



OPINION LETTERS

Letter: New tax on safety-net insurance coverage will harm families, seniors and businesses

"Gov. Walz wants to more than double the tax Minnesotans pay for non-health insurance products to help fund the reinsurance program," writes April Goodin of Big I Minnesota.

Illustration by Troy Becker / Forum Communications

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Minnesotans are facing higher prices everywhere they turn.
Families are budgeting more for everything from grocery bills, to

mortgages to family vacations. Small businesses are facing rising costs amid global economic uncertainty, while also competing to attract and retain world class talent. The cost of nursing home care is rising, squeezing many budgets and forcing aging adults to make difficult financial decisions.

With so many financial strains on budgets today, it's no wonder so many Minnesotans look to critical safety-net insurance coverage for peace of mind. But a new tax proposal being advanced by Gov. Walz could put that coverage out of reach for Minnesotans.

Walz wants to more than double the tax Minnesotans pay for non-health insurance products to help fund the reinsurance program. Also known as the Minnesota Insurance Coverage Tax, this tax will drive up costs on critical policies like long-term care, dental, disability and supplemental coverage—products that many Minnesotans rely on to stay protected.

At the Big I Minnesota, we represent thousands of independent insurance agents across Minnesota who help families, businesses and everyday Minnesotans shop for coverage and compare options among insurance carriers to find the coverage and cost that works best for them. We also know that when faced with inflation and budgetary constraints, these types of coverage are often the first to go - leaving people unprotected should the unexpected happen. That's why we're raising the alarm—because this tax threatens to make that vital coverage less accessible, right when Minnesotans need it most.

These aren't optional extras. These products are lifelines.

Whether it's a young family buying supplemental insurance to help pay the bills if a parent and breadwinner faces an unexpected cancer diagnosis and cannot work while going through treatment, or a senior planning for long-term care to remain independent and out of state-funded programs, or a small business offering competitive benefits to attract and retain workers—independent

agents see every day how these policies deliver real value and real peace of mind.

In addition to the cost, I am also deeply concerned by the lack of transparency and predictability this proposal brings. Under the governor's tax plan, the Department of Commerce would have the authority to continue increasing this tax year after year—without any legislative approval or oversight. That means Minnesota families and businesses could face growing insurance costs with little warning and no recourse. With no guardrails in place, this tax could easily triple over the next decade, placing an even greater burden on those who can least afford it. That's not how sound tax policy should work, especially when it impacts products so central to people's financial and personal security.

Affordability and access matter. Minnesotans are already feeling the squeeze, and the last thing consumers and employers need is a new tax that makes essential insurance coverage harder to afford.

Independent agents help people navigate tough choices and compare coverage options that work for their lives and budgets. But the Minnesota Insurance Coverage Tax will limit the options available to Minnesotans in every corner of our state, making coverage less flexible, less affordable, and less responsive to individual needs.

I believe in smart public policy—and I believe the state's reinsurance program deserves a stable, fair funding source. But this isn't it. Taxing unrelated insurance products to pay for it is not just bad policy—it's bad for Minnesota families, businesses, seniors and everyone who looks to supplemental insurance coverage for peace of mind.

April Goodin, Big I Minnesota

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