



ENFIELD

BUILDING BLOCKS ADD UP TO JOBS

After Huge Expansion, LEGO Is Hiring
As Sales Top \$1 Billion In 2010

By **KIM VELSEY** | kvelsey@courant.com

ENFIELD — After converting one of its former manufacturing buildings into offices, LEGO Systems Inc. is now hiring new employees to fill the 125,000 square-foot space as sales of the iconic toys continue to soar.

LEGO has hired about 75 new employees at its North American headquarters in the past year, bringing the total to 545 and is continuing to hire, brand relations director Michael McNally said.

Since restructuring in 2003-04, the Danish toy company has experienced U.S. sales gains for six straight years, with dramatic gains during the recession. In 2010, LEGO exceeded \$1 billion in U.S. consumer sales for the first time, and saw a 28 percent increase in consumer sales.

"You can imagine that translates to needing back office support," said McNally. The jobs — there are currently about 25 openings — are full-time, permanent

positions in human relations, sales and marketing, supply chain management and operations.

As part of the restructuring, LEGO sold its buildings to an outside firm and leased back space. The conversion project transforms a 1970s manufacturing building into offices, meeting spaces, a customer service call center that is expected to be staffed by as many as 100 employees during the busiest times of the year and a revamped model shop, where about a dozen employees design and construct models and displays.

The building also includes a test store, where employees will experiment with prototypes for retail displays, window features, materials and in-store events, McNally said. He added that the decision to add the new feature stemmed from the company's growing retail business — LEGO now operates more than 50 stores across the country.

The project — larger than the 80,000-square-foot addition announced last summer — was designed by Moser Pilon Nelson Architects in Wethersfield and completed by Enfield Builders, a local contracting firm. Construction costs, not including design and furnishings, totaled \$7 million, said Dennis Brennan of Enfield Builders. "They needed the space very quickly," he said.

The design incorporates natural light with big windows and skylights, Moser Pilon Nelson said, with 22-foot trees in an indoor atrium and a 20-foot tall glass wall on the east side of the building with automated drapes that open and close depending on the location of the sun.

Ten years ago the company's future was much shakier. In the 1990s, the company employed 1,200 people in Enfield, before it moved industrial operations to Mexico and other locations, shearing the local workforce.

In the early 2000s, LEGO embraced "lifestyle" products, launching LEGO clothing, video games, movies and theme parks. The company did everything in-house, including hiring an entire staff of video game developers, said McNally — neglecting the plastic brick construction sets that made the company famous.

Financial distress — especially the \$188 million operating loss the company reported in 2003 — prompted the company to regroup and adopt a back-to-basics focus on the plastic bricks. Tie-ins with the Harry Potter series, "Star Wars" series and "Indiana Jones" series helped drive sales.

FEDERAL OVERSIGHT

New Input On Rate Hikes

Insurers Criticize
HHS Involvement

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Health insurers that ask for a price increase of 10 percent or more will face more intense scrutiny in many plans by state and federal officials under a new regulation announced Thursday by the U.S. Department of Health and Human Services.

The ruling was praised by consumer advocates who say it will hold down the price of health insurance. But it drew criticism from a health insurance trade group that argued it ignores rising medical costs, which drive the price of health insurance.

The ruling won't change much in Connecticut because the state already reviews rates for the individual and small business plans targeted by the ruling, even those less than 10 percent. But it is a dramatic example — one of many provisions within health care reform — of the federal government clamping down on soaring health insurance premiums.

"Consumers are tired of double-digit rate hikes year after year at a time when many health insurers continue to make record profits," said DeAnn Friedholm, the director of the health reform campaign for Consumers Union, which publishes Consumer Reports.

Health insurance rates are regulated by state insurance officials, such as the Connecticut Insurance Department. The new ruling by Health and Human Services requires that any proposed increase of 10 percent or more for health plans sold to individuals and small businesses must be reviewed by state regulators starting Sept. 1.

The 10 percent threshold will be replaced by state-specific rules starting September 2012 to reflect the varied cost trends in different states.

States will be primarily responsible for reviewing proposed rates, and Health and Human Services will be a backup. HHS has awarded \$44 million in grants to states to help strengthen insurance regulations, and another \$200 million will be made available to states under the Affordable Care Act.

Connecticut Insurance Commissioner Thomas Leonardi said the regulations are great news for Connecticut.

"We are already in compliance with the federal government's criteria for an effective rate review process," Leonardi said. "In fact, the HHS regulations could have been modeled after our process. The governor has made it clear that Connecticut will be in the forefront in implementing federal health care reform and an effective rate review protocol is an essential part of that process."

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