



NEWS RELEASE

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2010 Colorado Health Insurance Report Released by Division of Insurance

The 2010 Annual Health Insurance Report of the Commissioner of Insurance, released this week, contains a wealth of information about the cost of health insurance and the factors that drive the cost of health insurance premiums on an individual and group basis in the state.

“The annual Health Costs Report provides financial information on health carriers, such as the average premium rate increases, and the reasons for premium rate increases,” said interim Insurance Commissioner John J. Postolowski. “There is a tremendous amount of useful information in the report about where Colorado stands in terms of providing health coverage and options in Colorado.”

The report identifies where insured Coloradans get health insurance, whether the number of un-insured residents is going up or down, and how Colorado compares statistically with the rest of the United States.

An estimated 15.7% of Coloradans had no health insurance in 2010, which is a slight improvement over 2009. In the previous year, an estimated 16.2% of Coloradans were not covered by health insurance.

The 2010 report primarily contains data collected from the insurance industry for the calendar year 2009.

Report Highlights

Not all health coverage or insurance is regulated by the State Division of Insurance. In 2009, just over 40% of Coloradans had health coverage that is regulated by the Division of Insurance. An additional 21% of Coloradans were covered by federally regulated self-insured plans offered through their employer.

Another 23% of the state population received coverage through government programs, including but not limited to Medicare, Medicaid, the Federal Employees’ Health Benefit Plan and the Veteran’s Administration. An additional 15.7% of Coloradans were uninsured.

During 2009, more than 61% of Coloradans were covered by either the commercial health insurance market or a self-insured employer health plan, compared to the 54% of citizens in other states nationwide.

Health premiums grew at a faster pace than either inflation or wages.

During 2009, approximately 84% of premiums collected in 2009 by carriers in Colorado went directly to the cost of providing health care services. Approximately 13.87% of premiums were used for administrative expenses and producer commissions.

While the increases in premiums for employer-provided health coverage in Colorado have mirrored the increase nationwide, the employees' contribution to those premiums has increased more than the national average.

The number of private employers offering self-insured health plans to their employees increased in Colorado at twice the national rate. Employer-funded or self-insured plans are often called "ERISA" plans as they are regulated by the federal government under the Employees' Retirement Income Security Act (ERISA).

The ten largest health carriers had nearly 70% of the market share in Colorado. There are approximately 400 health insurance carriers doing business in Colorado.

The complete report and the data for the report can be found at:

www.dora.state.co.us/insurance/rtfo/health%20costs/HealthCostReport.htm

Background: In 2008, the Colorado General Assembly enacted House Bill 08-1389 requiring the Commissioner of Insurance to report annually on the cost of health care, the factors that drive the cost of health care and the financial status of health carriers (including HMOs - Health Maintenance Organizations) in Colorado. The 2010 Colorado Health Insurance Report is the second installment of this annual requirement and examines increases in health insurance premiums in the state of Colorado. The report provides an overview of the expenses and financial statements of companies doing business in Colorado, focusing primarily on the commercial health insurance market for individual, small group and large group health plans.

The 2009 report is available on the Division's website at

www.dora.state.co.us/insurance/legi/2010/legiColoradoHealthInsuranceReport040110.pdf

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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.