

# STATE OF COLORADO

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**DEPARTMENT OF REGULATORY AGENCIES**

D. Rico Munn  
Executive Director

**DIVISION OF INSURANCE**

Marcy Morrison  
Commissioner of Insurance  
1560 Broadway, Suite 850  
Denver, Colorado 80202

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Bill Ritter, Jr.  
Governor

FOR IMMEDIATE RELEASE  
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Contact: Julie Hoerner (303)894-2950

## **Small Group Activity Report 12/31/05 to 12/31/06**

(Denver) The Colorado Division of Insurance today issued its 2006 annual small group survey. The Division's 2006 survey shows the small group market stabilizing this past year. The data compares data from these carriers for December 31, 2005 to December 31, 2006.

Comparing 2006 to 2005 data, the increase in number of small groups was up by 4.1%.<sup>i</sup> However, the overall percentage of decrease in lives (0.4%) was small versus the loss from 2005 data of 4.0%.<sup>ii</sup> There were 21 small employer carriers actively marketing in Colorado as of December 31, 2006.<sup>iii</sup>

"I am pleased to see some stability within the small group market, but am concerned about the overall decrease in the number lives covered in this market. In 2000, we had 537,996 covered lives in Colorado. However, between 2000 and 2006, it is a decrease of over 180,000 covered lives," said Insurance Commissioner Marcy Morrison. "I am hopeful that the Blue Ribbon Commission on Health Care Reform will have meaningful reforms for the small group as well as our health care system." Commissioner Morrison added.

There was an increase in the number of business groups of one (BG1) (8.5%) and an increase in the total BG1 lives (8.2%). These increases were not as large as in 2005.

As seen in previous years, managed care continues to dominate Colorado's small group market. The health maintenance organization (HMO) and indemnity plan types continued to lose ground to preferred provider organization (PPO) plan types. The number of groups covered by an indemnity plan type (including a health savings account (HSA)-compliant indemnity plan) decreased by 31.5%. The number of groups covered by some type of HMO plan (including an HSA-compliant plan) decreased by 5.7%. The number of groups covered by some type of PPO plan (including an HSA-compliant plan) increased by 11.6%. The number of HSA groups continued to increase, from 3,641 to

4,441, which is a 22% increase over the 12/31/05 report. HSA total lives increased from 26,025 to 33,196, a 27.6% increase. Of the fifteen carriers offering HSA-compliant plans, seven are offering ten or more plan options.

All carriers in the small group market are required to offer these standardized, comprehensive health care plans that are designed to enhance the consumer's ability to compare premium costs from one carrier to another. The mandated Basic and Standard plans continued to lose market share, with reductions in the number of groups of 10.2% and 14.4%, respectively.<sup>iv</sup>

“This report is valuable information. The report has been slightly delayed from prior years while we diligently confirm the information and contacted some carriers multiple times to clarify their submissions. I want to ensure the information from the Division is as accurate as possible,” emphasized Commissioner Morrison.

Graphs and charts illustrating findings from the 2006 Small Group Activity Reports are included in this release and are also available on the Division's website at [www.dora.state.co.us/insurance](http://www.dora.state.co.us/insurance).

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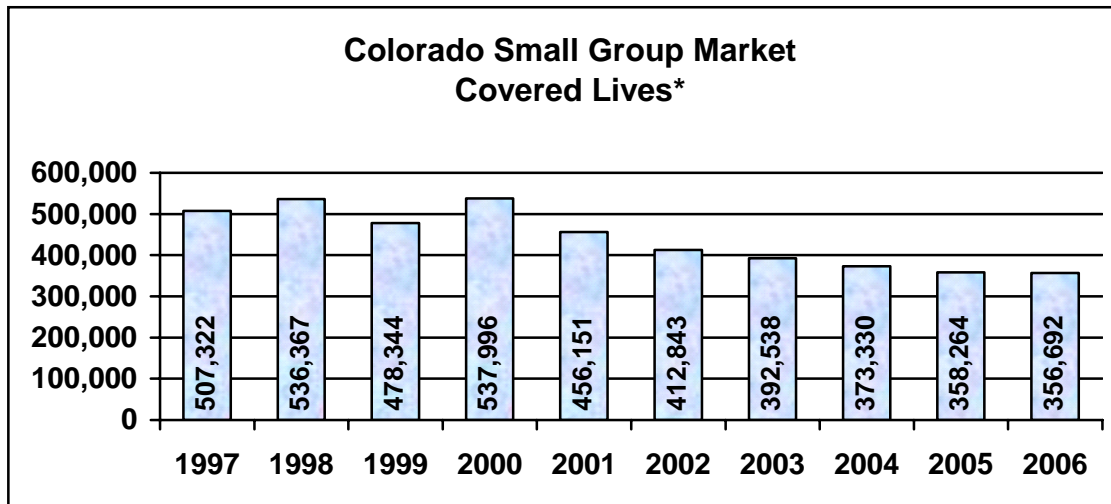
<sup>i</sup> 46,368 groups in the 2005 report compared to 48,288 groups in 2006.

<sup>ii</sup> The number of covered lives in the small group market from 2005 data was 358,264 compared to 356,692 lives in 2006.

<sup>iii</sup> It appears that last year's "Number of Carriers" should have been 27. One carrier assumed the business of two carriers and these 2 carriers left the market. Another carrier transferred its business to a related company and left the market. In addition, one carrier left the market. Three carriers are not actively marketing in Colorado and therefore do not meet the definition of §10-16-105 (7.3), C.R.S.

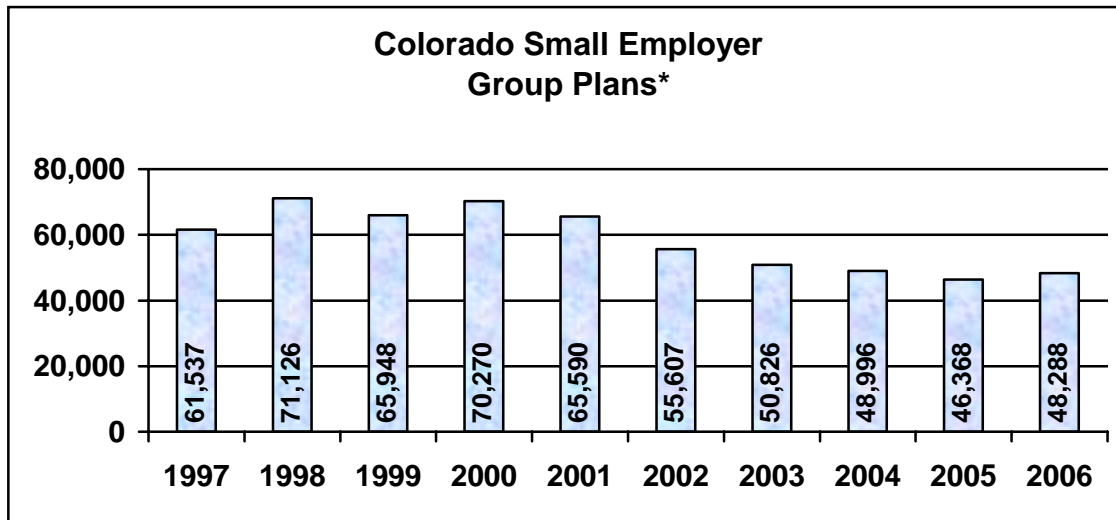
<sup>iv</sup> Two carriers offer groups dual choice in the PPO and HMO markets; therefore, the total number of groups accurately reflects the number of groups but may not equal the sum of the items provided. There are a total of 187 split groups between two carriers. The total covered lives are not affected.

# Small Group Health Insurance Report as of December 31, 2006



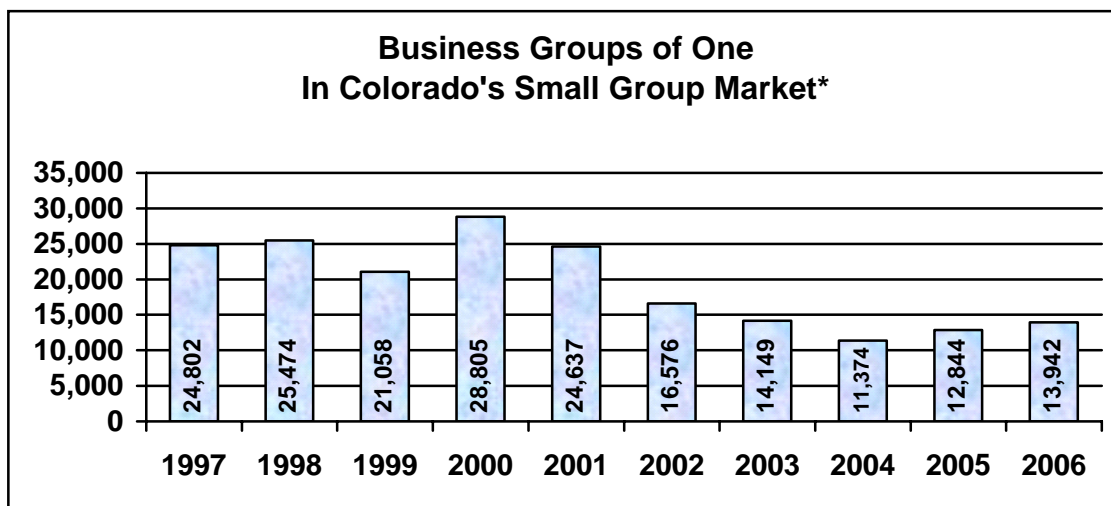
Source: Colorado Division of Insurance (3/31/07)

\*As of December 31, 2006



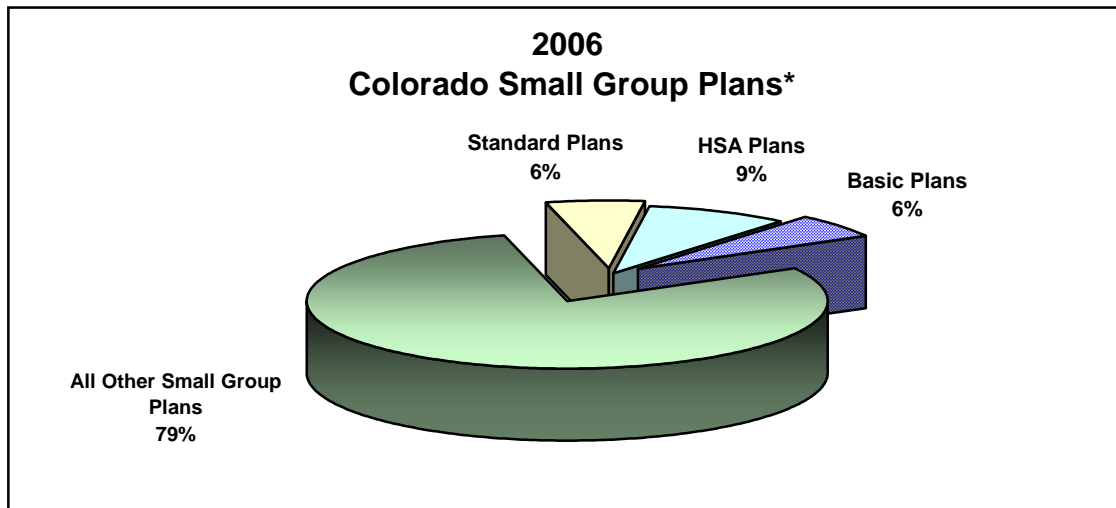
Source: Colorado Division of Insurance (3/31/07)

\*As of December 31, 2006



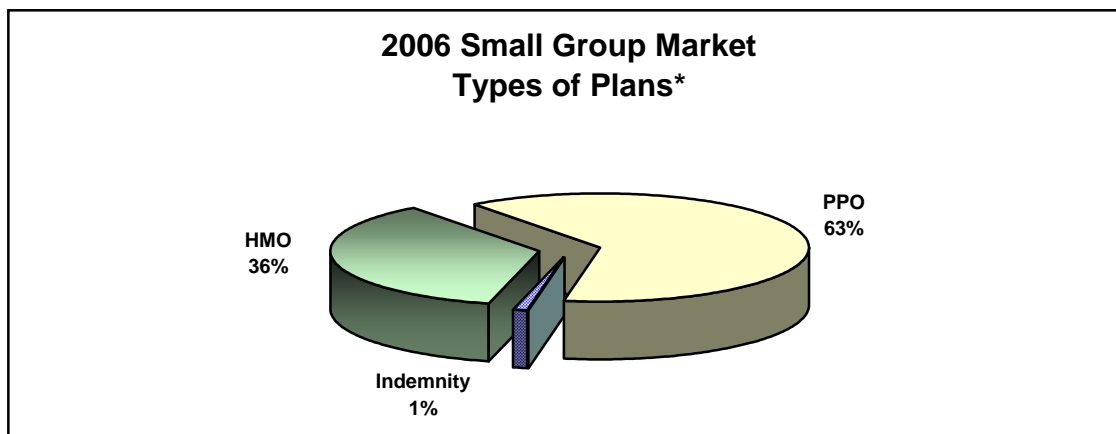
Source: Colorado Division of Insurance (3/31/07)

\*As of December 31, 2006



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\*As of December 31, 2006



Source: Colorado Division of Insurance (3/31/07)

\*As of December 31, 2006

### Top Ten Small Group Carriers (By covered lives as of 12/31/06)

<i>Carrier Name</i>	<i>Small Group Covered Lives</i>
1. Kaiser Foundation Health Plan of Colorado	83,834
2. United Healthcare Insurance Company	75,998
3. Anthem BCBS	56,694
4. PacifiCare Life Assurance Company	29,941
5. Rocky Mountain HMO	27,949
6. Humana Insurance Company	24,194
7. Rocky Mountain Healthcare Options	20,869
8. Guardian Life Insurance Company of America	9,992
9. Aetna Life Insurance Company	5,566
10. HMO Colorado	4,611
<b>Total</b>	<b>339,648</b>

Source: Colorado Division of Insurance (3/31/07)

\* Total constitutes 95% of all small group covered lives.