counties are protected from assessments.

We are aware that the other two health risk pools in the state, NHIT and SchoolCare, have both issued assessments recently. The receiver appointed over NHIT issued \$2.5 million in assessments during the summer and SchoolCare recently issued \$30 million in assessments. These assessments were issued to their respective groups based on their participation in coverage that was in effect on June 30, 2025.

We understand that questions have been raised by groups about whether NHIT and SchoolCare plans were assessable or non-assessable. We are aware that some groups have paid the assessments, while other groups have questioned whether they have an obligation to pay them. While HealthTrust cannot comment on the practices of other risk pools, we can assure you that HealthTrust is committed to offering coverage that is non-assessable.

SB297 – Assessable vs. Non-Assessable:

We have received a number of inquiries asking how these recent developments relate to last year's proposed legislation relating to risk pools.

SB297, a bill authored and requested by the Secretary of State, sought to change RSA 5-B, the law governing risk pools in New Hampshire, to only allow assessable plans in New Hampshire and to further restrict the amount risk pools maintain in reserves. As passed by the Senate, this would have outlawed HealthTrust's non-assessable model.

The House recognized the value of non-assessable risk pools and passed a version of the bill that expressly provided for both non-assessable and assessable risk pools. As the House amendment was non-concurred by the Senate, SB297 eventually died, and there was ultimately no change to RSA 5-B.

Representative Hunt, a legislator who recognized the value of non-assessable risk pools, has filed a Legislative Services Request (LSR) for a bill that would be introduced in the House during the 2026 session. We have yet to see the proposed bill but given the views expressed by Representative Hunt during the 2025 session, we expect that it will include language that would allow HealthTrust to continue as a non-assessable risk pool.

Contingency Reserves:

Contingency reserves are the funds that insurers and risk pools maintain to pay unanticipated expenses. The regulator of risk pools in New Hampshire, the Bureau of Securities Regulation in the Secretary of State's office (Bureau), has long advocated for risk pools to hold less funds in contingency reserves. The legislation they requested in the last session, SB297, would have limited risk pools to maintaining between 12-16% of contributions in contingency reserves. HealthTrust testified that this range was too low and too narrow, particularly for a non-assessable risk pool.

Both NHIT and SchoolCare have historically operated within the reserve range supported by the Bureau. NHIT held a maximum of 15% of contributions in contingency reserves in accordance with an active 2020 Risk Pool Practices Agreement with the Bureau. SchoolCare similarly operated in this reserve range, citing the terms of its expired 2012 Risk Pool Practices Agreement with the Bureau.

This spring, NHIT experienced a spike in claims and closed suddenly, citing insufficient reserves. The receiver appointed by the Bureau issued \$2.5 million in unexpected assessments to pay remaining claims. Last week, SchoolCare stated that it has a projected deficit of \$4.5 million and its reserves are "critically low," which "put the stability of the pool at risk." It announced it will bill \$30 million in assessments to the schools and municipalities that participated in its program last year to "restore financial stability."

In contrast, HealthTrust has long resisted adopting the low reserve range championed by the Bureau and has instead relied on the analysis provided by its actuaries, which among other things took into consideration that HealthTrust's member groups purchase guaranteed-cost health coverage similar to a fully-insured arrangement in an insurance company. During COVID, HealthTrust's reserves were equal to approximately 20% of contributions. Our actuaries used a sound actuarial methodology to evaluate the projected needs of the program to calculate an appropriate reserve range. When we experienced a spike in claims after COVID, HealthTrust's reserves proved sufficient to cover claims, and are now being steadily rebuilt after the unprecedented pandemic and the increased claims experienced in its aftermath.

We believe that the experience of all three health risk pools prove what HealthTrust has long stated: the reserve ranges advocated for by the Bureau are too low to allow for long-term financial stability. While the Bureau has stated that accurate rating will prevent the need for reserves beyond 12-16%, the experience of all three pools has shown that is incorrect, particularly considering the unprecedented claims volatility that has recently struck the entire health coverage market. **The two health risk pools**

operating within the Bureau's desired range (12-16%) have exhausted or largely exhausted their contingency reserves, with one suddenly closing and the other issuing \$30 million in assessments to the public sector in an attempt to maintain solvency. The risk pool operating above the Bureau's desired range (HealthTrust) had sufficient reserves to remain solvent when it experienced unexpected losses and is successfully rebuilding those reserves, without the use of assessments.

Bylaws Change

Due in part to confusion created by SB297, HealthTrust felt it would be prudent to reaffirm in its bylaws that HealthTrust offers non-assessable coverage. Additionally, the Association of Governmental Risk Pools (AGRiP) offers a recognition program (which HealthTrust is pursuing), that requires risk pools to have a clear statement in its governing documents regarding whether assessments are authorized and, if so, the circumstances for determining the assessments and allocating it among members.

On August 8th, the HealthTrust Board voted to bring potential bylaw changes to a hearing of its Member Groups. That hearing occurred last Thursday, September 25th with many groups in attendance. After the hearing, the HealthTrust board voted to adopt the bylaws changes.

The updated bylaws, reaffirming that HealthTrust is a non-assessable plan, were emailed to all groups on Monday, September 29th. **Please note, this is not a change in practice, it merely memorializes in yet another manner how HealthTrust has historically operated.** This protects you, and your taxpayers, from unexpected mid-year bills and year-end assessments. We hope that these changes provide groups with clear assurance that they will not be liable for surprise assessments.

Enforcement Action:

Paradoxically, even though SB297 did not pass and even though HealthTrust is the only health risk pool in New Hampshire currently **not** experiencing immediate financial concerns, the Bureau has chosen to initiate an enforcement action against HealthTrust. In its enforcement action, the Bureau seeks in part an order that would: 1) disallow non-assessable risk pools to exist in New Hampshire (despite HealthTrust's long history); and 2) require HealthTrust to lower its reserves and issue a return of surplus, which would greatly increase the chances that assessments would be required of HealthTrust's member groups in the future.

We are extremely troubled that, in light of recent events impacting NHIT and SchoolCare, the Bureau would seek an order that HealthTrust must **lower its reserves** even further. HealthTrust received this enforcement action while still in the process of rebuilding reserves back to its actuarially recommended range.

We believe the enforcement action to be without merit and look forward to its resolution through the administrative hearing process. Please rest assured, we do not expect that there will be any interruption to HealthTrust coverage or services while we work our way through the administrative hearing process.

A Bright Future for HealthTrust

We want to assure our Groups that HealthTrust will continue to provide the robust and low-cost coverage that public sector employers, and their taxpayers, have relied upon for over 40 years. As we shared in our initial [statement on September 24th](#), HealthTrust just ended another strong year, is rebuilding reserves effectively, and is otherwise in a strong financial position.

We understand that there is significant concern, that misinformation has been distributed recently, and that certain for-profit brokers are attempting to capitalize upon confusion and fear in the marketplace. At HealthTrust, we believe in transparency and were thrilled that so many groups attended our September 25th public hearing on rates. For those unable to attend, the public hearing slides were emailed to all groups the same day on September 25th and contain additional details on financial performance. While costs are increasing generally in the marketplace, our model of risk pool is outperforming benchmarks.

It has been our honor to serve the public sector for more than 40 years and we look forward to a bright future together.

Sincerely,



Scott DeRoche

Executive Director

ABOUT HEALTHTRUST:

HealthTrust is a non-profit risk pool that exists to serve the public sector of New Hampshire. We leverage pooling in order to provide robust benefits and services at a lower cost to the public sector than the commercial market, and have proudly done so for 40 years.

HealthTrust currently serves 351 Member Groups including 189 municipalities, 6 counties, 82 school groups, and 74 other governmental entities such as water districts, libraries, and fire districts. In total, we cover over 69,000 individuals between all coverage lines.

In 1987, NH RSA 5-B was enacted because the commercial market did not meet the needs of the public sector. We operate in a free market, competing with other risk pools and with the commercial market.

However, the vast majority of New Hampshire's political subdivisions still choose HealthTrust for their coverage. We remain the only organization (including commercial carriers and other risk pools) that never declines to quote an eligible Group.

We are here to serve all who need us, and the need is as strong, or stronger, than it was in 1987.