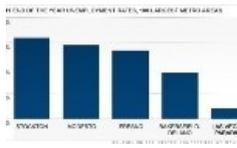


REPORTS SHOW EMPLOYEES ARE LOSING COVERAGE AS UNEMPLOYMENT RISES



The nonpartisan Employee Benefit Research Institute recently published a news report that shows how unemployment rates and the number of those uninsured are closely related. This report is the first of its kind and many panelists and researchers are eager to find out how closely the two factors are correlated. In the news report, it shows that just over 56 percent of workers were insured as of April 2010. This is a startling fact as the figures are well below the previous numbers from a decade earlier. A lot of theories have been thrown out there, but there is still one theory that keeps butting its head into every argument about this situation and that is cost. *The data shows that more employees have access to employer-sponsored coverage than in years past: Fewer than 23 percent of workers said they were not offered coverage in April 2010, versus 40 percent in 2003. But 89 percent of workers without coverage said costs were prohibitively expensive.* "Although the link between health insurance coverage and employment has long been known," report author Paul Fronstin said in a statement, "these data underscore the degree to which employment — or, more significantly, unemployment — rates directly affect the levels of the uninsured in the United States." The recession in 2007 really tore apart our economy and the practice of covering employees with adequate health insurance. *The percentage of covered workers fell from 60.4 percent to 56.8 percent by May 2008, the report shows.* It gets worse as coverage continued to decline as the years progressed. In May 2009, it was down to 56.2 percent and in August 2009, it dropped to 55.9 percent. It looked as if there was hope in December 2009 when the percentage of covered workers began to rise at a gradual pace. The percentage went up to 56.6 percent and many believed that it would continue to grow. However, the growing trend didn't continue and the rate was back down to 56.2 percent in April 2010. The change wasn't significant, but the fact that the percentage of covered workers went down and not up was not a good factor. The report states that the figures of today's economy are still "well below" the over-60 percent levels that were last seen in the 1990s. Many would assume that the unemployment rates and those who are uninsured would somewhat correlate with each other; however, the two factor into each other almost perfectly. Many Americans rely on their coverage that is given by their employers. Health insurance coverage is almost always discounted when employees are able to get it through their line of work, so when the employee loses their position or gets laid off, they start to realize how costly health insurance is when they have to pay the full price for it. When companies start to lay off individuals, everybody suffers – the employee, company and health facilities.