



SB 2349
Testimony before the Senate Industry and Business Committee
February 1, 2023
Oppose

I am Lance Boyer, and I am the Sales Director of Financial Products for Farmers Union Service Association, a general insurance agency contracted with over 300 agents in over 20 states. We provide insurance products and services to rural America, including members of the North Dakota Farmers Union and other state Farmers Union organizations.

We have a number of concerns about SB 2349.

First, this bill completely exempts these health care coverage plans from protection under the insurance code. Under the insurance code, the insurance commissioner regulates insurance companies, health plans, and insurance producers (agents) so they are transparent and accountable. It sets standards for fair practices in marketing, sales, underwriting, benefits, and claims. But this bill exempts certain organizations from those requirements - there is no accountability to members or the insurance department and there are no standards.

Second, there is no requirement in this bill that the health care coverage is actuarially sound, which means there is no assurance that the organization will be able to meet its financial obligations to those who buy coverage.

Third, as you know, health insurance plans under the Affordable Care Act cannot medically underwrite applicants. However, because this bill says these plans are not "insurance," they will not have restrictions on the medical underwriting, which means they are allowed to cherry pick the healthiest applicants while keeping out those with pre-existing conditions. We are concerned that healthy people will leave the insurance market, making the remaining pool more expensive.

Finally, we do not believe this bill will solve affordability concerns. Our team has invested a lot of time and energy exploring alternative options for our members. The simple reality is the marketplace provides the best coverage options for our farmer and rancher members and others. Premium tax credits and cost sharing reductions significantly reduce the cost of marketplace plans, helping our clients access high quality, affordable coverage.

We respectfully request a "Do Not Pass" on SB 2349. I will stand for any questions.