

For Immediate Release



New health plan aims to reduce number of working uninsured

GREENWOOD VILLAGE, Colo., May 22, 2007 – A significant number of Americans who lack health insurance actually have access to coverage through their employer but choose not to enroll. Great-West Healthcare®, a national employer benefits provider, today unveiled Great-West Universal Health Care Options – a new plan designed to increase employee and dependent participation in employer-sponsored health plans.

In one study released by the Urban Institute, 30% of the working uninsured in this country have access to coverage but decline to participate.¹ A major reason for this is affordability. Over the past five years, employer health plan costs have increased over four times the rate of annual salary and wage increases.² A portion of this cost increase is shared with employees, and as costs have increased, the percentage of Americans who participate in their employer's health insurance program has dropped. In 2006, the Kaiser Commission on Medicaid and the Uninsured reported that 27% of the decline in employer-sponsored insurance enrollment was due to lower employee participation.³

By redesigning the employer's health plan, Great-West Universal Health Care Options enables employers to offer a comprehensive health plan with significantly lower employee premium contributions.

"This new health plan offers employers increased flexibility to provide affordable, essential health benefits to more employees and their families," said Rick Rivers, executive vice president, Great-West Healthcare.

Prioritizing Primary and Preventive Care Services

Key features of this new plan include broad coverage for primary care and preventive services with modest co-payments. It also provides comprehensive coverage for major illness or injury to assure that employees have financial protection for large medical expenses. Employee out-of-pocket expenses are more concentrated on health care services that are of a minor medical or elective nature.

"We believe that a health plan with strong benefits for primary care provides an important incentive for the delivery of preventive services and reduces overall health care costs in the long run," said Rivers. "Employees also want to know

that their health plan will provide strong financial protection in the event of a critical illness and this plan does that.”

Great-West Universal Health Care Options Additional Features

In addition to a redesigned plan for all full-time employees, employers will have new health benefit options to consider for part-time and/or temporary workers. These individuals are typically not eligible for full-time employee benefits, but there is a growing interest among many employers to provide some form of basic health insurance to these workers.

“There are more than 46 million Americans without health insurance today, and there is little debate that these individuals need improved access to more affordable health plans,” said Rivers. “Our objective with this plan is to provide employers with some creative solutions to reduce the number of working uninsured in their companies and to implement programs to improve the overall health status of their workforce.”

About Great-West Healthcare®

Great-West Healthcare, a division of Great-West Life & Annuity Insurance Company, is a national employee benefits provider with expertise in self-funding and health care management solutions. Nationally, the division operates a health care network that includes 4,275 hospitals and 578,000 providers and provides health care services to 2.2 million people. Visit www.greatwesthealthcare.com for more information.

Great-West Life & Annuity Insurance Company, headquartered in metro-Denver, serves its customers through a full range of health care plans, life and disability insurance, annuities, and retirement savings products and services. It is an indirect, wholly owned subsidiary of Great-West Lifeco Inc. and a member of the Power Financial Corporation group of companies.

Footnotes:

1. Solomon, Deborah and Wessel, David, Health Insurance Gap Surges as Political Issue,” The Wall Street Journal Online (WSJ.com), reporting on the Urban Institute analysis of Current Population Survey, U.S. Census Bureau, Jan. 19, 2007.
2. Clemans-Cope, Lisa and Garrett, Bowen, “Changes in Employer-Sponsored Health Insurance Sponsorship, Eligibility, and Participation: 2001 to 2005,” Kaiser Commission on Medicaid and the Uninsured, Dec., 2006, p. 13.
3. Ibid., p. 2.

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