

STATE OF COLORADO

DEPARTMENT OF REGULATORY AGENCIES

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DIVISION OF INSURANCE

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NEWS RELEASE

For Immediate Release – May 1, 2008

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Division of Insurance Releases 2007 Small Group Activity Report

(Denver) The Colorado Division of Insurance has issued its 2007 annual small group activity report. Each year, companies that offer health insurance in Colorado's small group market are required to report information including number of plans, premiums, consumer choices and benefits. This report provides information that can be used to compare data provided from these carriers in previous years.

A small group employer means any corporation, partnership, or association, which employed no more than 50 eligible employees for at least half of the previous year, the majority of whom were employed within Colorado. "Small group employer" also includes a Business Group of One.

The Division's 2007 report shows the small group market decreasing, but fairly level overall in 2007. When comparing the 2006 and 2007 data, there is no significant increase or decrease in the number of lives covered by small group insurance. For example, there were 356,516 people covered as of December 31, 2007, which is 176 fewer than the number of people covered as of December 31, 2006 (a total of 356,692). The report provides a "snapshot" of the number of insured people as of a certain date. It is not known from the data whether 176 people are now uninsured, obtained other health insurance, moved out of Colorado, or work for employers that moved from "small group" to a different category of insurance.

Comparing 2007 to 2006 data, there was a decrease in the number of small group plans, from 48,288 in 2006, to 45,667 small group plans in 2007. A third of this decrease is made up by a reduction in the number of Business Groups of One (BG1s) from 13,942 in 2006, to 12,342 in the 2007 report. There were 21 small employer carriers actively marketing in Colorado as of December 31, 2007, with no increase or decrease in the number of carriers from 2006.

Overall, the report shows that while the number of people covered by small group coverage has stayed approximately level, there has been a decrease in the number of small employers groups, and one-third of this reduction is comprised of Business Groups of One.

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“While the report shows some stability in the number of Coloradans covered in our small group health insurance market, the decrease in the number of small employer groups, and particularly Business Groups of One or the self-employed, is concerning,” said Insurance Commissioner Marcy Morrison. “Some may have found coverage in other ways, or may have chosen to purchase in the individual coverage marketplace. However, the decrease in the number of groups points to continuing concerns about the availability of coverage due to the costs.”

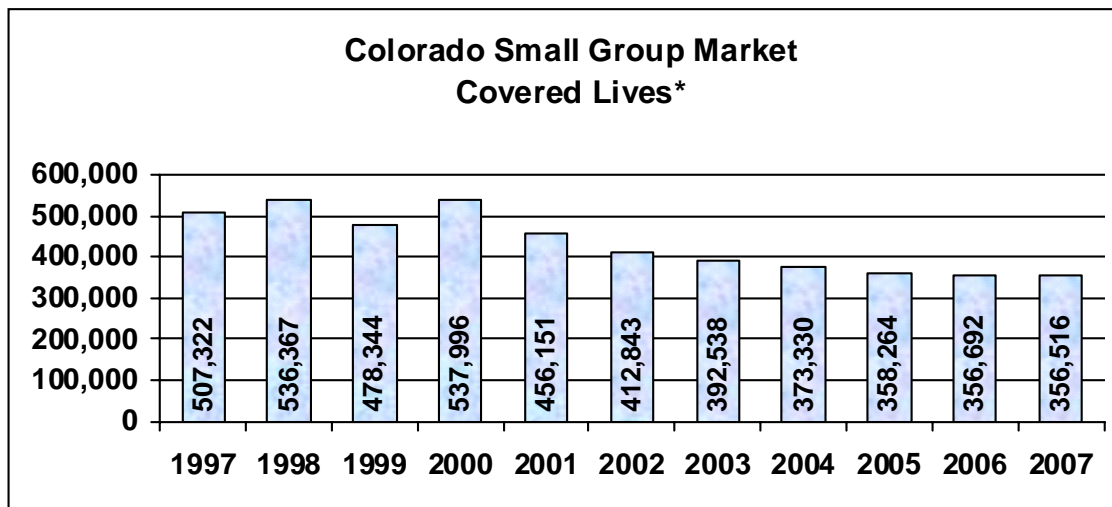
Colorado’s small group employers continue to choose managed care options by a large margin, with 62 percent providing coverage through Preferred Provider Organizations (PPOs) and another 33 percent of small group employers selecting coverage through Health Maintenance Organizations (HMOs.)

“This annual report continues to provide valuable information, telling us how the market for small group health insurance is working for Colorado,” Morrison said. A summary of data collected from the 2007 Small Group Activity Report, including graphs and charts illustrating findings, are included in this release and are also available on the Division's website at <http://www.dora.state.co.us/insurance/pr/pr.htm>.

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Attached: final SGA report 2007

Small Group Health Insurance Report as of December 31, 2007

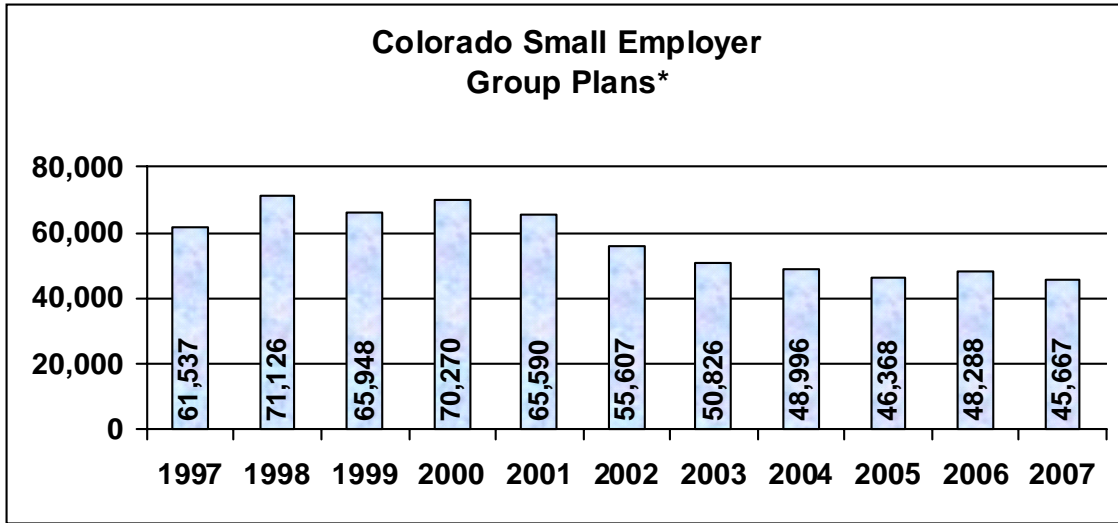


Source: Colorado Division of Insurance

*As of December 31, 2007

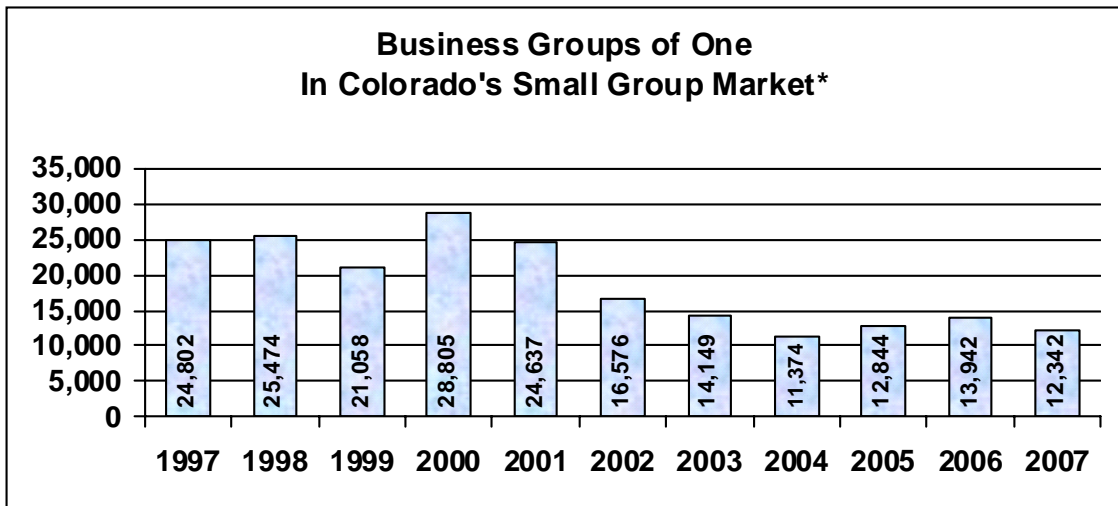
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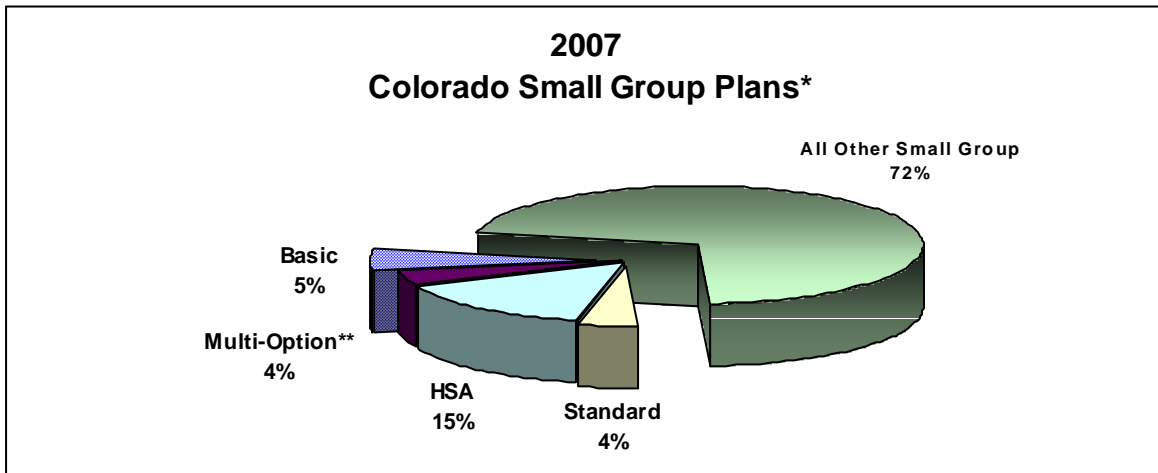
Source: Colorado Division of Insurance

*As of December 31, 2007



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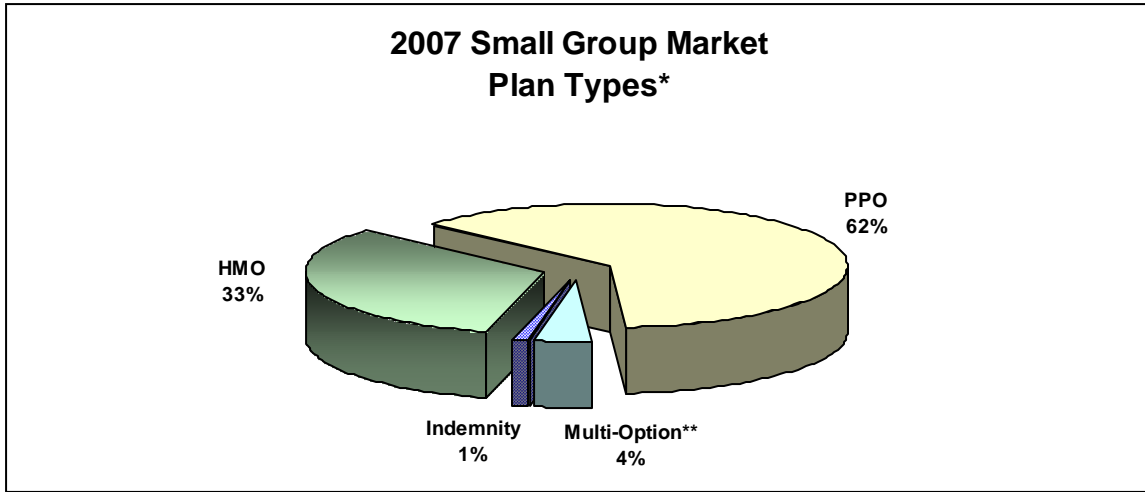


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Source: Colorado Division of Insurance

*As of December 31, 2007

**Multi-option plans include plans that offer multiple small group product options within a single small group.

Top Ten Small Group Carriers*** (By covered lives as of 12/31/07)

Carrier Name	Small Group Covered Lives
1. Kaiser Foundation Health Plan of Colorado	83,176
2. United Healthcare Insurance Company	80,808
3. Anthem Blue Cross Blue Shield	70,216
4. Rocky Mountain HMO	25,196
5. Humana Insurance Company	23,293
6. Aetna Life Insurance Company	19,099
7. PacifiCare Life Assurance Company	17,464
8. Rocky Mountain Healthcare Options	16,340
9. Guardian Life Insurance Company of America	5,346
10. John Alden Life Insurance Company	3,649
Total	344,587

Source: Colorado Division of Insurance

***Total constitutes 97% of all small group covered lives.

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