



S.4007 / A.3007 (HMH Part Y Subpart D)

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S.4007 / A.3007 (HMH
Part Y Subpart D)

SUBJECT

Health Guaranty Fund

DATE

February 15, 2023

OPPOSE

The Business Council opposes Subpart D of Part Y of S.4007 / A.3007. This Executive Budget proposal is unnecessary given the Department of Financial Services existing oversight role and will only harm consumers who will pay more in taxes imposed on health insurance premiums.

This legislation amends the Insurance Law to create a Guaranty Fund meant to protect policy holders and health care providers if a health insurer becomes insolvent. While The Business Council believes that this proposal is well-intentioned, it is redundant and will only raise health care premiums on hardworking New Yorkers and their employers. DFS already heavily regulates health plans and oversees the fiscal health of these insurers to ensure solvency, including rate setting. Further, \$6 billion in taxes is already assessed on health insurance premiums, and it is estimated that this would create an additional 2% tax on health insurance.

The Business Council represents more than 3,000 small and large businesses throughout the state, who employ more than 1.2 million New Yorkers. As businesses recover from the current economic crisis, the last thing they and their employees need are additional costs and taxes. The Business Council cannot support any proposal which seeks to impose more taxes on recovering New York businesses and their employees.

For this reason, The Business Council opposes Part Y, Subpart D of S.4007 / A.3007 and recommend against its inclusion in the final state budget.