



NEWS RELEASE

FOR IMMEDIATE RELEASE – May 7, 2010

Contact: Cameron Lewis, Colorado Division of Insurance, 303.894.2261
Karen Gerwitz, DORA Communications Director, 303.894.2338

2009 Report: Marketplace Activity for Small Group Health Plans Released

Fewer small employers provided health benefits to their employees in 2009, according to a report released by DORA's Colorado Division of Insurance. The 2009 Small Group Market Activity Report provides more data and analysis than previous years.

"Small employers play a key role in Colorado's overall insurance market and this year's report digs deeper into the data," said Insurance Commissioner Marcy Morrison. "With health premiums continuing to rise for many small employers, it's important to track carefully the activity in this sector of the market."

The small group market is made up of employers who provide employee health coverage through a Colorado regulated health benefit plan, and have no more than 50 eligible employees in Colorado for at least half of the year. It also includes employers with only one employee, known as Business Groups of One (BG-1s).

Key Findings in the report include:

- A decline in both the number of small group plans, by 10%, and covered lives, by 13%.
- The number of small business group plans fell by 10% in 2009, with the exception of BG-1's which fell by 6%.
- The top 10 companies increased their market share to include 99% of all lives covered in 2009, compared to 97.5% in 2008.
- Of 21 companies in the small group market, 16 still sell new policies.
- Health Savings Account (HSA) qualified plans increased in proportion to other plans by 4%.
- HMO-type coverage increased in proportion to other types by 12%.

But, the numbers do not tell the whole story. "It's clear that fewer people are being covered by small group health plans, but we do not know what happened to those who have left," said Commissioner Morrison. "Some people may have switched jobs, found insurance on their own, become uninsured or left the state. Overall, I am concerned about the continuing decrease in the number of small employers offering health benefits to their employees. This speaks to the increases in health care costs amidst a dismal economy."

The complete report can be found at the Division's website at:

<http://www.dora.state.co.us/insurance/rtfo/2010/rtfoSmallGroupMarket2009Report05062010.pdf>

###

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.