

AGRI-BUSINESS BENEFIT GROUP, INC.



Date: January 20, 2022

To: Senator Jeff Longbine, Chairman, Senate Committee on Financial Institutions and Insurance

From: Catherine Partington, Agri-Business Benefit Group, Inc.

RE: Proponent Testimony for Senate Bill 335

Mr. Chairman and Members of the Committee, on behalf of the Agri-Business Benefit Group (ABBGI), I would like to thank you for the opportunity to provide proponent testimony on Senate Bill 335. ABBGI is a 501(c)(9) employee benefit trust and manages the Agri-Business Benefit Plan under the federally regulated Employee Retirement Income Security Act (ERISA).

In the early eighties, a group of cooperatives with leadership from what is now known as ProValue Cooperative formed a committee to explore options to combat rising health insurance costs to Kansas farmer cooperatives. The plan has now grown to over 2700 employee participants from 65 cooperatives in the state. ABBGI provides a choice of three competitively priced medical plans, an HSA and an HRA compliant medical plan, including prescription drug coverage, and an optional dental plan. In addition, ABBGI, through its affiliation with Blue Cross Blue Shield of Kansas, provides its participants with first-class claims administration and access to the Blue Cross Blue Shield network providers.

ABBGI's insurance options are only available to farmers cooperatives, most of which are located in rural parts of Kansas. ABBGI's Board of Directors is comprised of Cooperative Leadership that works hard to manage costs for cooperative members and their respective employees. As healthcare costs continue to rise, this has become even more challenging.

That is why on behalf of ABBGI, I respectfully ask that the committee consider supporting SB 335. SB 335 would eliminate the current tax on premiums. This would be an instant savings to over 2700 Kansans that utilize our health plan. SB 335 will remove the tax obligation that is being passed onto cooperatives. Thank you for the opportunity to provide comments in support of Senate Bill 335.