



PROFESSIONAL FIRE FIGHTERS

O F N E W H A M P S H I R E

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PFFNH concerned over Public Employee Benefit “Nightmare Scenario” created by LGC

Today, David Lang, President of the Professional Firefighters of New Hampshire expressed concern over the issue of health insurance coverage for both active and retired firefighters. A Portsmouth Herald article written on August 9, 2011 by Elizabeth Dinan exposed the real possibility insurance coverage may not exist legally (see attached story). This story was exposed based on the report issued by the Bureau of Securities Regulation dated August 2, 2011; page seven states, **“In sum, no legal entity currently houses RSA 5-B “LGC Pools.”**

“It is bad enough that a group that is purported to represent the cities and towns has over charged them for health insurance, unnecessarily holding onto nearly \$100 million of taxpayer money -- now we find out they may have created a nightmare scenario putting both our communities and employees at risk,” said David Lang, President of the Professional Firefighters of NH.

In its August 2nd report the Bureau of Securities Regulation cited numerous concerns about the corporate structure of the Local Government Center (LGC) specifically stating that the LGC Health trust doesn’t exist as a legal entity in New Hampshire. Dinan’s article reported that LGC Executive Director Maura Carroll testified at an April legislative hearing on an LGC proposed amendment to House Bill 424. Specifically, Carroll testified that, **“While LGC's Board believes that it acted legally and in appropriate response to advice from counsel, we are asking the legislature to ratify the action in order to bring legal certainty and closure to the issue”¹ [emphasis added].**

“It would appear from the Executive Director’s own testimony that LGC knew or at least suspected that they had corporate legal problems. Instead of reporting it and working with the Bureau to fix the problems, the LGC tried to convince the legislature that even if they had not complied with the law the problem could be ignored and dismissed. The LGC appears to simply continue to dismiss the findings of the report somehow believing that it will go away,” said Lang.

“This is shaping up to be the biggest municipal case of malfeasance in the history of the state. The executive leadership of the LGC and their Board of Directors need to stop repeating the rhetoric and wasting more taxpayer money fighting anyone who dares question them and instead accept the recommendations of the Bureau,” Lang concluded.

The PFFNH has further asked its legal council to contact Anthem, Delta Dental and CVS Caremark to discuss their legal standing in this matter.

¹ M. Carroll Testimony http://nhlgc.org/attachments/aboutlgc/newsroom/Regulatory_Legal/RM_Testimony_on_HB424_041911.pdf

The PFFNH, headquartered in Londonderry, NH represents more than 2,000 active and retired fire fighters and paramedics. More information is available at www.pffnh.org