

# PRESS RELEASE

21 South Fruit St, Suite 14, Concord, NH 03301 – 603-271-2261 – [www.nh.gov/insurance](http://www.nh.gov/insurance)

## For Immediate Release

## Media Contacts:

Kathleen Belanger  
kathleen.belanger@ins.nh.gov  
603-271-2261  
603-271-1406 - FAX  
Scott Holeman, NAIC  
Communications Director  
816-783-8909, [news@naic.org](mailto:news@naic.org)

## SMALL BUSINESS INSURANCE IQ SURVEY REVEALS HEALTH CARE KNOWLEDGE GAPS

*Many Small Business Owners Unaware of Financial Effects of  
Employee Health Care Coverage*

**CONCORD, NH, September 9, 2009** — 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 New Hampshire Insurance Department and 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, 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.

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.

“In this economic environment, small business owners need to be especially mindful of any decision that will affect their financial future,” said New Hampshire Insurance Commissioner Roger Sevigny. “Now, more than ever, it is important they get smart about their choices and

consider the implications that making a bad decision could have on their business and their employees' future.”

## **How to Improve Your Small Business Health Insurance IQ**

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 insurers.
  - Confirm with the New Hampshire Insurance Department that the agent or broker you are dealing with is licensed.
  - Visit the New Hampshire Insurance Department web site at [www.nh.gov/insurance](http://www.nh.gov/insurance) for more information.
- Before selecting a health plan, survey your employees to find out what coverage they consider particularly important.
  - For example, employees who commute may not be able to access an HMO network provider so a plan design that offers greater choices of providers may be appropriate.
- Understand the factors that influence the cost of the small group coverage in New Hampshire.
  - States vary with respect to the methods they permit for calculating premiums. The range of premium rates an insurer can charge a small business are set by NH state law for employers offering plans with the same benefits design and which have similar “case characteristics” (e.g., age, industry and group size).
- Take advantage of the tax benefits available to your company.
  - Businesses can generally deduct 100 percent of the premiums they pay to qualifying health plans for their employees. Be sure to discuss this matter with your accountant or tax advisor. Also ask about what vehicles are available for your employees to make pre-tax contributions or set aside monies to pay for out-of-pocket medical and dental expenses.
- Tap the resources of the New Hampshire Insurance Department.
  - Know your rights with health insurers by checking with the New Hampshire Insurance Department.
  - Understand COBRA and other federal regulations for small business employers offering health plans.
  - Understand New Hampshire’s continuation provisions and mandates.
  - 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](http://www.InsureUonline.org) or take the small business insurance quiz at [www.insurance.insureuonline.org/smallbusiness/small\\_biz\\_quiz.htm](http://www.insurance.insureuonline.org/smallbusiness/small_biz_quiz.htm)

\* \* \* \*

### **ABOUT THE NEW HAMPSHIRE INSURANCE DEPARTMENT**

The first insurance regulator in the US, the NH Insurance Department was created in 1851 and charged with enforcing and administering New Hampshire's insurance laws. The department, an agency of the executive branch of New Hampshire state government, conducts safety and soundness and market conduct examinations of licensees, licenses insurance companies and insurance producers, reviews premium rates and policy forms, provides assistance, information and referral services to New Hampshire insurance consumers, and administers the filing and collection of New Hampshire's insurance premium tax. For more information, visit the Insurance Department's web site at: [www.nh.gov/insurance](http://www.nh.gov/insurance)

### **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](http://www.naic.org).