



December 23, 2009

Kevin Beagan
Deputy Commissioner
Massachusetts Division of Insurance
1 South Station, 5th Floor 02110
Boston, MA

Dear Deputy Commissioner Beagan:

On behalf of the 6500 members of the Massachusetts Farm Bureau Federation and their families, I am writing in support of efforts to again allow small group health insurance cooperatives in the Commonwealth.

The high cost of health insurance is a significant strain on farms and farm families in Massachusetts. Due to the high costs of obtaining health insurance, it is common for one member of a farm family to be forced to work off-farm in order to obtain health insurance for the family. This drains critical resources from the farm, hindering the development and growth of that small business. This is a problem throughout US agriculture, but it is far less acute in those states which allow small group coops, where farming organizations can provide health insurance for their members, and where competition in the marketplace is strong.

Having participated in two of your recent meetings, I would offer the following suggestions/observations:

- Small businesses, industry associations, non-profits have successfully offered and managed health insurance co-ops in the past. Small associations such as Farm Bureau could very quickly put new programs into place if allowed.
- Successful programs exist in other states. It is not likely a coincidence that these states enjoy lower premiums than those in Massachusetts.
- The program offered through the MA Bankers Association is evidence that such programs can be successful in Massachusetts.

The success of farms and other small businesses in the Commonwealth are being severely hindered by high health insurance premiums. This harms not only these small businesses, but also the tax base and employment opportunities they provide – areas in which the Commonwealth is presently in need of significant stimulus. Increased competition in the health insurance market is clearly part of the solution to this problem. Allowing small group co-ops will lead to increased competition.

Thank you for your efforts.

Sincerely,

Brad Mitchell, MA Farm Bureau Federation
Director of Government Relations
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