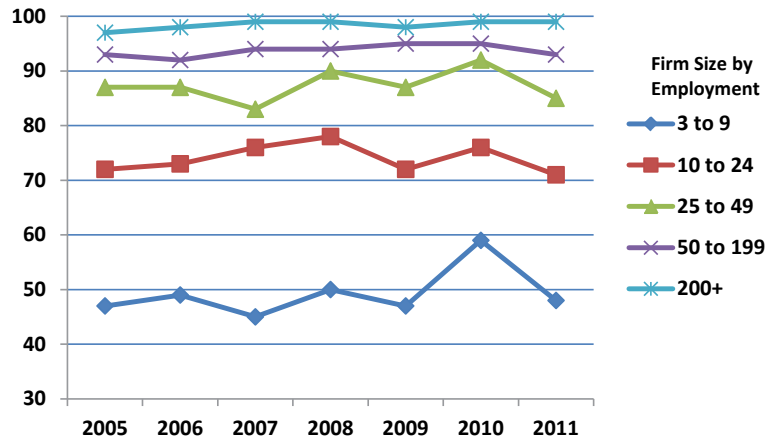


What is the level of availability and coverage of health insurance in small firms?

Small firms are less likely than large firms to offer health insurance.

A Kaiser Family Foundation study has confirmed a connection between the size of a firm and whether it offers health insurance. Almost 50 percent of businesses with 3-9 workers offer health insurance benefits to their employees. The ratio grows to 71 percent for firms with 10-24 employees, to 85 percent for firms with 25-49 employees, and to 99 percent for firms with 200 employees or more. Between 2005 and 2011, the offer rate for larger firms (200+ workers) consistently remained above 97 percent. For smaller firms (3-199 workers) the rate varied from a high of 68 percent in 2010 to a low of 59 percent in 2005, 2007, 2009, and 2011. (Source: Kaiser Family Foundation, Survey of Employer Health Benefits.)

Chart 1. Percentage of Firms Offering Health Benefits by Firm Size



Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2005-2011

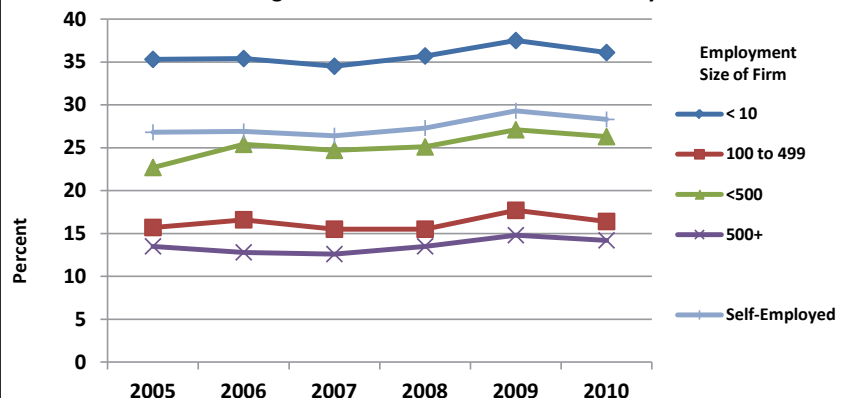
The proportion of employees who participate in health insurance plans, if offered, varies little by firm size.

The employee take-up rate is the proportion of workers who participate in a health insurance plan if it is offered. The take-up rate for workers in small and large firms is fairly similar—78 percent of eligible workers in smaller firms (3-199 workers) participate in their employer’s health insurance plan compared with 83 percent of eligible workers in larger firms (200+ workers). (Kaiser Family Foundation, Survey of Employer Health Benefits.)

The uninsured are more likely to be in small firms.

According to the latest Census data for 2010, small firm employees (in firms with fewer than 500 workers) were almost twice as likely as large firm employees (in firms with 500 or more workers) to be uninsured (26.3 percent vs. 14.2 percent, respectively). More than 36 percent of workers in firms with fewer than 10 employees were uninsured, compared with 16 percent for workers in firms with 100 to 499 employees. Close to 30 percent of the self-employed were also uninsured. (Source: EBRI estimates of Current Population Survey.)

Chart 2. Workers Ages 18-64 Without Health Insurance by Firm Size



Source: Employee Benefit Research Institute estimates of the Current Population Survey, March Supplement, 2005-2010