



NFIB Vermont
802-992-0751
NFIB.com/VT

March 31, 2025

Vermont Senate Appropriations Committee
The Honorable Senator Andrew Perchlik, Chair

H.951 (Individual Market Reinsurance)

Dear Chair Perchlik and Committee Members,

The National Federation of Independent Business (NFIB) is a nonpartisan, nonprofit organization representing more than 800 small businesses in Vermont. Our members operate in every industry – from family farms to main street shops – and are typically very small, with 90% employing fewer than 20 people.

For forty years, the cost of health insurance has ranked as the number one problem in NFIB's *Small Business Problems & Priorities*, a quadrennial survey of the challenges facing small businesses.¹

Our members support H.951's authorization to seek approval for an individual market reinsurance program that will increase affordability, improve options, and enhance the value of health insurance coverage for small employers and employees.

Small Employer Health Insurance Struggles. The individual and small group markets are key sources of coverage for small businesses and employees. Vermont's individual market struggles, including the country's highest benchmark premiums, are well documented.²

The small group market is not in much better shape. Between 2009 and 2023, the share of small businesses offering employee coverage declined by more than 20% in Vermont.³

Most do not because it is unaffordable. A small business with as few as five employees can easily face annual premiums of more than \$100,000 before deductibles and cost sharing.

Healthcare affordability plays a major role in the success of small businesses. When employees can't afford coverage offered through work or on their own, it's harder for small employers to attract and retain workers.⁴ When small business owners can't afford coverage for themselves, as is the case for many, it puts the future of the business at risk.

Reinsurance Lowers Premiums, Strengthens Markets. State reinsurance programs have proven effective at reducing premiums, improving plan options, and restoring the health of individual markets. The programs use a mix of state and federal funding to mitigate the high cost of care and other drivers of high insurance premiums.

¹ Wade, Oldstone, *Small Business Problems and Priorities, 2024*, NFIB.com, July 2024.

² KFF, *2026 Marketplace Average Monthly Benchmark Premiums | KFF State Health Facts*, accessed 1/26/2026.

³ Skinner, Amy, *How Rising Healthcare Costs Have Caused Small Businesses to Eliminate Benefits*, *TakeCommandHealth.com*, accessed 1/26/2026.

⁴ Kuchno, Kristin, "Health insurance ranks as most-valued benefit among US workers," *Becker's Payer Issues*, 12/23/2025.

Notably, the federal funding represents savings to the federal government generated by the reinsurance program's impact on premiums. Lower premiums mean the federal government pays out less in Advanced Premium Tax Credit (APTCs) and the savings are passed on to the state to help pay for the reinsurance program.

Seventeen states have utilized reinsurance programs to provide relief, increase competition, and improve access to individual market coverage.⁵

Minnesota: Minnesota implemented one of the first individual market reinsurance programs in 2018. During four years of individual market turbulence, average benchmark premiums increased by more than 70%, enrollment plummeted by 50%, and most counties were served by a single insurer offering only narrow network plans.⁶

According to the Minnesota Department of Commerce, reinsurance has consistently reduced individual market premiums by 20% compared to without the program.⁷ Enrollment stabilized and has begun to rebound, and every county in the state is [now served by at least three](#) different health insurers.

New Hampshire: Since launching in 2021, New Hampshire's individual market reinsurance program helped reduce the average individual market premium from \$535 in 2020 to \$450 per month in 2024. Over the same period, individual market enrollment grew by 46%.⁸

Like in Minnesota, premiums remained remarkably stable from 2021 through 2025. According to the Kaiser Family Foundation State Health Facts, New Hampshire has the lowest average benchmark premiums in New England and the United States.⁹

Conclusion. We appreciate the inclusion of the reinsurance waiver authorization in H.951.

A healthy individual market is vital for small employers, employees, and their families. Individual market reinsurance lowers premiums, improves competition, leads to higher quality plan options, and benefits the overall healthcare system.

Thank you for considering our members' perspective.

Sincerely,



John L. Reynolds
NFIB Vermont State Director
John.Reynolds@NFIB.org
(802) 992-0751

⁵ U.S. Centers for Medicare and Medicaid Services, "CCIIO Data Brief Series: Section 1332 Waivers," April 2024

⁶ KFF State Health Facts: [Average Benchmark Premium: Minn. 2014-2017](#); Minn. Dept. of Health: [Healthcare Market Chartbooks, Section 4, Pg. 6](#).

⁷ Minn. Dept. of Commerce, "[Section 1332 State Innovation Waiver: About the Minnesota Premium Security Plan](#)," accessed 3/31/2026.

⁸ New Hampshire Insurance Dept, "Final Report of Health Care Premium and Claim Cost Drivers," published Dec. 2023, Nov. 2025

⁹ KFF State Health Facts: [Average Benchmark Premiums: 2026](#).