

## OPINION COLUMNS

## Statewide View: Insurance-coverage tax wrong for Minnesota

From the column: "Instead of burdening Minnesotans with higher insurance costs, let's strengthen the ability of families, seniors, and small businesses to weather life's unexpected storms."



Bill Butler

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**Opinion by Bill Butler, Terry Anderson, and Mike Anderson**

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Minnesotans take pride in looking out for one another, whether it's a neighbor lending a hand during a tough winter or rallying around a family in a health crisis.

We also need our lawmakers at the Capitol to look out for us, and right now a new tax proposal is threatening to make life more difficult and more expensive for thousands of families, patients, seniors, and small businesses across our state. We need lawmakers to stand up for Minnesotans and protect critical insurance coverage.

A proposed insurance-coverage tax being advanced by the administration of Gov. Tim Walz would double the premium tax rate on non-health insurance products to pay for a premium security plan, also known as reinsurance. The state's reinsurance program subsidizes individual health insurance rates for people who don't get health insurance through their employer.

While the goal of reinsurance is laudable, placing the burden of funding it on people who buy unrelated types of insurance is a wrong approach.

The insurance-coverage tax would increase the cost of coverage for long-term care, paid family and medical leave insurance, dental insurance, and supplemental coverage. But, while the Minnesotans who depend on those policies would see their costs increase due to this new tax, they would not benefit from the state's reinsurance program that they'd be asked to fund.

Whether you're a breadwinner parent purchasing additional coverage to protect your family should the unexpected happen, a small-business owner providing competitive benefits to support your employees, or a senior on a fixed income planning for your future with long-term care insurance, this tax would make essential coverage more expensive — and, for many, less accessible.

These products aren't luxuries. They're lifelines.

Supplemental insurance coverage is there to help diagnosed with cancer pay the mortgage or other undergoing treatment. It's what enables an aging

care while aging. It helps families pay unexpected costs not covered by major medical insurance when there's an accident or hospitalization.

At a time when the price of everything from groceries to gas to housing is on the rise, we should be working to make lifelines like these insurance products more available and more affordable for Minnesotans, not less.

Long-term-care insurance, in particular, is a critical tool for aging Minnesotans. As our population grows older, more and more families are depending on this coverage to ensure their loved ones can access home care, assisted living, or full-time medical attention. By doubling the tax on long-term-care insurance and making these products more expensive, not only will it hurt thousands of Minnesota seniors and aging adults, it will also push more Minnesotans onto Medicaid and public programs — costing us all more in the long run.

This tax also would put Minnesota employers at a significant disadvantage. In today's tight labor market, businesses are working hard to attract and retain top talent. Offering strong benefits is one of the most effective ways to do that. But under this proposal, employers, especially small businesses, may no longer be able to afford to provide dental or short- and long-term disability insurance or other important benefits that cover expenses not covered by health insurance.

For union members, member-critical supplemental benefits provided through collective-bargaining agreements would also become more expensive.

Instead of burdening Minnesotans with higher insurance costs, let's strengthen the ability of families, seniors, and businesses to weather life's unexpected storms.

Lawmakers must stand on the side of patients, seniors, families, small businesses, and employees. Doubling Minnesota's insurance-coverage tax is wrong for Minnesotans. We understand the value of a strong, bipartisan reinsurance program, but our elected officials must work together on collaborative solutions to protect our coverage and protect Minnesotans.

**Bill Butler of Burnsville, Minnesota, is an agent at Butler and Associates Insurance Agency; Terry Anderson of Alexandria, Minnesota, is an insurance agent for Aflac; and Mike Anderson of Maple Grove, Minnesota, is a broker for Anderson Benefit Partners. They wrote this for the News Tribune.**

Terry Anderson (Photo by Ryan Jones)

Mike Anderson

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