



NEWS RELEASE

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**SMALL BUSINESS INSURANCE IQ SURVEY
REVEALS HEALTH CARE KNOWLEDGE GAPS**
*Many Small Business Owners Unaware of Financial Effects of
Employee Health Care Coverage*

[Denver, CO] — Small business owners are struggling to provide health insurance for their staff and do not feel confident in determining the health insurance that best fits their employees' needs, according to a new survey by the National Association of Insurance Commissioners (NAIC). The finding highlights the need for more insurance education, even as the debate over national health care reform continues around the country.

In the survey, conducted July 22-31, 2009 among a participant sample of 500 small business decision makers nationally, 64 percent of small business owners responded that they are not confident picking a health insurance policy that fits their budgets and their employees' needs. One-third admitted that they cannot afford to provide health insurance to their employees.

"Health insurance is a concern for both employers and consumers," said Colorado Insurance Commissioner Marcy Morrison. "In this economic environment, small business owners need to be especially mindful of any decision that will affect their financial future, as well as consider the implications of their decisions on their business and their employees' future."

Additionally, the study found a clear gap in understanding the fiscal responsibilities associated with offering health insurance. Of the small business owners surveyed, 60 percent said they are not confident they understand the tax implications of paying for a portion of their employees' health insurance premiums. Only 27 percent say they understand all the factors that can affect their small group health premiums.

These tips will help small business owners better understand their health insurance needs and requirements.

- Before purchasing any insurance policy, interview several licensed insurance agents specializing in the health insurance needs of small businesses.
 - Compare the costs of equivalent coverage from several insurers to ensure you are getting the best deal.
 - Ask how premiums have increased over the past five years.
 - Talk to other small business owners about their experiences with health plans and carriers.
 - Confirm with the Division of Insurance that the agent or broker you are dealing with is licensed. The Division of Insurance website includes a free look-up feature to check license status.
 - Visit <http://www.dora.state.co.us/insurance/> for more information.

- Before selecting a health plan, survey your employees to find out what coverage they consider particularly important.
 - For example, do your employees want or need prescription drug coverage?
- Understand the factors that influence the cost of the small group coverage in Colorado.
- Take advantage of the tax benefits available to your company.
 - Businesses can generally deduct a percentage of the premiums they pay to qualifying health plans for their employees. Be sure to discuss this matter with your accountant or tax advisor.
- Know your rights with health carriers by checking with the Division of Insurance. Typically, small group health plans must treat equally all of your eligible employees (generally full- or part-time employees who work at least 24 hours a week).
 - Understand COBRA and other federal regulations for small business employers offering health plans.
 - Compare health carriers' complaint history at the Division of Insurance website under "complaint index" http://www.dora.state.co.us/pls/real/Ins_Comp_Ratio_Report.Home to be sure the carrier you choose has a good track record working with consumers and resolving complaints.
 - Visit the NAIC's Consumer Information Source (CIS) at <https://eapps.naic.org/cis> to access key information about insurance companies, including closed insurance complaints, licensing information and key financial data.

More Information

Get smart about your insurance needs. For more information about auto, home, life and health insurance options — as well as tips for choosing the coverage that is right for you and your small business — visit www.InsureUonline.org or take the small business insurance quiz at www.insurance.insureuonline.org/smallbusiness/small_biz_quiz.htm

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About DORA

The Department of Regulatory Agencies (DORA) is Colorado's consumer protection department, encompassing ten state divisions with regulatory authority.

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.

About the NAIC

Formed in 1871, the National Association of Insurance Commissioners (NAIC) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The NAIC has three offices: Executive Office, Washington, D.C.; Central Office, Kansas City, Mo.; and Securities Valuation Office, New York City. The NAIC serves the needs of consumers and the industry, with an overriding objective of supporting state insurance regulators as they protect consumers and maintain the financial stability of the insurance marketplace.

For more information, visit www.naic.org.