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**IOWA EMPLOYER HEALTH INSURANCE PREMIUMS INCREASE 7%
Lowest Reported Increase in the Past 14 Years**

DES MOINES, IA (October 17, 2012) – Iowa employer health insurance premiums increased an average of 7 percent from 2011 to 2012, according to the *2012 Iowa Employer Benefits Study*[®], the 14th annual study conducted by [David P. Lind Benchmark](http://www.dplindbenchmark.com) of Clive, an employee benefits research firm. The 7 percent increase is an average that factors in employers receiving no change, an increase or decrease in their premiums. The 2012 Iowa employer health insurance increase is the lowest reported increase since the Study began in 1999. In 2011, the average increase was 10.1 percent. A record number of Iowa employers (1,206) participated in this year's survey.

The Iowa average represents the increase in premium employers received prior to making design changes to their medical insurance plans. Reduced medical and prescription drug cost trends most likely have tempered the premium increase.

- The average annual premiums for all types of medical plans offered by Iowa employers (HMO, PPO, Traditional Indemnity and Consumer Driven Health Plans) were \$5,456 for employee-only coverage and \$13,557 for employees who include family members.
- Since 1999, the single premium has increased by 164 percent while the family premium has increased by 146 percent.
- In 2012, employees with single coverage are asked to pay 21 percent of the coverage, or \$1,065 annually, while employees with family coverage are contributing 34 percent of the cost, or \$4,657.
- Over the course of 14 years, employee contributions have increased by 128 percent for single coverage and 116 percent for family coverage. In sharp contrast, the Iowa Workforce Development shows the average weekly wage (for all industries) earned in Iowa increased by only 34.5 percent between 2001 and 2011.

As health insurance costs continue to rise, although less aggressively than in the past, employers vigilantly pursue different approaches to contain their health insurance costs by:

- Increasing deductibles (20 percent of respondents)
- Raising out-of-pocket costs for employees (16 percent)
- Increasing co-payments for office visits (12 percent)
- Increasing prescription drug co-payments (11 percent)
- Reducing pay raises or bonuses (5 percent)
- Changing insurance companies (9 percent)
- Beginning wellness program initiatives (5 percent)

Despite premium increases, no Iowa employers reported dropping health insurance coverage in 2012.



The average single deductible for medical plans in 2012 has dropped slightly to \$1,389 (from \$1,498 in 2011). However, since 2004, the single deductible has increased by 146 percent (from \$565). The family deductible in 2012 (\$2,945) has also slightly dropped from \$3,181 in 2011. Since 2001, family deductibles have increased by 149 percent.

“Despite the challenging economy, Iowa employers are reluctant to drop any type of benefits currently offered to their employees. Rather, employers continue to seek ways to mitigate the costs of the plans being offered and to engage their employees in becoming better stewards of health care utilization,” noted David P. Lind Benchmark President, David Lind. “Programs such as wellness initiatives continue to grow in popularity for employers who are looking to improve the health and well-being of plan participants.”

The *2012 Iowa Employer Benefits Study*[®] was conducted during the late winter/late summer of 2012. Results are based on 1,206 responses from 5,606 randomly selected employers with two or more employees. For the overall sample, the results are accurate to within plus or minus 2.8 percent, at a 95 percent confidence level. Data Point Research, Inc., of Ames, provided the statistical analysis and mathematical basis for the study.

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David P. Lind Benchmark (DPLB) is an independent, for-profit, and non-partisan employee benefits research firm located in Clive, Iowa. Since 1999, DPLB has provided scientifically-based research to assist private and public employers and policy makers in their decision making. The *Iowa Employer Benefits Study*[®] is a comprehensive, statistical review of Iowa employee benefits and healthcare that is conducted annually by David P. Lind Benchmark. Learn more about **David P. Lind Benchmark** at www.dplindbenchmark.com.

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