National Association of Benefits and Insurance Professionals
Minnesota Chapter
NABIP
Shaping the *future* of healthcare

Dear Chair and Members of the Committee,

I am writing to express strong support for SF3936, which will stabilize Minnesota's reinsurance program and thus the individual market. These bills are essential to maintaining affordable, accessible health coverage for individuals and small businesses (through ICHRA plans) across the state.

Minnesota has a long-standing commitment to supporting residents who purchase insurance on the individual market, dating back to the creation of the high-risk pool in the 1970s. When that pool was dissolved under federal reforms, approximately 27,000 high-cost individuals entered the individual market without the accompanying public funding that had previously supported their care. This structural shift led to significant market instability, including sharp premium increases and insurer exits.

Reinsurance has effectively addressed that gap. By offsetting the highest-cost claims, the program has reduced premiums by approximately 20 percent on average, according to the Minnesota Department of Commerce. This is not a theoretical benefit—rate filings confirm that these savings are passed directly to consumers, not retained by insurers. Carriers are reimbursed only for actual medical claims, not administrative costs or profits.

The program has also materially expanded coverage. More than 88,000 Minnesotans—many of them self-employed, working for small businesses, or between jobs—currently rely on the individual market made viable by reinsurance. Without legislative action, premiums are projected to increase by at least 25 percent, potentially resulting in tens of thousands losing coverage.

Importantly, reinsurance is a more efficient continuation of Minnesota's historical approach to supporting high-cost individuals. The program operates at a lower cost than the former high-risk pool while increasing consumer choice and integrating all enrollees into a single, unified market.

SF3936 provides an opportunity to secure permanent, predictable funding for this critical program. Doing so will reduce uncertainty, stabilize premiums, and protect access to coverage for hundreds of thousands of Minnesotans.

For these reasons, we respectfully urge your support for SF3936.

Thank you for your consideration.