



### Agents' Coalition for Health Care Reform

To: Minnesota House Members

From: Agents' Coalition for Health Reform

Re: Oppose HF1200 (Richardson, DFL – Mendota Heights)/SF1205 (Kent, DFL-Woodbury)  
Paid Family & Medical Leave

The Agents' Coalition for Health Reform represents members of the Minnesota Association of Health Underwriters (MAHU), the National Association of Insurance and Financial Advisors (NAIFAMN), Professional Insurance Agents of Minnesota (PIA), and the Minnesota Independent Insurance Agents and Brokers (Big I - MN), which collectively represent more than 54,000 licensed agents throughout Minnesota. Our members represent 2.25 million individuals covered by private health insurance in the State of Minnesota and work with more than 80% of employers. More than any other group, insurance agents best represent the interests of insurance consumers, who are our clients.

This bill puts state government in direct competition with the private sector, both insurance carriers and insurance agents. The private sector offers affordable disability income products which provide wage replacement for individuals who cannot work due to medical needs, to individuals and employers of all sizes.

Paid family leave insurance is an emerging market that will provide employers the flexibility to design a program that meets the specific needs of their workforce and budget. HF 4326 authorizes the DOC to approve these paid family products—a solution that has bipartisan support in other states. We work with a very broad group of employers and a one-size fits all government-run product will simply not serve the diverse needs of very different businesses.

The pricing noted in the bill comes from a government agency that has no experience in pricing such a product and which has not been evaluated by an actuary as is required for all private sector products. This bill creates a new unfunded mandate on both businesses and their employees, which creates a payroll tax exceeding \$800 million on businesses that are already struggling to recover from the pandemic and their employees who will not appreciate the payroll tax coming out of their paychecks, particularly in the current inflationary environment.

This bill also creates a new barrier to entry for Minnesotans interested in starting a new business.

When Minnesotans are insured by private-sector products, they know they can rely on the Department of Commerce and the courts for consumer protection. When the state is the insurer, they have nowhere to turn when a disagreement arises other than judges who work for the same department that administers the program. In addition, the private sector already has the expertise and infrastructure to provide these benefits, so there is no need for the state to recreate the wheel.

Notably the premiums would kick in on January 1<sup>st</sup>, 2023, but no benefits would be paid out until January 1<sup>st</sup>, 2024.

Please vote no.

### Agents Coalition for Health Care Reform

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