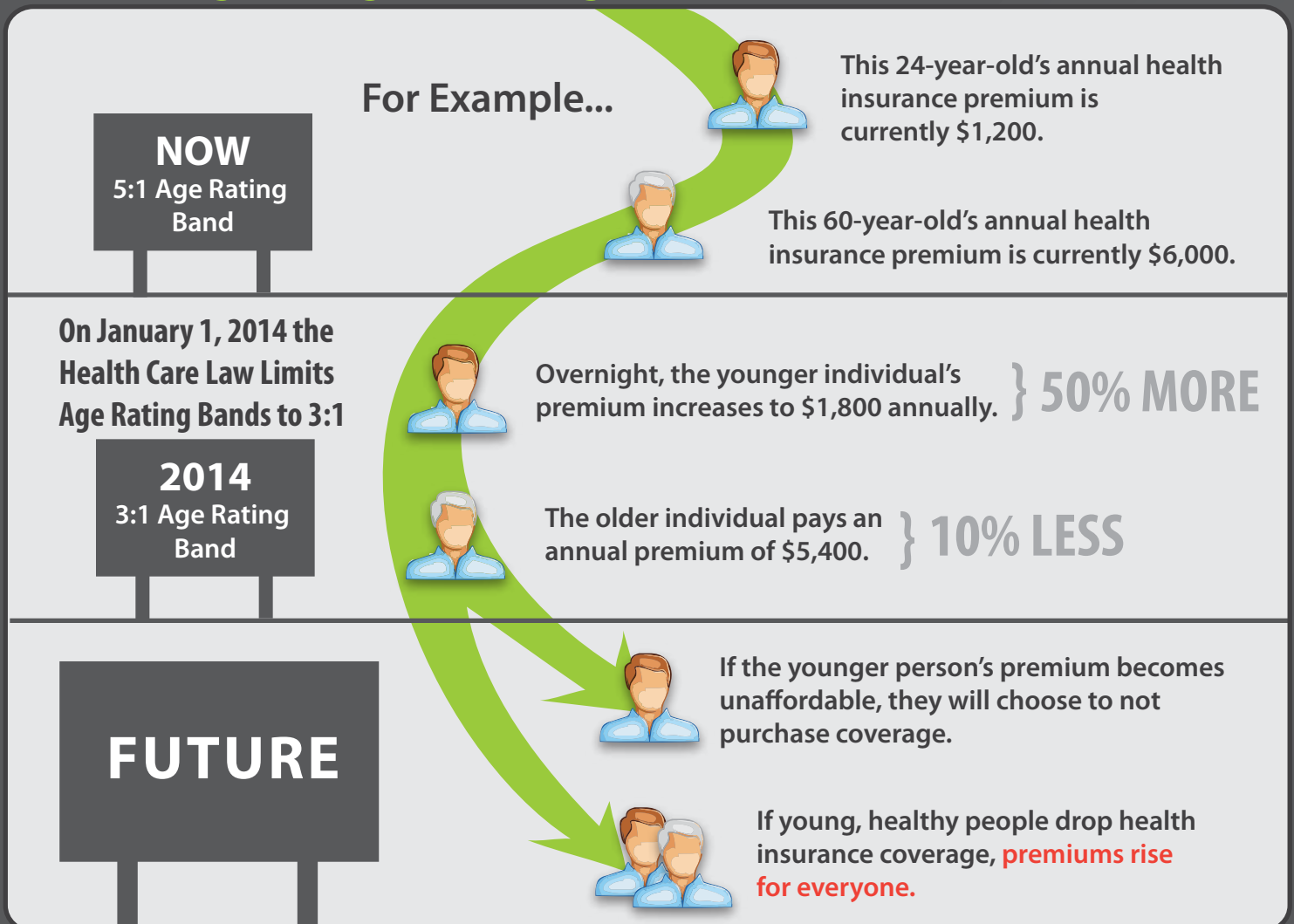


The Effects of Community Rating

Older patients typically utilize more, and higher cost health care services than younger patients. One way states can ensure that coverage remains affordable for everyone is to use age rating bands that spread premium costs over a range of age groups. Currently, in a state with a 5:1 age band, the ratio limits the amount an older individual will pay to no more than five times what a younger individual pays in premium dollars. Right now, 42 states have age rating bands that are 5:1, some are more. On January 1, 2014 the federal health care law limits a state's age rating bands to 3:1.

Effects of Age Rating Band Change from 5:1 to 3:1*



There are additional cost drivers that will raise premiums even more in 2014 and beyond. Such as:

- Loss of SIC Code discount
- Unisex rates
- Smokers rated up 50%
- Community rating for health
- Health insurance industry fee
- Insurance assessment fee
- Federally facilitated exchange fee
- Restricted plan designs
- Patient-Centered Outcomes Research Institute fee

Industry experts predict that the average fully insured health plan will increase a minimum of 30% on its 2014 renewal! Contact me today to discuss strategies to help prevent or alleviate this increase!