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January 10, 2017

Senator Dean Heller  
United States Senate  
Washington, D.C. 20510

Senator Martin Heinrich  
United States Senate  
Washington, D.C. 20510

Congressman Mike Kelly  
U.S. House of Representatives  
Washington, D.C. 20515

Congressman Joe Courtney  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Senators Heller and Heinrich and Representatives Kelly and Courtney:

On behalf of the National Association of Professional Insurance Agents (PIA National), thank you for introducing H.R. 173/S. 58, a bill to amend the Internal Revenue Code of 1986 to repeal the excise tax on high cost employer-sponsored health coverage. PIA National represents independent insurance agents in all 50 states, Puerto Rico, and the District of Columbia. Our members appreciate your leadership in working towards repealing the excise tax in the Affordable Care Act (ACA), also known as the “Cadillac Tax”.

Millions of middle class individuals rely on health insurance obtained through employer-sponsored health plans. A provision in the ACA, often referred to as the “Cadillac Tax” is intended to lower health care costs by imposing a 40% excise tax on overly generous employer plans. While proponents of the tax claim only the very wealthy will be affected, several studies, including one by Forbes, found that, while only 15 percent of employer-sponsored plans will be subject to the tax when it goes into effect, the percentage of affected plans will quickly increase. Five years after it begins, nearly half of all employer-sponsored plans will be subject to the tax. After ten years, over 70 percent of employer-based plans will be exposed to the tax. The tax will particularly penalize employers with high costs due to disabled workers, high-cost cancer cases, high cost-of-living areas, number of employees, and employers in specific industries, like manufacturing.

PIA greatly appreciates your efforts and dedication to repealing the excise tax on employer sponsored health plans. We look forward to continuing to work with you on this matter. If PIA National can be of any additional assistance, please contact Jon Gentile, PIA National Vice President of Government Affairs, at [jonge@pianet.org](mailto:jonge@pianet.org), or Jennifer White, PIA National Legislative Associate, at [jenniferwh@pianet.org](mailto:jenniferwh@pianet.org).

Sincerely,

Mike Becker  
Executive Vice President and CEO  
PIA National