

**NEWS RELEASE – June 2, 2010**

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*For Immediate Release*

**COUNCIL SURVEY SHOWS GROUP HEALTH RATES RISING AND  
EMPLOYERS LOOKING FOR WAYS TO CUT COSTS**

**WASHINGTON, D.C., June 2, 2010** – With health care reform now the law, renewal rates are increasing significantly and employers are looking for ways to cut the cost of group medical benefits. “Several members commented that they are seeing large increases,” said Ken A. Crerar, President of The Council of Insurance Agents & Brokers. Crerar noted that, “brokers have some uncertainty about business going forward, but most believe there will be new demand for their services.”

According to The Council’s June Employee Benefits Market Survey, small, medium and large employers continue to experience group medical coverage rate increases and are shifting some costs to employees through higher deductibles and co-pays and increased employee shares of premium costs.

Of the benefits consultants responding, 86 percent said prices increased for small accounts, those with 50 or fewer employees, with more than half the increases falling in the 11-20 percent range. For medium accounts – those with 51 to 500 employees – 93 percent said those accounts experienced increases, with 58 percent seeing increases in the range of 6-15 percent.

Group health premium hikes also were reported among large accounts – those with 501 or more employees. Of those, 51 percent saw increases in the 6-15 percent range, with 25 percent in the 6-10 percent range and 16 percent in the 11-15 percent range.

In survey comments, some brokers cited carrier flexibility with one stating, “Carriers seem to negotiate more to try to keep market share,” but more often they cited high increases, particularly for medium accounts (51-500 employees). Increases of 11-15 percent were reported for 31 percent of medium accounts in the Northeast; 33 percent of medium accounts in the Southeast; 30 percent of medium accounts in the Midwest; 40 percent of medium accounts in the Pacific Northwest; and 36 percent of medium accounts in the Southwest.

“For large, medium and small groups, there are more plan design changes to lower premiums,” said one broker consultant. The broker also noted that there is more adoption of consumer driven, high deductible plans in all segments.

When asked about client response to health care reform, brokers indicated that most employers do not plan to cut their group health coverage, and many plan no changes at all to their programs.

The benefits consultants also reported some declines in group life insurance renewal rates. For 10 percent of small accounts (50 or fewer employees), rates were down 1 to 5 percent, but 56 percent of accounts had no change. For medium accounts (51-500 employees), 15 percent were down 1 to 5 percent, and another 50 percent reported no change. For large accounts (501 or more employees), 18 percent were down 1 to 5 percent and 40 percent reported no change.

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*Founded in 1913, **The Council** is the premier association for commercial insurance and employee benefits intermediaries. The Council represents the leading commercial brokers and agents in the United States and abroad. Council members annually place 80 percent of all commercial property/casualty premiums in the United States and administer billions of dollars in employee benefits accounts. [www.ciab.com](http://www.ciab.com)*

**Spring 2010****Released: May 2010****Below are the survey results for: ALL REGIONS****NUMBER OF RESPONSES: 108**

**1. GROUP MEDICAL—What has been the average rate of increase in premiums for Group Medical renewals since the last survey which was conducted in November 2009? Please check N/A if you do not handle the business or size account.**

	1	2	3	4	5	6	7	8	9	10	N/A
	Down >15%	Down 11-15%	Down 6-10%	Down 1-5%	No Change	Up 1-5%	Up 6-10%	Up 11-15%	Up 16-20%	Up > 20 %	
Small Accounts (50 or fewer employees)	2%	0%	0%	1%	1%	0%	10%	34%	24%	18%	10%
Medium Accounts (51 to 500 employees)	1%	1%	0%	0%	1%	6%	25%	33%	20%	9%	4%
Large Accounts (501 or more employees)	0%	2%	0%	0%	3%	8%	35%	16%	11%	4%	21%

**2. GROUP LIFE—On average, how have premium rates for Group Life benefits changed since the last survey in November 2009 for the following size accounts? Please check N/A if you do not handle the business or size account.**

	1	2	3	4	5	6	7	8	9	10	N/A
	Down >15%	Down 11-15%	Down 6-10%	Down 1-5%	No Change	Up 1-5%	Up 6-10%	Up 11-15%	Up 16-20%	Up > 20 %	
Small Accounts (50 or fewer employees)	2%	0%	4%	10%	56%	14%	1%	1%	0%	0%	12%
Medium Accounts (51 to 500 employees)	4%	2%	7%	15%	50%	12%	4%	0%	0%	0%	6%
Large Accounts (501 or more employees)	6%	6%	4%	18%	40%	7%	1%	0%	0%	0%	18%

# Employee Benefits Market Survey

## Spring 2010 Released: May 2010

Below are the survey results for: **NORTHEAST (CT,DE,DC,MA,ME,MD,NH,NJ,NY,PA,RI)**

**1. GROUP MEDICAL—What has been the average rate of increase in premiums for Group Medical renewals since the last survey which was conducted in November 2009? Please check N/A if you do not handle the business or size account.**

	1	2	3	4	5	6	7	8	9	10	N/A
	Down	Down	Down	Down	No	Up	Up	Up	Up	Up	
	>15%	11-15%	6-10%	1-5%	Change	1-5%	6-10%	11-15%	16-20%	> 20 %	
Small Accounts (50 or fewer employees)	6%	0%	0%	0%	0%	0%	9%	31%	17%	28%	9%
Medium Accounts (51 to 500 employees)	3%	3%	0%	0%	0%	6%	13%	31%	25%	16%	3%
Large Accounts (501 or more employees)	0%	6%	0%	0%	0%	0%	39%	19%	16%	4%	16%

**2. GROUP LIFE—On average, how have premium rates for Group Life benefits changed since the last survey in November 2009 for the following size accounts? Please check N/A if you do not handle the business or size account.**

	1	2	3	4	5	6	7	8	9	10	N/A
	Down	Down	Down	Down	No	Up	Up	Up	Up	Up	
	>15%	11-15%	6-10%	1-5%	Change	1-5%	6-10%	11-15%	16-20%	> 20 %	
Small Accounts (50 or fewer employees)	3%	0%	0%	9%	63%	9%	0%	0%	0%	0%	16%
Medium Accounts (51 to 500 employees)	3%	0%	6%	16%	56%	13%	3%	0%	0%	0%	3%
Large Accounts (501 or more employees)	6%	3%	3%	25%	44%	6%	0%	0%	0%	0%	13%

# Employee Benefits Market Survey

## Spring 2010 Released: May 2010

Below are the survey results for: **SOUTHEAST (AL,FL,GA,KY,LA,MS,NC,SC,TN,VA,WV)**

**1. GROUP MEDICAL—What has been the average rate of increase in premiums for Group Medical renewals since the last survey which was conducted in November 2009? Please check N/A if you do not handle the business or size account.**

	1	2	3	4	5	6	7	8	9	10	N/A
	Down	Down	Down	Down	No	Up	Up	Up	Up	Up	
	>15%	11-15%	6-10%	1-5%	Change	1-5%	6-10%	11-15%	16-20%	> 20 %	
Small Accounts (50 or fewer employees)	0%	0%	0%	0%	0%	0%	8%	29%	29%	17%	17%
Medium Accounts (51 to 500 employees)	0%	0%	0%	0%	0%	8%	25%	33%	21%	5%	8%
Large Accounts (501 or more employees)	0%	0%	0%	0%	0%	21%	29%	4%	13%	4%	29%

**2. GROUP LIFE—On average, how have premium rates for Group Life benefits changed since the last survey in November 2009 for the following size accounts? Please check N/A if you do not handle the business or size account.**

	1	2	3	4	5	6	7	8	9	10	N/A
	Down	Down	Down	Down	No	Up	Up	Up	Up	Up	
	>15%	11-15%	6-10%	1-5%	Change	1-5%	6-10%	11-15%	16-20%	> 20 %	
Small Accounts (50 or fewer employees)	0%	0%	0%	9%	50%	18%	0%	5%	0%	0%	18%
Medium Accounts (51 to 500 employees)	4%	0%	9%	9%	61%	9%	4%	0%	0%	0%	4%
Large Accounts (501 or more employees)	0%	8%	0%	17%	50%	4%	0%	0%	0%	0%	21%

# Employee Benefits Market Survey

## Spring 2010 Released: May 2010

Below are the survey results for: **MIDWEST**  
(AR, IL, IN, IO, KS, MI, MO, MN, NE, ND, SD, OH, WI)

**1. GROUP MEDICAL—What has been the average rate of increase in premiums for Group Medical renewals since the last survey which was conducted in November 2009? Please check N/A if you do not handle the business or size account.**

	1	2	3	4	5	6	7	8	9	10	N/A
	Down	Down	Down	Down	No	Up	Up	Up	Up	Up	
	>15%	11-15%	6-10%	1-5%	Change	1-5%	6-10%	11-15%	16-20%	> 20 %	
Small Accounts (50 or fewer employees)	0%	0%	0%	5%	0%	0%	10%	35%	40%	10%	0%
Medium Accounts (51 to 500 employees)	0%	0%	0%	0%	5%	0%	30%	30%	20%	10%	5%
Large Accounts (501 or more employees)	0%	0%	0%	0%	5%	10%	35%	20%	5%	5%	20%

**2. GROUP LIFE—On average, how have premium rates for Group Life benefits changed since the last survey in November 2009 for the following size accounts? Please check N/A if you do not handle the business or size account.**

	1	2	3	4	5	6	7	8	9	10	N/A
	Down	Down	Down	Down	No	Up	Up	Up	Up	Up	
	>15%	11-15%	6-10%	1-5%	Change	1-5%	6-10%	11-15%	16-20%	> 20 %	
Small Accounts (50 or fewer employees)	0%	0%	10%	10%	60%	10%	5%	0%	0%	0%	5%
Medium Accounts (51 to 500 employees)	5%	0%	10%	25%	30%	15%	5%	0%	0%	0%	10%
Large Accounts (501 or more employees)	10%	5%	10%	15%	30%	10%	0%	0%	0%	0%	20%

## Employee Benefits Market Survey Spring 2010      Released: May 2010

Below are the survey results for: **PACIFIC NW**  
(No.CA, AK, CO, HI, ID, MT, NV, OR, UT, WA, WY)

**1. GROUP MEDICAL—What has been the average rate of increase in premiums for Group Medical renewals since the last survey which was conducted in November 2009? Please check N/A if you do not handle the business or size account.**

	1	2	3	4	5	6	7	8	9	10	N/A
	Down	Down	Down	Down	No	Up	Up	Up	Up	Up	
	>15%	11-15%	6-10%	1-5%	Change	1 –5%	6-10%	11-15%	16-20%	> 20 %	
Small Accounts (50 or fewer employees)	0%	0%	0%	0%	0%	0%	13%	48%	13%	13%	13%
Medium Accounts (51 to 500 employees)	0%	0%	0%	0%	0%	0%	40%	40%	13%	7%	0%
Large Accounts (501 or more employees)	0%	0%	0%	0%	0%	0%	58%	21%	0%	0%	21%

**2. GROUP LIFE—On average, how have premium rates for Group Life benefits changed since the last survey in November 2009 for the following size accounts? Please check N/A if you do not handle the business or size account.**

	1	2	3	4	5	6	7	8	9	10	N/A
	Down	Down	Down	Down	No	Up	Up	Up	Up	Up	
	>15%	11-15%	6-10%	1-5%	Change	1 –5%	6-10%	11-15%	16-20%	> 20 %	
Small Accounts (50 or fewer employees)	0%	0%	0%	13%	53%	20%	0%	0%	0%	0%	14%
Medium Accounts (51 to 500 employees)	0%	0%	0%	20%	53%	20%	0%	0%	0%	0%	7%
Large Accounts (501 or more employees)	0%	7%	7%	13%	33%	13%	0%	0%	0%	0%	27%

## Employee Benefits Market Survey

### Spring 2010 Released: May 2010

Below are the survey results for: **SOUTHWEST (So. CA, AZ, NM, OK, TX)**

**1. GROUP MEDICAL—** What has been the average rate of increase in premiums for Group Medical renewals since the last survey which was conducted in November 2009? Please check N/A if you do not handle the business or size account.

	1	2	3	4	5	6	7	8	9	10	N/A
	Down	Down	Down	Down	No	Up	Up	Up	Up	Up	
	>15%	11-15%	6-10%	1-5%	Change	1-5%	6-10%	11-15%	16-20%	> 20 %	
Small Accounts (50 or fewer employees)	0%	0%	0%	0%	7%	0%	7%	36%	29%	14%	7%
Medium Accounts (51 to 500 employees)	0%	0%	0%	0%	0%	7%	36%	36%	14%	7%	0%
Large Accounts (501 or more employees)	0%	0%	0%	0%	14%	8%	21%	15%	14%	7%	21%

**2. GROUP LIFE—**On average, how have premium rates for Group Life benefits changed since the last survey in November 2009 for the following size accounts? Please check N/A if you do not handle the business or size account.

	1	2	3	4	5	6	7	8	9	10	N/A
	Down	Down	Down	Down	No	Up	Up	Up	Up	Up	
	>15%	11-15%	6-10%	1-5%	Change	1-5%	6-10%	11-15%	16-20%	> 20 %	
Small Accounts (50 or fewer employees)	7%	0%	8%	14%	50%	21%	0%	0%	0%	0%	0%
Medium Accounts (51 to 500 employees)	7%	7%	7%	7%	50%	15%	7%	0%	0%	0%	0%
Large Accounts (501 or more employees)	14%	0%	0%	14%	37%	7%	7%	0%	0%	0%	21%