

From: [Andrew Hawk](#)
To: [Senate Finance Committee](#)
Subject: HB 374
Date: Wednesday, June 01, 2016 9:56:31 AM

Dear Senators

My name is Andrew Hawk. I have owned and operated a successful and well- respected gunsmithing business in Anchorage for the past 19 years.

I am writing in support of House Bill 374, the Reinsurance Program.

As you know, the cost of purchasing health insurance on the individual marketplace has increased close to 40 percent for each of the past two years and, it is expected, that this percentage increase will be similar for 2017.

As a healthy individual I hope to never (or at least very rarely) need to utilize health insurance but having it affords me a significant amount of financial security. It's important for me to know that, should I injure myself or get diagnosed with a significant disease I will be able to pay my medical bills without declaring bankruptcy and still afford the care I might need to recover and continue to contribute to the Alaskan economy.

If health insurance rates increase at past levels, I could easily be looking at an annual premium of about \$16,000 with a deductible of \$5,250 for a plan that pays nothing until the deductible is met (so in essence at total of about \$21,000 yearly before coverage kicks in). Even with a hypothetical income of \$73,000 my insurance costs would still be about 30% of my annual "take home" pay. This would not be sustainable for me and I would reluctantly decide to go without insurance.

The repercussions of this decision, as you can imagine, are multiplied substantially when you consider that out of the 23,000 Alaskans buying insurance on the marketplace just about everyone of us who does not qualify for a tax subsidy will likely be faced with making a similar choice. The effects of this will extend into Alaska's economy well beyond those individuals and their family's ability to access health care. Should large numbers of middle class Alaskans be unable to afford health insurance than medical providers will lose business (the uninsured tend not to seek medical care unless the situation becomes dire) or, worse, providers will end up providing emergency care for those of us who become seriously ill or injured and pass the costs along to those who are covered. Lack of a sustainable health insurance marketplace also means that some small business owners or their employees will end up leaving the state as the risk of being uninsured outweighs the advantages of staying in Alaska. In turn, that results in fewer people providing services to our communities as well as fewer people contributing to the economy by buying gas and groceries, using local services and businesses, paying property taxes, supporting local charities... the list goes on.

In closing, I urge you to pass House Bill 374

Thank you for taking the time to read my testimony and consider this important bill.

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