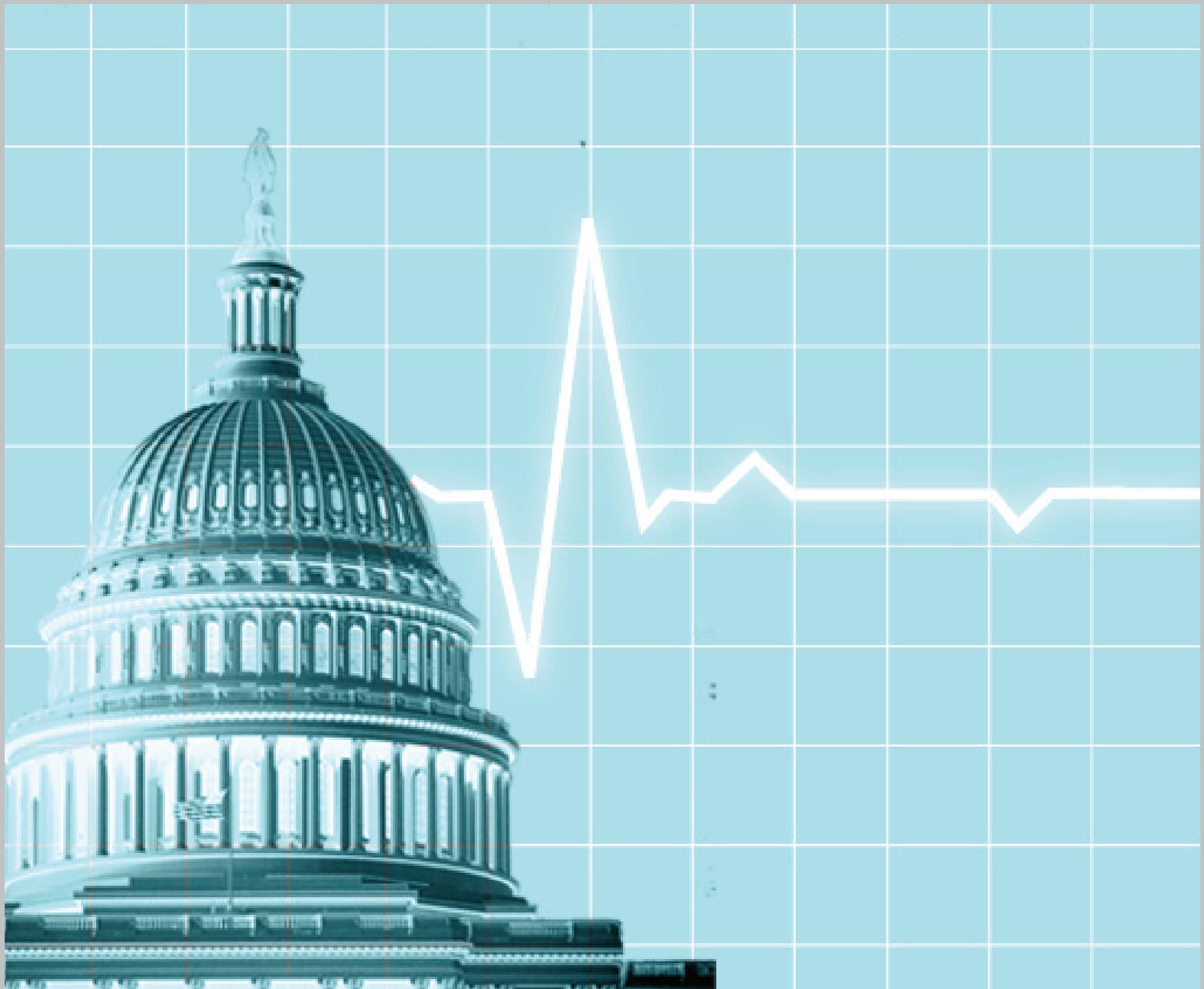
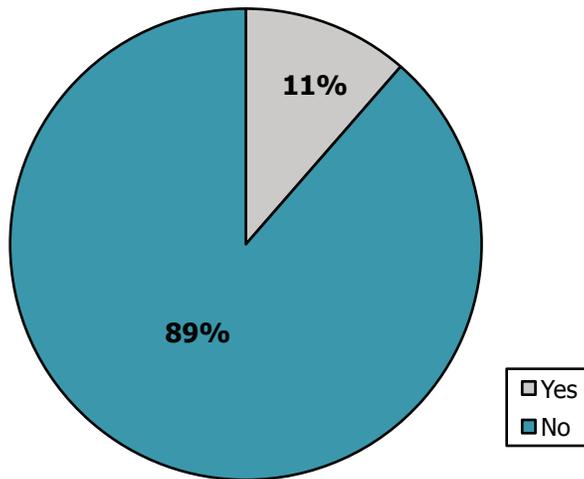


2009 Small Business Health Care Reform Survey

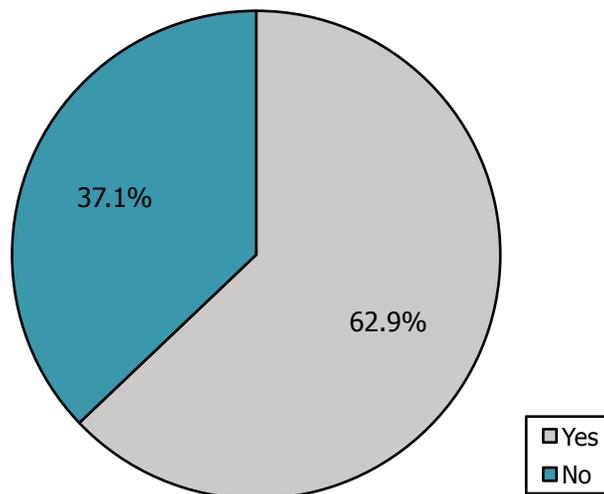


AMONG THOSE NOT CURRENTLY OFFERING HEALTH INSURANCE:

Do you have any plans to offer it to your employees in the next 12 months?



If it were more affordable, would you offer health insurance?



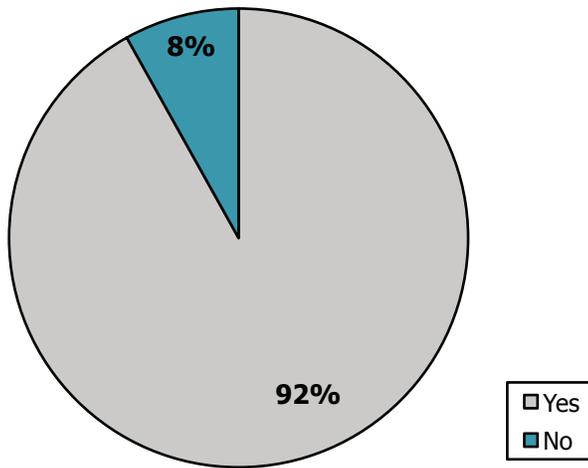
Among the many proposals designed to raise revenue for health care reform is an excise tax on insurers for their most expensive plans. As part of that plan, small-business owners will be required to report on the cost of their benefit packages for each vendor used.

Given that 30 percent of small businesses use 3 or more vendors, some as many as 12 different vendors, this could represent a significant new administrative burden on small business.

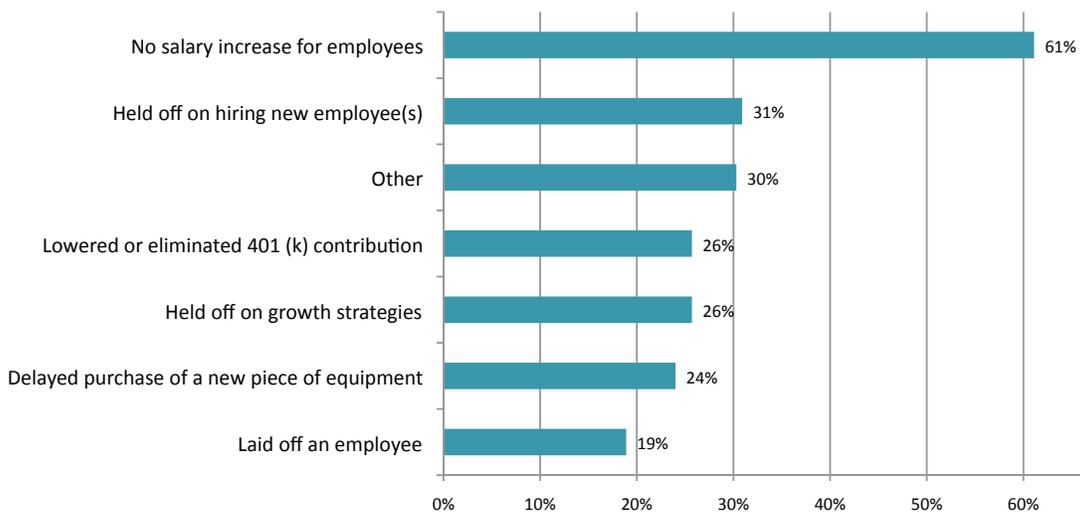


AMONG THOSE CURRENTLY OFFERING HEALTH INSURANCE:

Do you expect an increase to the cost of your health insurance premiums for 2010?



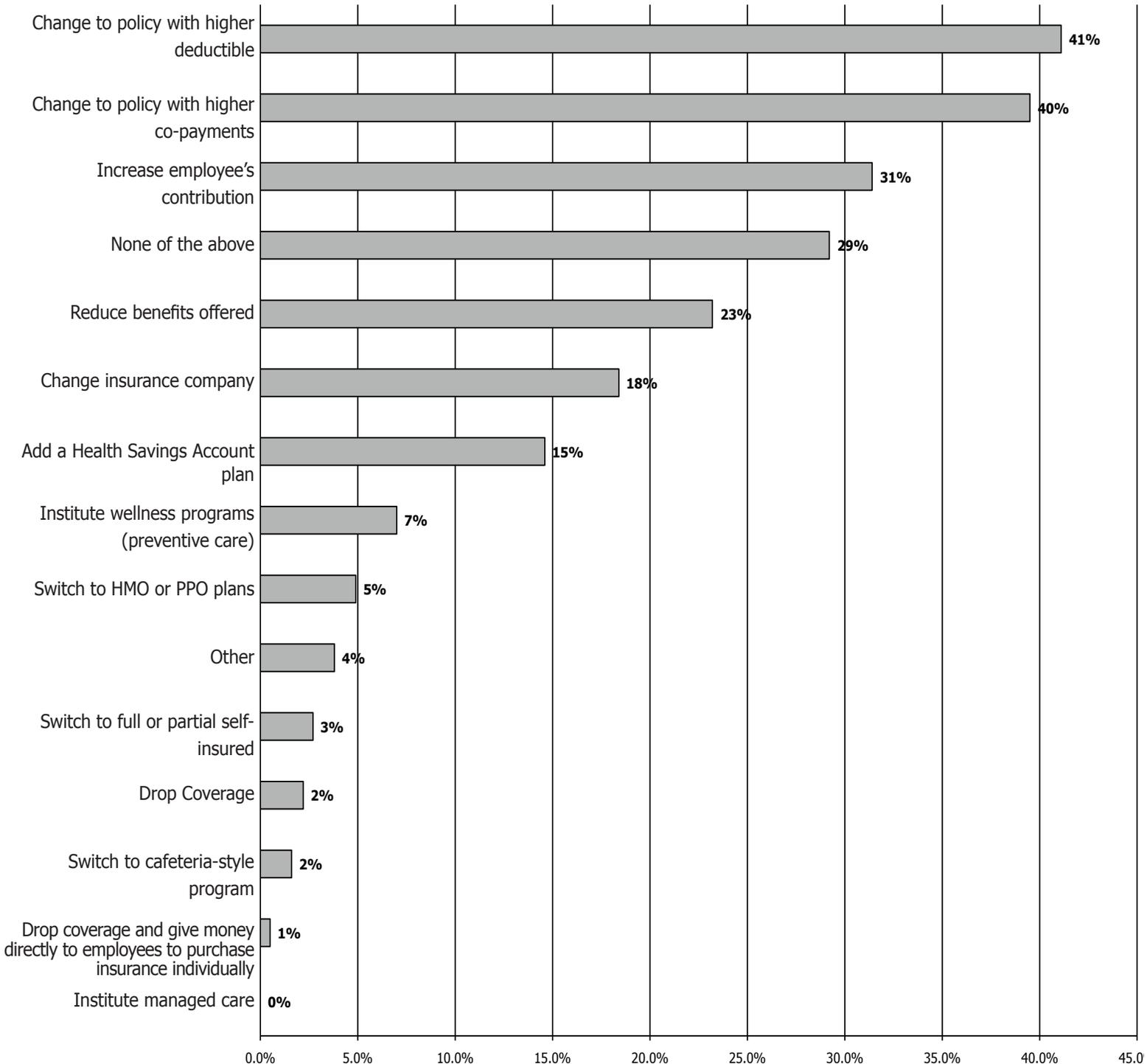
**What was the impact of the health insurance increases on your business?
(Please select all that apply)**



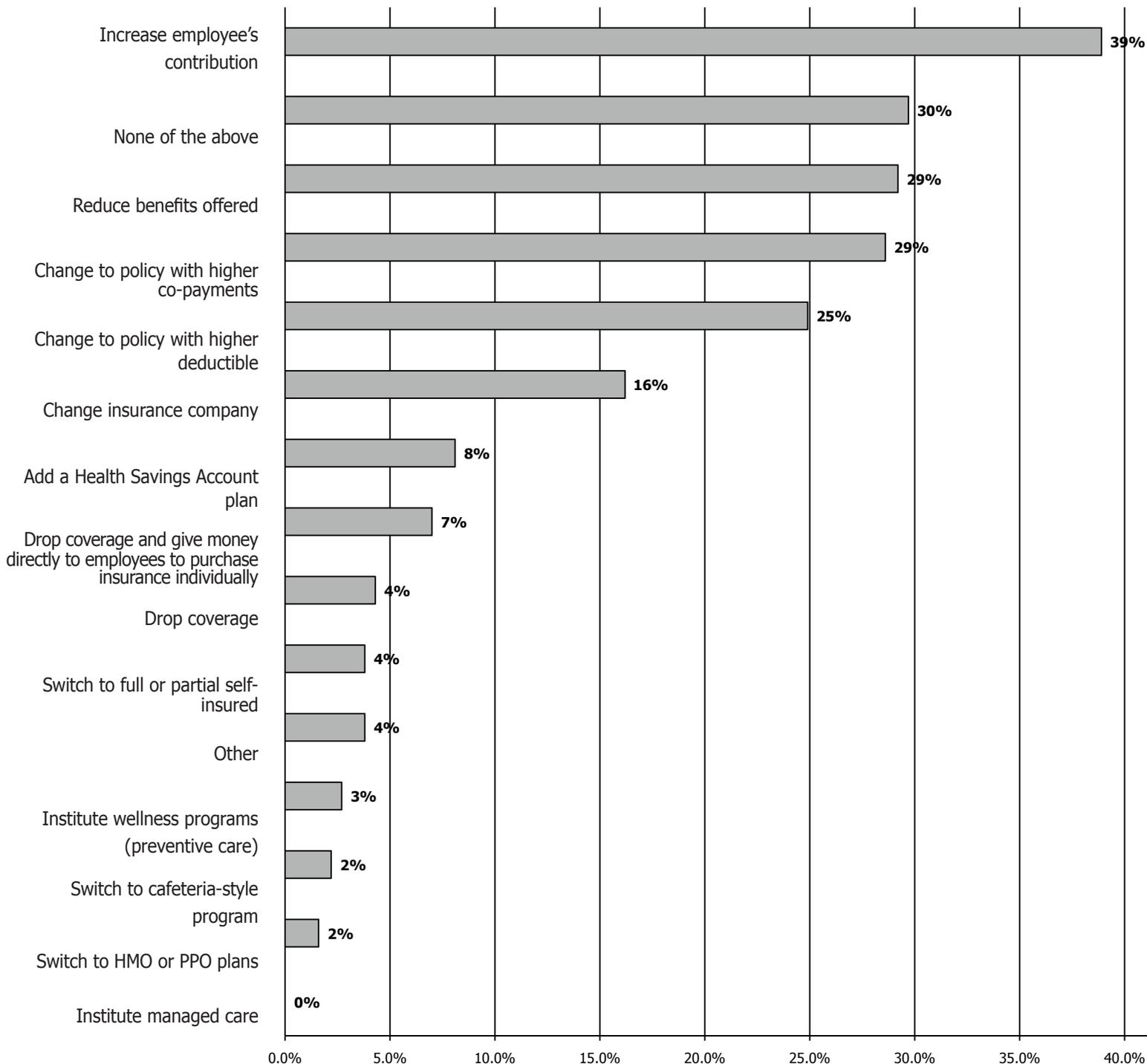
Sixty-seven percent expect premium increases of more than 10 percent in the coming year.

Although the average expected premium increase is 13 percent, those expecting higher increases are MUCH higher than the average. Among the 20 percent who expect premium increases in excess of 20 percent, the average expected increase is 29 percent.

In the LAST 12 months, have you made any of the following changes? (Please check all that apply)



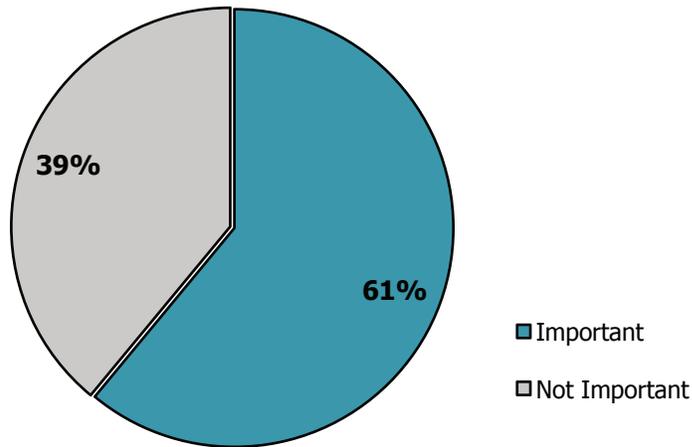
In the NEXT 12 months, are you considering making any of the following changes? (Please check all that apply)



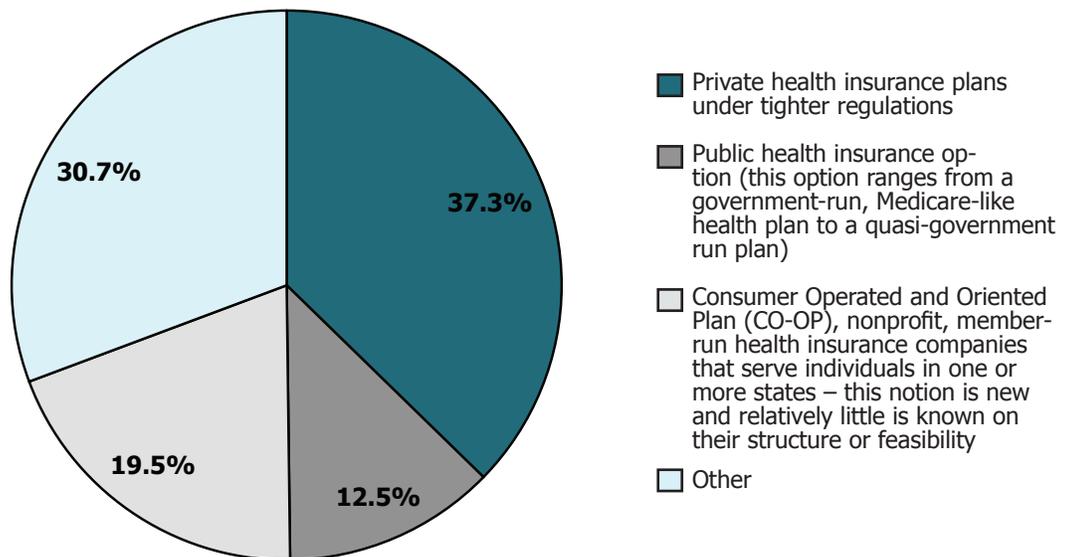
“Despite the controversy associated with the health care debate, the fact that 62 percent still want Congress to enact some kind of reform within the year ought to send a strong message to Congress.”

- Keith Ashmus, NSBA chair and co-founding partner at Frantz Ward LLP, Cleveland, Ohio

How important is it that Congress enacts some kind of health care reform legislation in the next year?

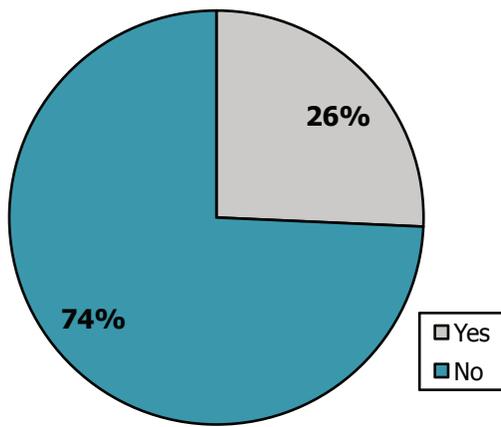


One of the goals for health care reform is to spur more competition between health insurance providers in order to provide small businesses with more choices, reduced premiums, and greater transparency. Which of the following proposals do you support to achieve this goal?*



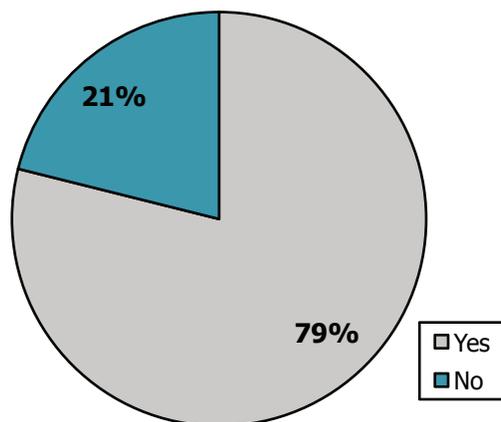
**** Note:** Survey respondents were only allowed to pick one of the above reform measures. Although 12.5 percent of respondents registered their support for a public health insurance option, those respondents were the smallest businesses with very low payroll levels, many of whom are likely purchasing insurance in the individual market, and therefore in the most dire situation regarding health insurance.

Have you or any of your employees ever been denied coverage or had your insurance plan retroactively canceled by an insurance company due to a preexisting condition?

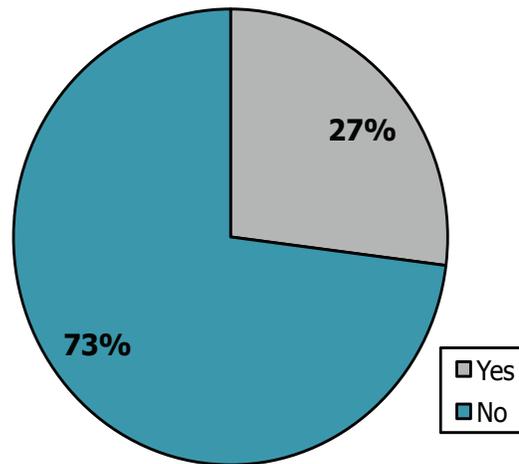


Twenty-six percent of respondents stated that they, or their employees, had been denied coverage or had their insurance plan retroactively canceled by an insurance company due to a preexisting condition. While slightly lower than the average for people in the individual market, the addition of many survey respondents who participate in the small-group market with presumably tighter rules shows what a critical issue it is to truly reform the way health insurance companies deal with the health status of consumers.

Do you believe that offering health insurance as an employee benefit gives, or would give, you a competitive advantage in recruiting or retaining top quality employees?



Do you think employers above a certain size (i.e.: number of employees or total payroll) should be required to make a financial contribution to their employees' health coverage?



The average small-business owner faces a per-employee cost of \$7,076 just for offering health insurance.

Although the vast majority of respondents—73 percent—oppose an employer mandate, they were asked, if forced to do so, where to set a threshold above which small-employers should be required to make a financial contribution to their employees' health coverage.

Among those who picked an exemption based on number of employees, the majority of respondents believe that some kind of mandated employer contribution should only kick-in at more than 50 employees or higher.

Among those who picked an exemption based on total annual payroll, the overwhelming majority—58 percent—said employers with annual payroll less than \$1 million should be exempted.

Number of Employees

0-10	52%
11-24	22%
25-50	12%
51-100	9%
More than 100	5%

Employees Age

Average Age	43
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Annual Gross Sales or Revenue

Less than \$100,000	8%
\$100,000 to less than \$250,000	10%
\$250,000 to less than \$500,000	10%
\$500,000 to less than \$750,000	8%
\$750,000 to less than \$1,000,000	10%
\$1,000,000 to less than \$5,000,000	30%
\$5,000,000 or more	24%

Annual Payroll

Less than \$100,000	23%
\$100,000 to less than \$250,000	16%
\$250,000 to less than \$500,000	14%
\$500,000 to less than \$750,000	9%
\$750,000 to less than \$1,000,000	10%
\$1,000,000 to less than \$5,000,000	20%
\$5,000,000 or more	8%

Business Structure

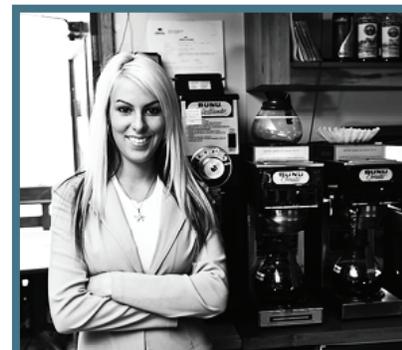
Corporation	30%
S corporation	44%
Sole proprietorship	10%
Partnership	2%
Limited liability corporation	12%
Other (please specify)	2%

About NSBA

Since 1937, NSBA has been the nation's leading small-business advocate. As part of NSBA's mission to address the needs and represent the concerns of the small business community, we conduct a series of surveys and quick polls throughout the year.

Methodology:

The NSBA 2009 Small Business Health Care Reform Survey was conducted electronically Sept. 21 to Sept. 23 using a sampling of NSBA membership which tends to be older, larger and more well-established businesses than that of the at-large U.S. small-business community. There were 370 small-business owners surveyed representing various industries and geographic locations.



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