



Insight

American Action Forum Survey of Insurance Companies Warns of 2014 Premium Sticker Shock

DOUGLAS HOLTZ-EAKIN | FEBRUARY 4, 2013

WASHINGTON – A new [survey](#) of major health care insurers, representing the vast majority of covered individuals in the U.S., conducted by the American Action Forum (AAF) answers the question: what impact will the Affordable Care Act (ACA) have on premiums in 2014? This survey aimed to illustrate real cases in a variety of regulatory environments, representing the spectrum of rate changes cross any given geographic area, rather merely average changes across demographics.

The findings highlight the sticker shock in health care premiums that awaits the relatively young and healthy in both the small group and individual markets as the ACA is fully implemented. The survey finds cost of premiums for this group will increase by an average of 169 percent. Conversely, the survey found that the premiums of older and sicker individuals in these markets will be relatively subsidized by the ACA, with that group seeing an average decrease in premium costs of just under 25 percent.

Summary Table: Average Premium Impacts for Individual and Small Group in 2014

Younger and Healthier Individuals and Small Employers

	Chicago, IL	Phoenix, AZ	Atlanta, GA	Austin, TX	Milwaukee, WI	All Cities Average
Average Percentage Change	173%	157%	164%	162%	190%	169%

Older and Less Healthy Individuals and Small Employers

	Chicago, IL	Phoenix, AZ	Atlanta, GA	Austin, TX	Milwaukee, WI	All Cities Average
Average Percentage Change	-21%	-22%	-21%	-32%	-15%	-22%

Note: Changes due to insurance market reforms alone and do not include annual medical trend increases. It also does not include the fact that some individuals and small employers experiencing these changes will be eligible for taxpayer subsidies through insurance exchanges.

Read the complete results and survey methodology [here](#).

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