



Division of Insurance
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Commissioner of Insurance

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NEWS RELEASE

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Division of Insurance 2008 Small Group Activity Report Released

With 21 insurance carriers offering health insurance to Colorado's small group employers in 2008, compared to 21 companies offering the same in 2007, Colorado reports a fairly stable marketplace. The list of carriers changed slightly due to one company leaving, and one company entering the market.

"It's important that our state continues to offer health insurance choices for Colorado's small group employers, and the report shows stability in the number of carriers offering policies in the small group market," said Marcy Morrison, DORA's Commissioner of Insurance. 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 "Business Groups of One," mainly sole proprietors.

The number of companies offering plans in the small group market is one of the items reported in the Colorado Division of Insurance 2008 annual small group activity report, which was released this week. 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.

Other information included in the report shows a seven percent reduction in the number of covered lives in the small group market between 2007 and 2008. This equates to 25,518 individuals.

For comparison, the 2000-2002 figures showed changes during the economic situation at that time. The seven percent reduction shown from 2007 to 2008 is not as dramatic as the 23 percent reductions during the 2000-2002 economic downturn, which equaled 125,153 individuals. In 2010, the Division will analyze the full two-year period from 2008-2010.

"Given the economic reality at the end of 2008, this reduction in small group covered lives and groups isn't surprising," Morrison said.



The report provides a “snapshot” of the number of insured people as of a certain date. It is not known from the data whether 25,518 people no longer counted in the small group market have obtained other insurance. It is possible that some of these individuals may be unemployed and uninsured. Some may have obtained other health insurance through a spouse or purchase of an individual policy. Some of the previously counted individuals may have moved out of Colorado, may now work for employers who offer other group health plans, or may work for employers that have dropped employee health coverage entirely.

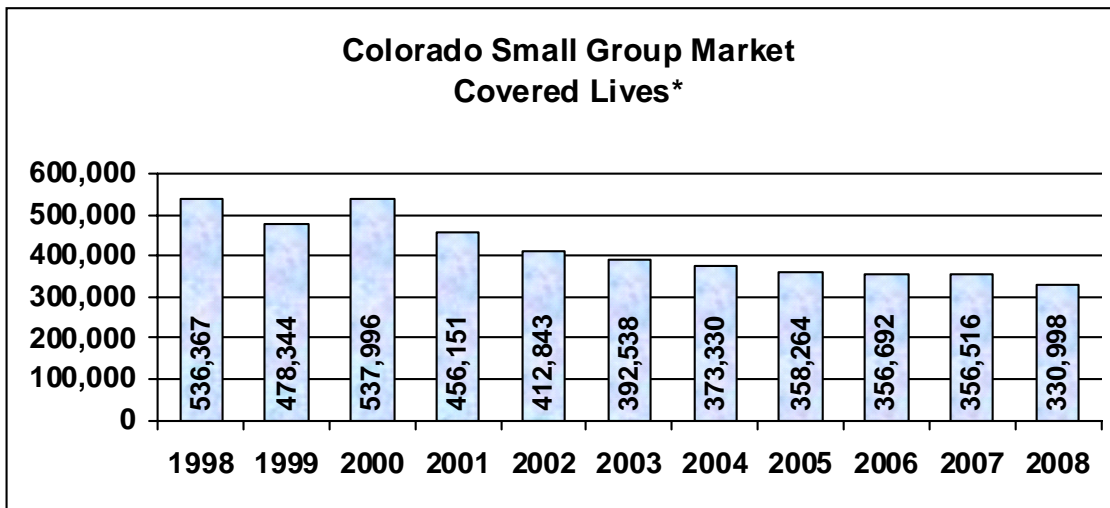
The Division also added an additional plan type to the report, multi-option plans, which include plans that offer multiple small group product options within a single small group. In 2007, the report included these multi-option plans in both the counts of group plans and plan types. The 2008 report shows the multi-option plans now reported in the category of small group plan types only.

A summary of data collected from the 2008 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/pb/pb.htm>

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.

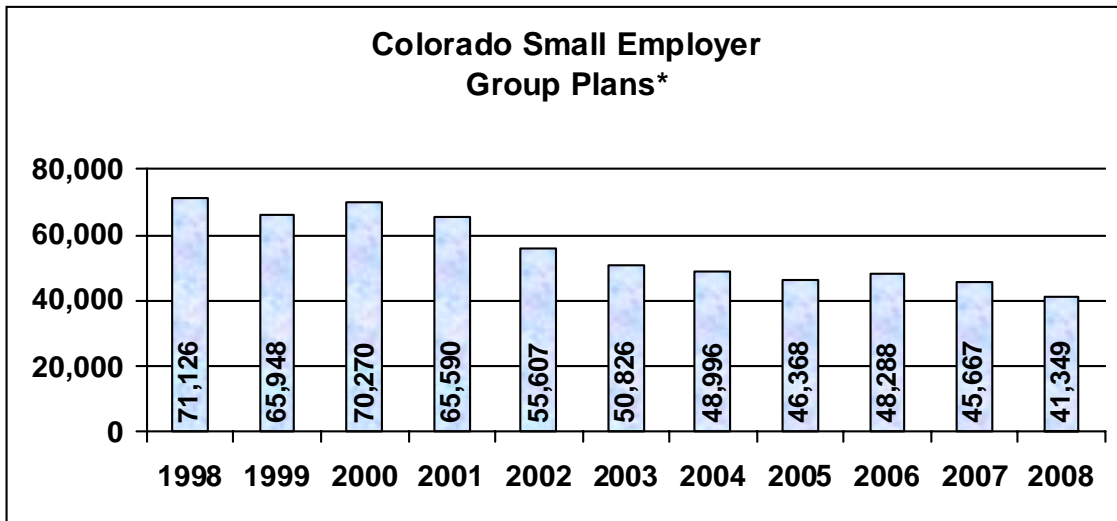


Small Group Health Insurance Report as of December 31, 2008



Source: Colorado Division of Insurance

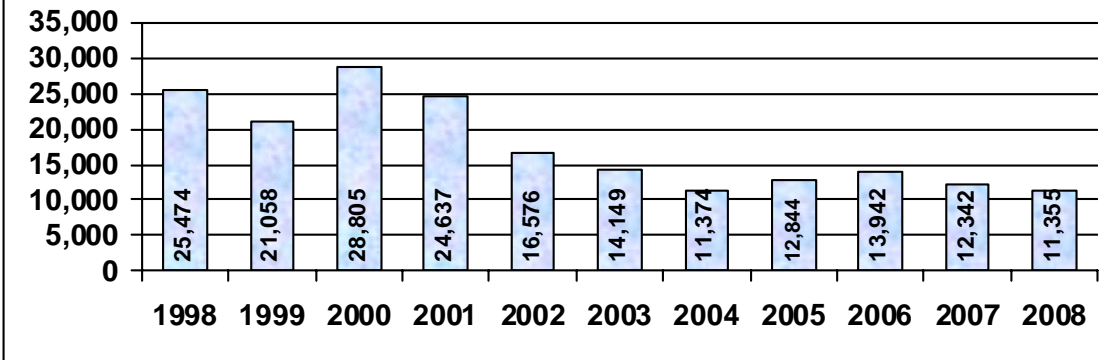
*As of December 31, 2008



Source: Colorado Division of Insurance

*As of December 31, 2008

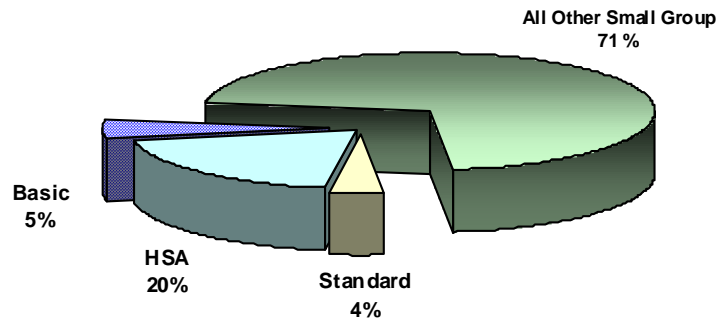
Business Groups of One In Colorado's Small Group Market*



Source: Colorado Division of Insurance

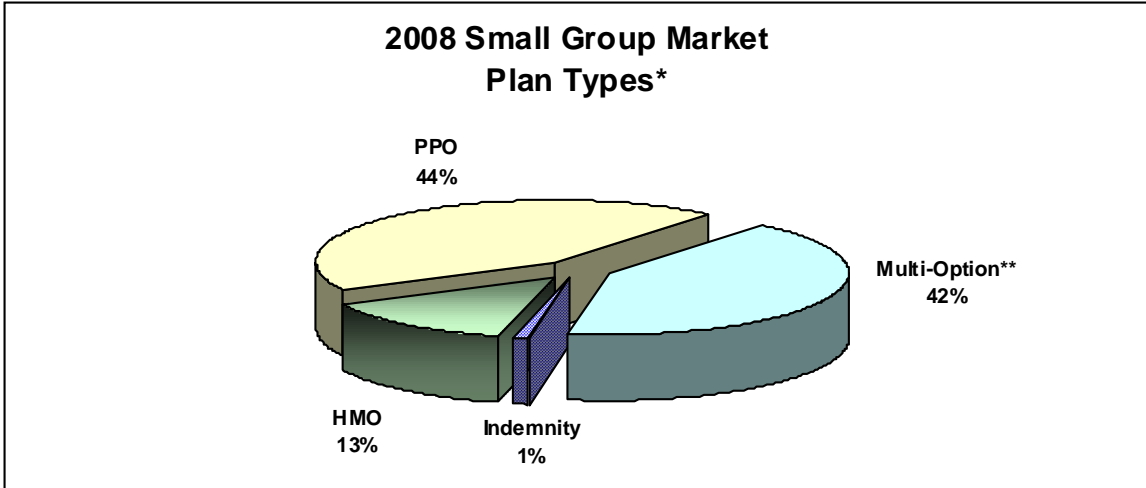
*As of December 31, 2008

2008 Colorado Small Group Plans*



Source: Colorado Division of Insurance

*As of December 31, 2008



Source: Colorado Division of Insurance

*As of December 31, 2008

**Multi-option plans include plans that offer multiple small group product options – either plan type (basic or standard or other), or options between HMO and PPO or indemnity plans - within a single small group.

Top Ten Small Group Carriers*** (By covered lives as of 12/31/08)

| <i>Carrier Name</i> | <i>Small Group Covered Lives</i> |
|---|----------------------------------|
| 1. United Healthcare Insurance Company | 84,859 |
| 2. Rocky Mountain Hospital & Medical Service, Inc. d/b/a Anthem Blue Cross Blue Shield | 78,327 |
| 3. Kaiser Foundation Health Plan of Colorado | 74,482 |
| 4. Rocky Mountain HMO | 23,380 |
| 5. Humana Insurance Company | 17,335 |
| 6. Aetna Life Insurance Company | 14,272 |
| 7. Rocky Mountain Healthcare Options | 13,030 |
| 8. PacifiCare Life Assurance Company | 9,765 |
| 9. Humana Health Plan | 5,446 |
| 10. HMO Colorado | 2,116 |
| Total | 323,012 |

Source: Colorado Division of Insurance

***Total constitutes 97.5% of all small group covered lives.