



Regence BlueCross BlueShield

Final Executive Report of Key Survey Results
2010 Landowner/Offspring Interviews in Oregon and Washington

for the

Forest Health – Human Health Initiative

March 2010

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Regence BlueCross BlueShield by:

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Forest Health – Human Health Initiative

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Section A

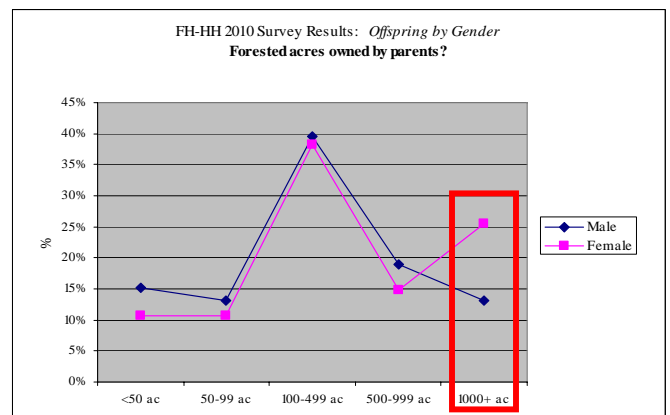
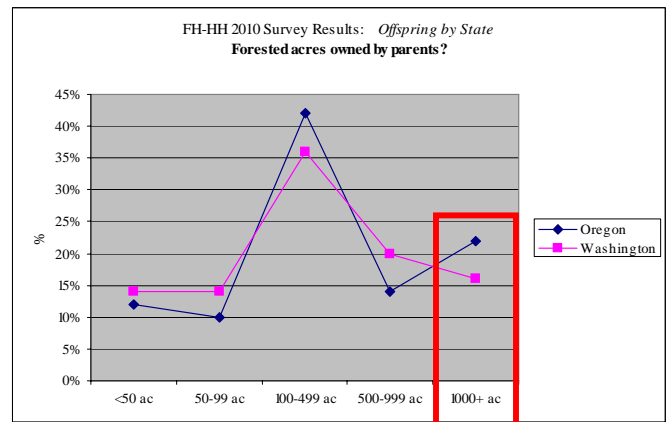
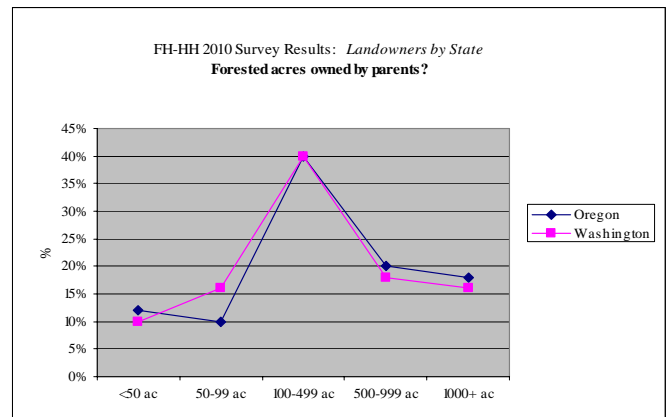
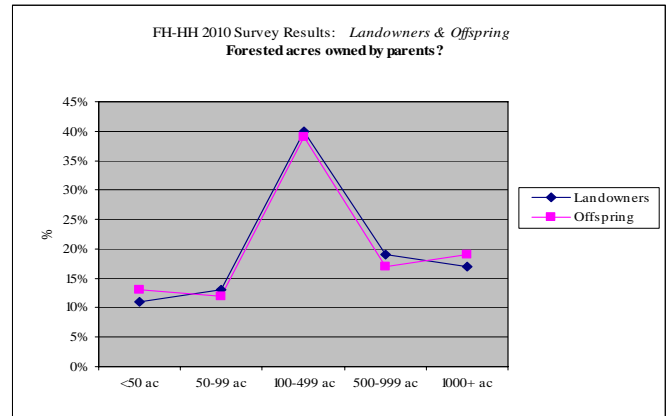
This section provides graphs and discussion of the survey results detailed by ownership, offspring, and acreage size, correlating responses to some of the key survey questions.

1. Forested acres owned by parent.

Background: Oregon has ~7,000 forestland owners that own 100 acres or more of family forestland. Over 2.6 million acres of family forestland are contained within this ownership class in the state. Washington has ~3,000 forestland owners that own 100 acres or more of family forestland. Over 980,000 acres of family forestland are contained within this ownership class in the state. Initial carbon sequestration results showed best investment options in the 100+ acre area.

Survey results:

- Survey results focused on landowner and offspring representing the 100 acres or more ownership classification.
- Landowner interviews in both Oregon and Washington primarily occurred in the 100-499 acre ownership class.
- Offspring interviews in both states correlated to ownership class for landowners interviewed in each state (no disproportionate representation).
- Male and female offspring interviewed were also balanced well, save for offspring from landowners who own > 1,000 acres.

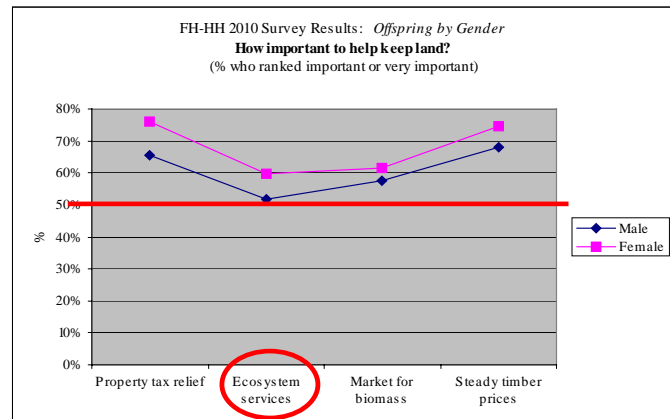
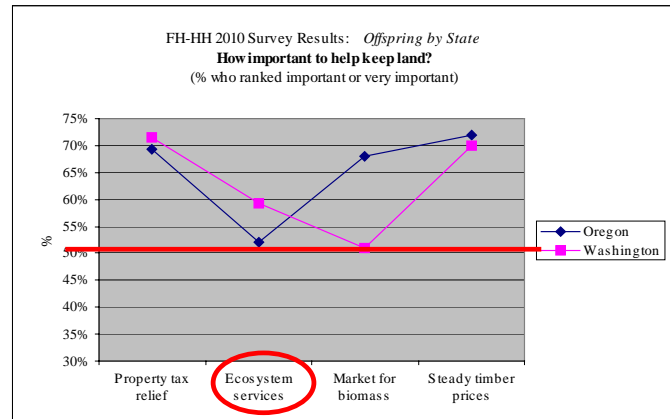


2. ***Offspring only: How important are these tools in helping you as the next generation of landowner to keep the forestlands in the family?***

Background: This question was only asked of offspring and was not an open-ended question. A ranking of 1-5 was requested for the four categories of *property tax relief*; *payment for ecosystem services*; *payment for biomass*; and *steady (not increased) timber prices*. A ranking of 1 indicated not important; 5 indicated very important. Graphed results are only for important of very important responses (4 or 5).

Survey results:

- Over 50% of offspring in both states rank payment for ecosystem services as either important or very important to them.
- Washington offspring ranked this category slightly higher than Oregon offspring, but notably disagreed with their Oregon counterparts with regard to payment for biomass.
- Over 50% of both male and female offspring ranked payment for ecosystem services as important or very important.

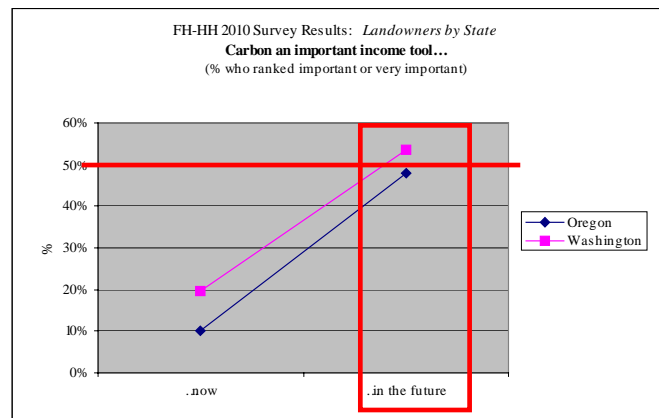


3. ***Carbon payment as an important income tool for forestland owners now and in the future.***

Background: This question was only asked of landowners. A ranking of 1-5 was requested for the two categories of now and in the future (most often expressed as within five years). A ranking of 1 indicated not important; 5 indicated very important. Graphed results are only for important of very important responses (4 or 5).

Survey results:

- Between 10%-20% of landowners believe that carbon payment is an important or very important income tool for them right now.
- ~50% of those same landowners believe carbon payment will be an important or very important income tool for them in the future.



4. Two questions: a) how likely are landowners and offspring to sell family forestland to pay for health care, taxes, retirement, and education; and b) how likely are they to accelerate the harvest of timber off their lands to pay for health care.

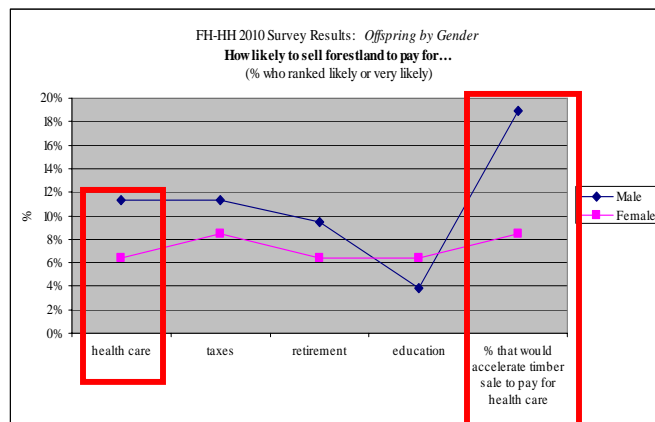
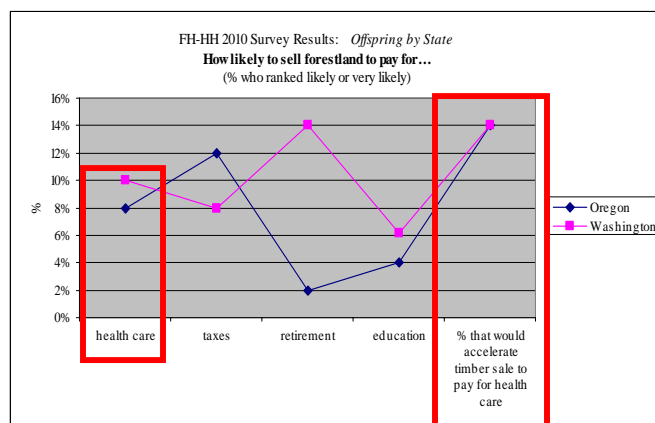
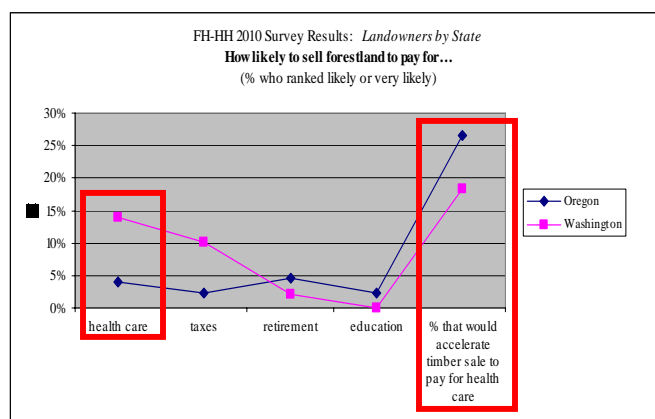
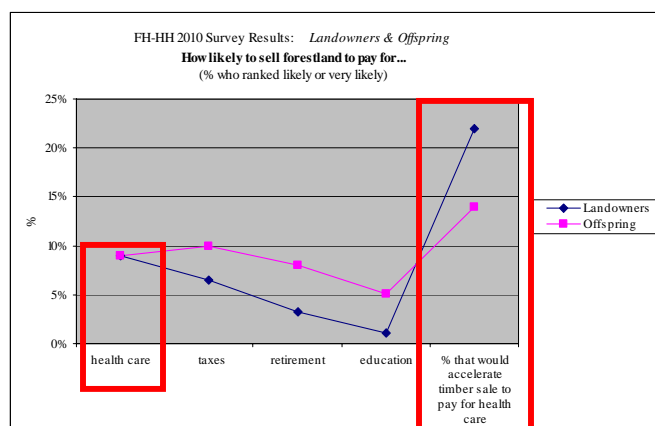
Background: For question a): This question was not an open-ended question. A ranking of 1-5 was requested for the four cost conditions of health care, taxes, retirement, and education. A ranking of 1 indicated not at all likely; 5 indicated very likely. For question b), the same ranking protocol was used. Results shown in the graphs detail likely or very likely responses from landowners and offspring for both questions

Survey results for question a):

- ~10% of both landowners and offspring ranked it as likely or very likely they would have to sell forestland to pay for health care costs.
- While differences exist between landowners and offspring regarding likeliness to sell forestland to pay for taxes, retirement, and/or education, both agreed (~10% each) that paying for health care through forestland sale is the most likely of the four cost conditions to cause forestland sale. Offspring ranked paying for taxes slightly higher than health care.
- Washington landowners were more likely (14%) compared to Oregon landowners (4%) to sell forestland to pay for health care, but offspring in both states were more aligned in ranking health care cost as a catalyst for forestland sale (Washington offspring – 10%; Oregon offspring 8%).
- Male offspring were more likely to sell family forest to pay for health care compared to female offspring (11% v 6%).

Survey results for question b):

- Landowners (22%) compared to offspring (14%) were notably more likely to accelerate the sale of timber off the family forests to pay for health care costs, and Oregon landowners were notably higher than Washington landowners to do so.
- Oregon and Washington offspring saw eye-to-eye regarding likeliness to accelerate timber sale off of family forests to pay for health care costs (14% of each).
- Male offspring compared to female offspring were notably more likely to accelerate timber sales off family forests to pay for health care (19% v 9% respectively).

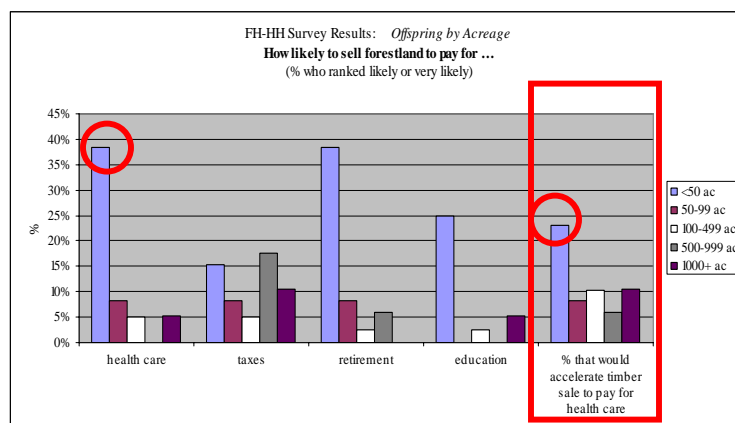
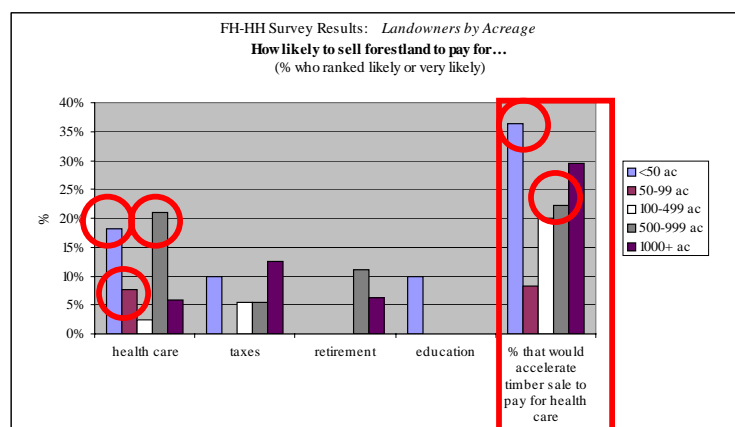
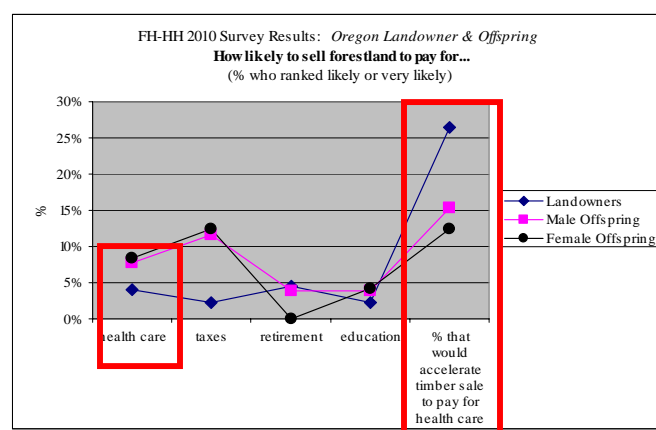
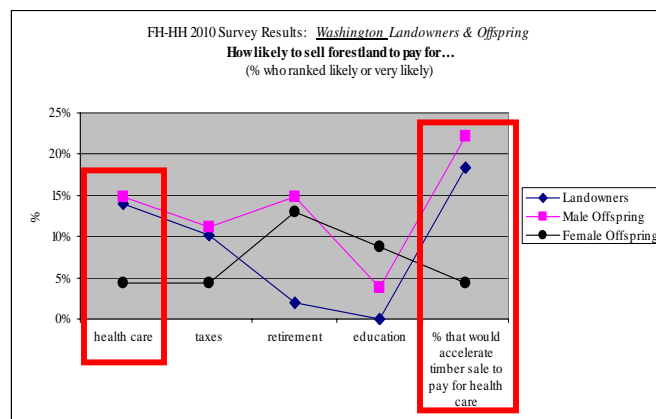


Survey results for question 4 a) (continued):

- Washington landowners were more likely (14%) compared to Oregon landowners (4%) to sell forestland to pay for health care, but offspring in both states were more aligned (Washington offspring – 10%; Oregon offspring 8%).
- While female offspring in Washington were notably less likely than their male counterparts to sell forestland to pay for health care (4%), their male counterparts thought differently as 15% stated they were likely or very likely to do so.
- Both male and female offspring in Oregon were more aligned, as 8% of each said they were likely or very likely to sell family forestland to pay for health care.
- Acreage ownership size made a notable difference in landowner response to this question. Landowners who owned <50 acres, between 50-99 acres, and between 500-499 acres all ranked payment for health care as the condition that would most likely cause them to sell family forestland (compared to taxes, retirement costs, or education costs).
- Acreage ownership size also made a difference in offspring response. Almost 40% of offspring whose parents owned <50 acres ranked payment for health care as the condition that would most likely cause them to sell family forestland.

Survey results for question 4 b) (continued):

- 27% of landowners in Oregon and 18% of Washington landowners were likely or very likely to accelerate the sale of timber off the family forest to pay for health care.
- Over 35% of <50 acre landowners, 20% of 100-499 acre landowners, and 22% of 500-999 acre landowners stated they were likely or very likely to accelerate the sale of timber off the family forest to pay for health care.
- Almost 25% of offspring whose parents owned <50 acres stated the same.

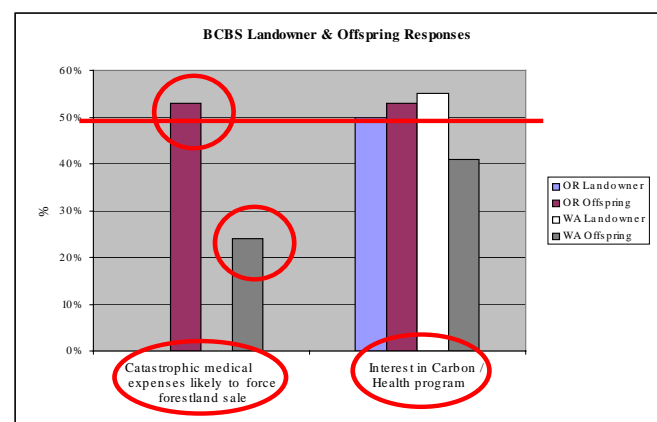
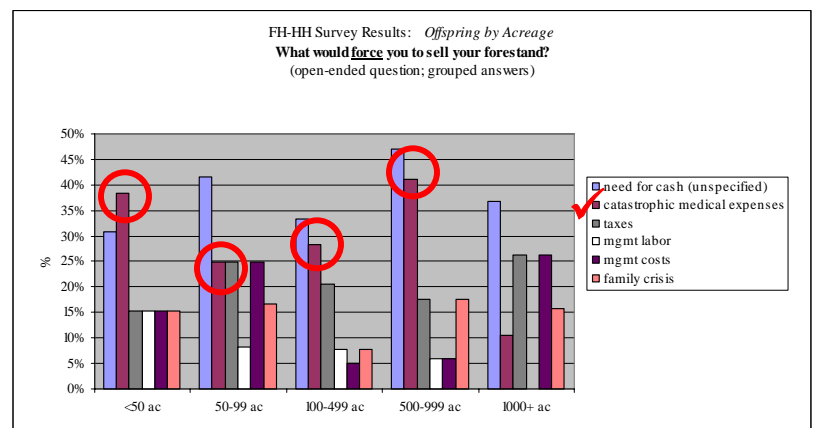
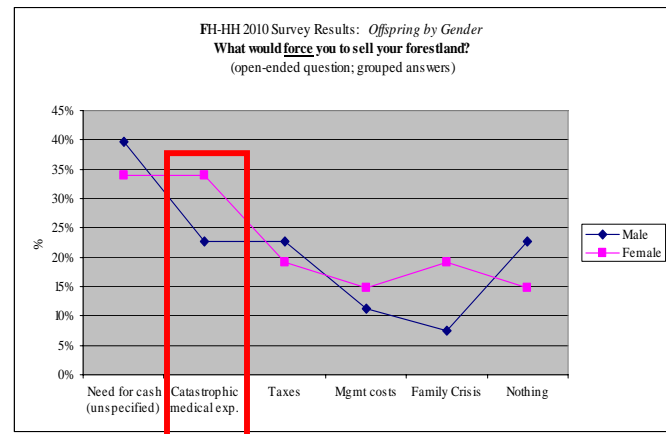
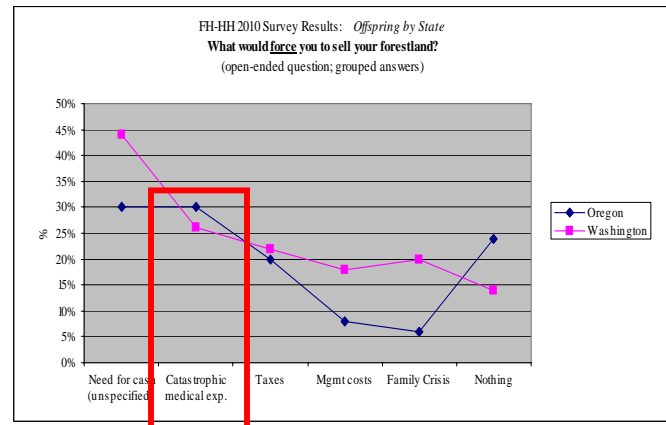


5. **Offspring only:** *What conditions would force you to sell your family forestland?*

Background: This question was only asked of offspring and was an **open-ended** question (no choices identified by interviewer). Answers were grouped into response areas. The top 6 response groupings were: need for cash (unspecified); catastrophic medical event; taxes; management costs; family crisis (loss of home; loss of job); and “nothing”.

Survey results:

- 30% of Oregon offspring and 26% of Washington offspring identified having a catastrophic medical event as a condition that would force them to have to sell family forestland.
- Both Washington and Oregon offspring identified a catastrophic medical event as the top specified “force” condition. The only condition that ranked higher was a need for cash for an unspecified need (“can’t think of what it might be, but”)
- Both male and female offspring ranked having a catastrophic medical event as the top “force” condition, but female offspring were clearly more concerned.
- Offspring from all acreage classifications save 1,000 acres + ownerships also ranked a catastrophic medical event as the top “force” condition.
- When isolating responses from offspring who are already covered by a BCBS policy, over 50% of Oregon offspring identified a catastrophic medical event as the top “force” condition. In contrast, only 24% of Washington offspring currently covered by BCBS stated this was a top ‘force’ condition.

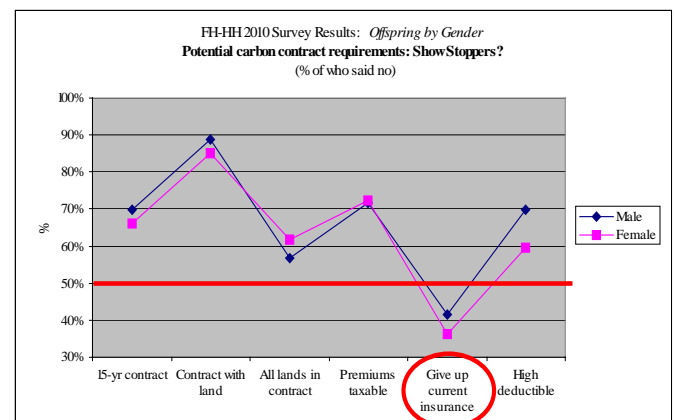
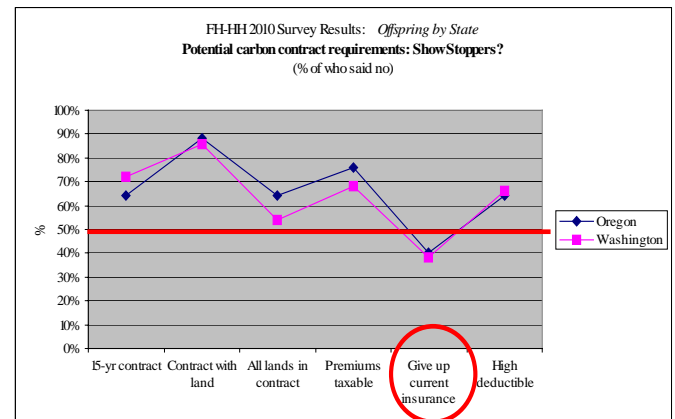
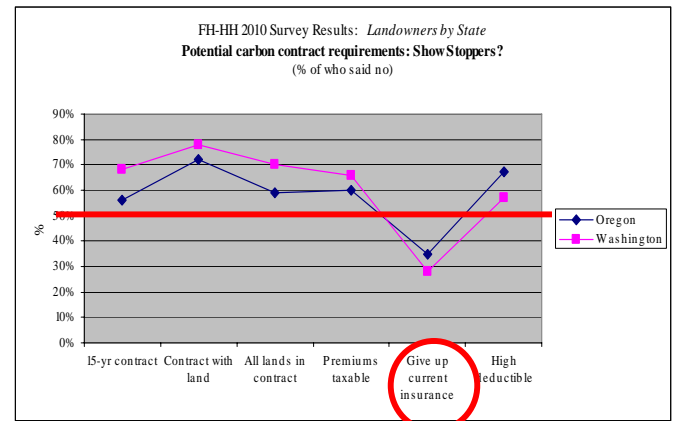


6. Are there carbon contract requirements that would be “show stoppers” for landowners and offspring?

Background: This question was of landowners and offspring and was not an open-ended question. Respondents were specifically asked about six likely key carbon and insurance contract provisions: a 15-yr. carbon contract; the carbon contract being tied to the land for the contract period; the requirement for all family lands to be included in the carbon contract; for HSAs, the requirement that a high deductible insurance plan be used; the potential to have to switch insurance providers in order to participate in the program; and the requirement that carbon premium payments must be identified as taxable income to the individual. For each requirement, the question was posed: “Would this be a show stopper for you?” (Yes, no, depends).

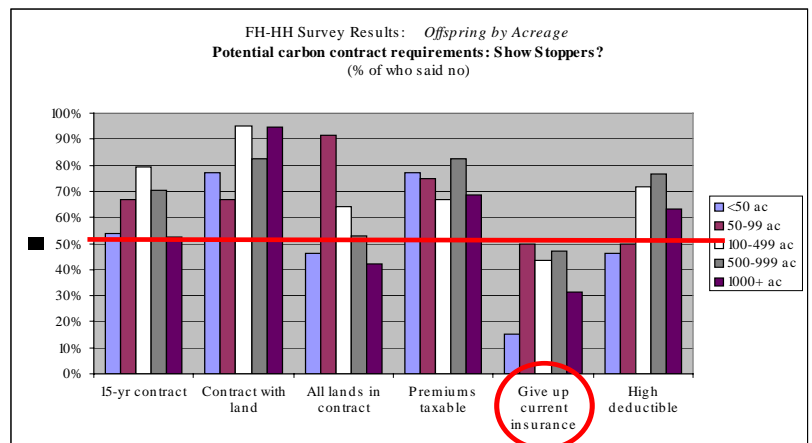
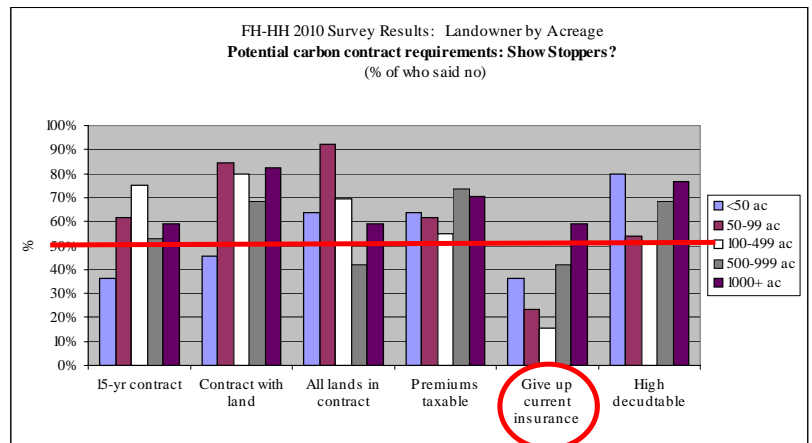
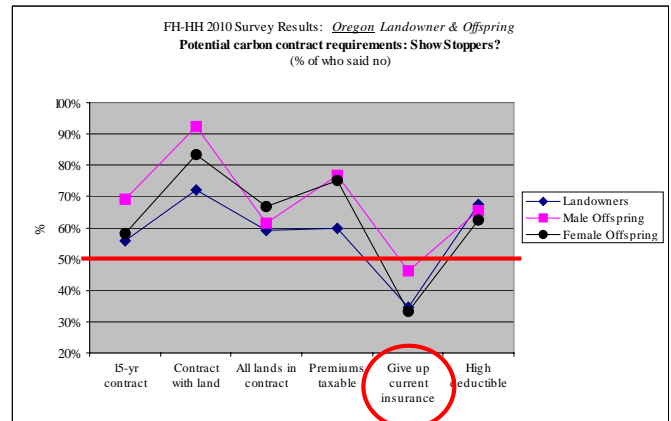
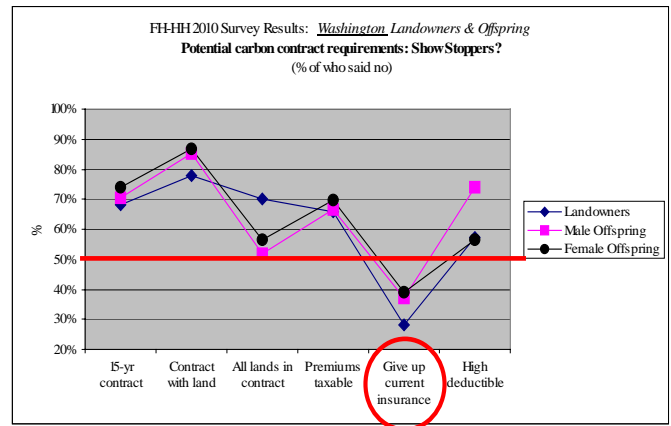
Survey results:

- Over 50% of all landowners and all offspring stated these specific contract requirements would not be show-stoppers, save for having to give up their current insurance provider.
- The potential requirement to switch to another insurance provider gave pause to offspring and landowners alike, as it did male as well as female offspring. For landowners: 41% said this requirement would be a show-stopper; 31% said no it would not; and another 27% said it depends. For offspring: 43% said this requirement would be a show-stopper; 39% said no it would not; and another 18% said it depends



6. *Show Stoppers?* (continued):

- Landowners and offspring in both states were equally concerned about the potential requirement to switch to another insurance provider.
- This response did not change when evaluating landowner and offspring responses by size of acres owned.
- Across the board for all analyses, the potential requirement to switch to another insurance provider was a serious concern area.



Section B

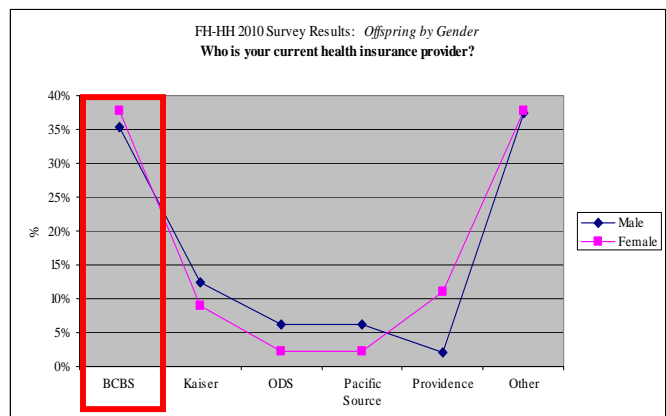
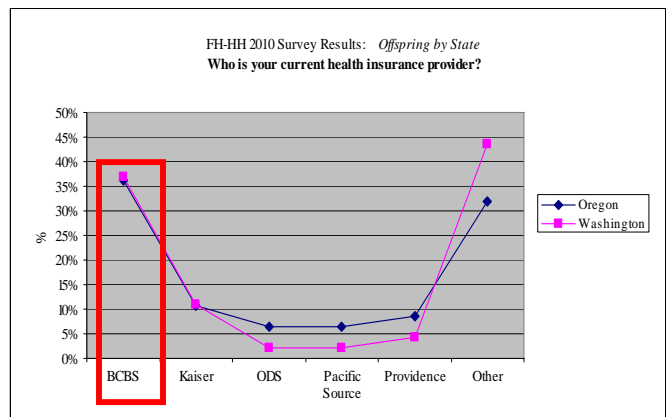
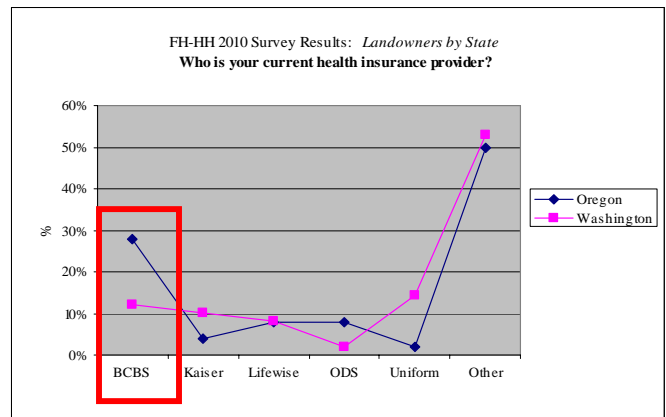
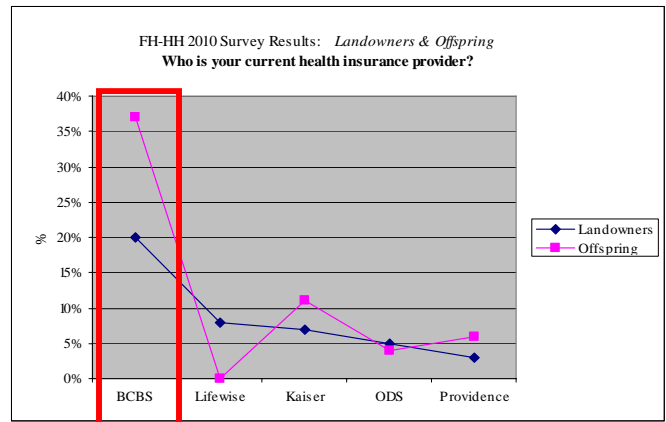
This section provides graphs and discussion of the survey results detailed by insurance provider and insurance policy conditions/benefits correlating responses to some of the key survey questions.

7. Who is your current health insurance provider?

Background: self-explanatory. For the graphs, the top five insurance providers identified by landowners and offspring are broken out. The “other” column contains consolidation of other insurance company names that individually achieved typically <5% of the interviewee market.

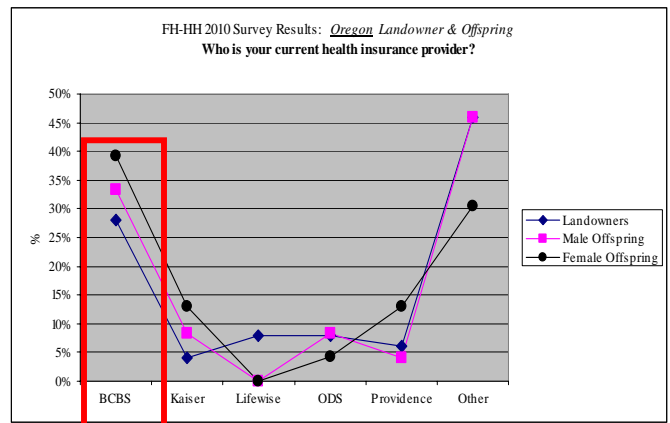
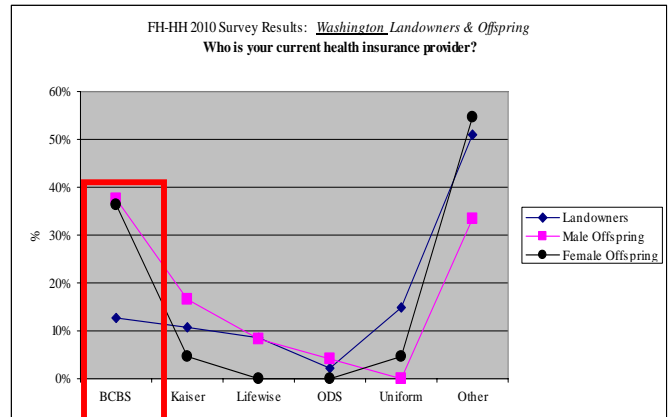
Survey results:

- Blue Cross Blue Shield captures the largest interviewee market for both landowners and offspring in both Oregon and Washington.
- Almost 30% of landowners interviewed in Oregon have BCBS as their insurance provider, compared to 13% of Washington landowners.
- ~37% of total offspring interviewed are with BCBS, and 37% of offspring in each state is with BCBS.
- Gender made no difference in the high market capture for BCBS, as 35% and 38% of male and female offspring, respectively, have BCBS as their insurance provider.



7. Health insurance provider (continued):

- In Washington, landowners and offspring were not in sync with regard to health insurance provider. Slightly over 10% of Washington landowners had BCBS as their insurance provider, while just under 40% for Washington male and female offspring each had BCBS.
- In Oregon, landowners and offspring were more in sync with similar insurance provider. Almost 30% of landowners, 33% of male offspring, and 39% of female offspring all had BCBS as their health insurance provider.

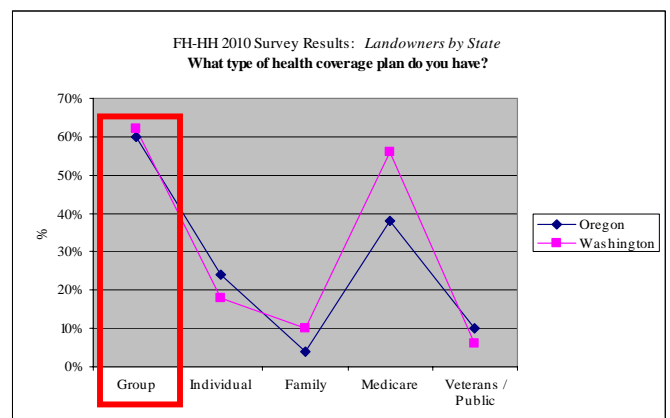
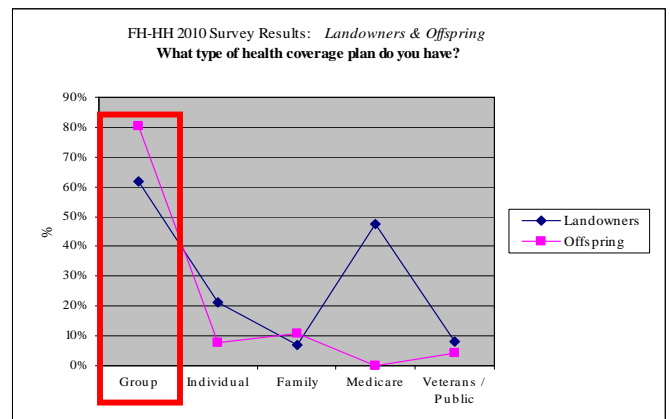


8. What type of health insurance plan do you have?

Background: self-explanatory. For response the top five insurance type plans are identified. Individual and family plans were in all cases direct pay from the landowners/offspring and not provided through group insurance. Group insurance was always referenced as employer group insurance.

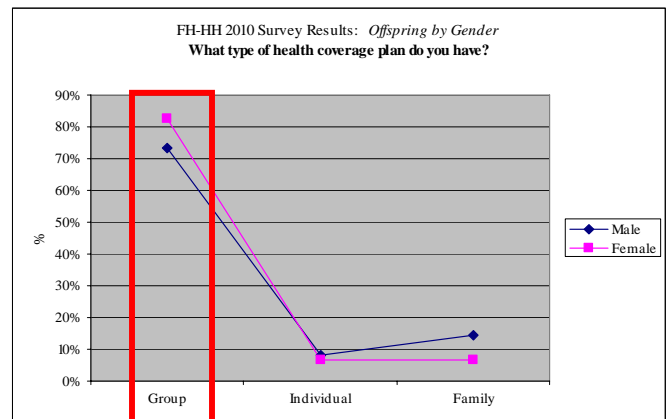
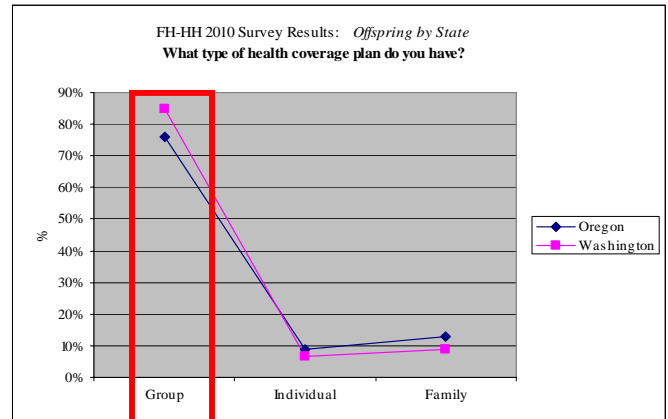
Survey results:

- Between 60%-80% of landowners and offspring are covered under group insurance.
- This result is the same for landowners in both states.
- Between 18%-25% of Oregon and Washington landowners have individual health insurance plans that they directly pay for. Another 4%-10% have family plans they pay direct for.



8. *Type of insurance plan* (continued):

- Between 76%-85% of offspring in Oregon and Washington are covered under group insurance.
- This result is the same for both male and female offspring.
- Between 18%-22% of Oregon and Washington offspring have individual health insurance plans or family plans that they directly pay for.

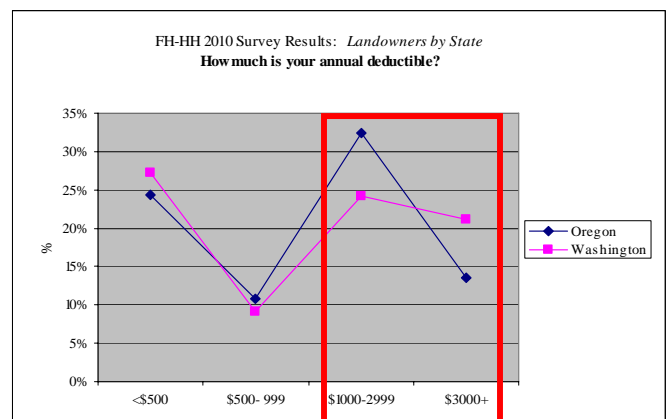
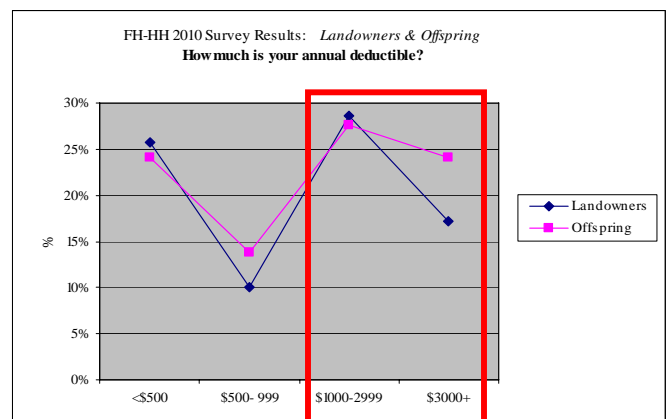


9. *How much is your annual deductible for health insurance?*

Background: self-explanatory.

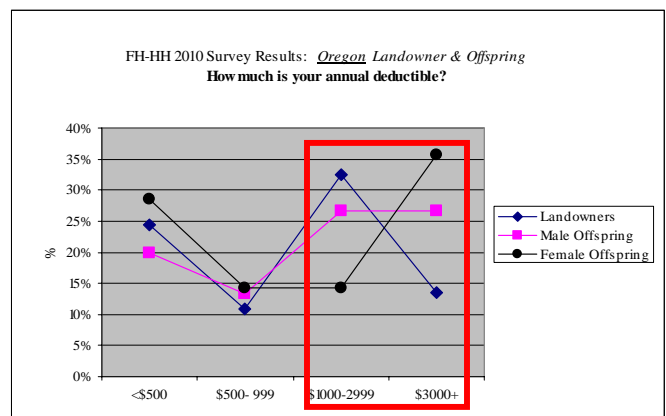
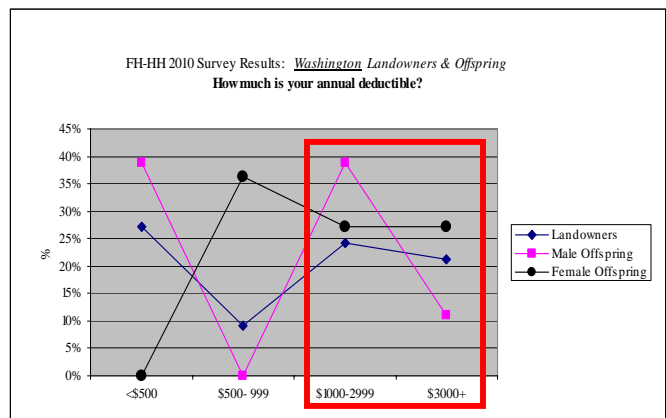
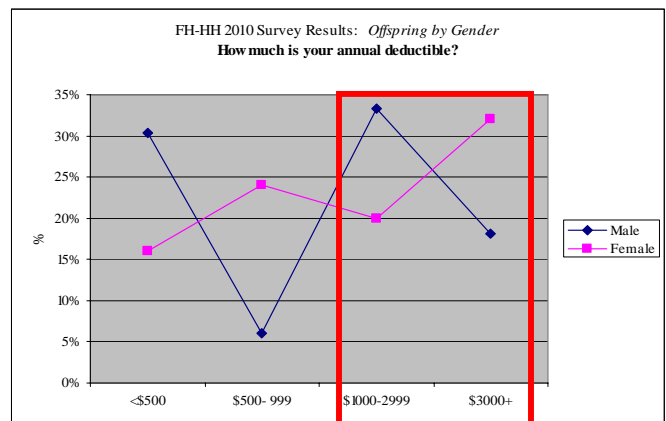
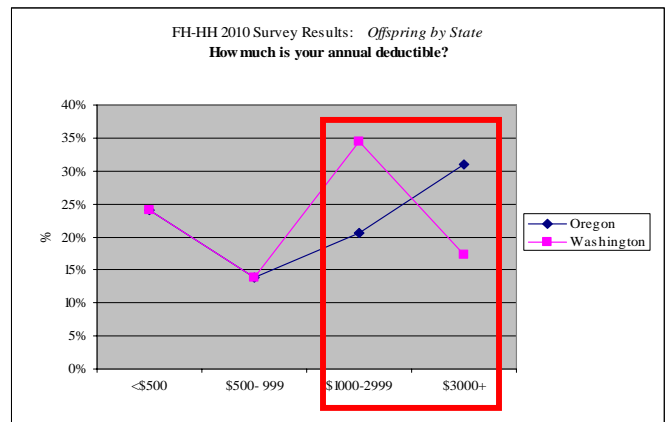
Survey results:

- Over 25% of landowners and offspring each pay between \$1,000 - \$2,999 annually to meet deductible requirements for their health insurance.
- Almost 25% of offspring pay a \$3,000 or higher annual deductible, compared to <20% of landowners.
- 45% and 42%, respectively, of Washington and Oregon landowners pay \$1,000 or more for a health insurance deductible each year.



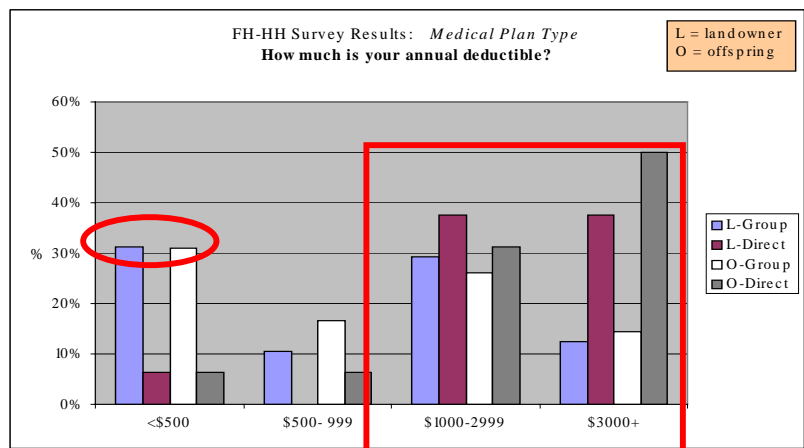
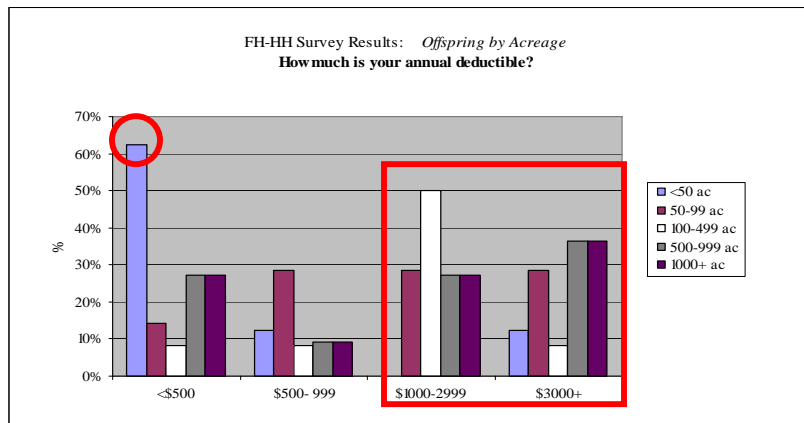
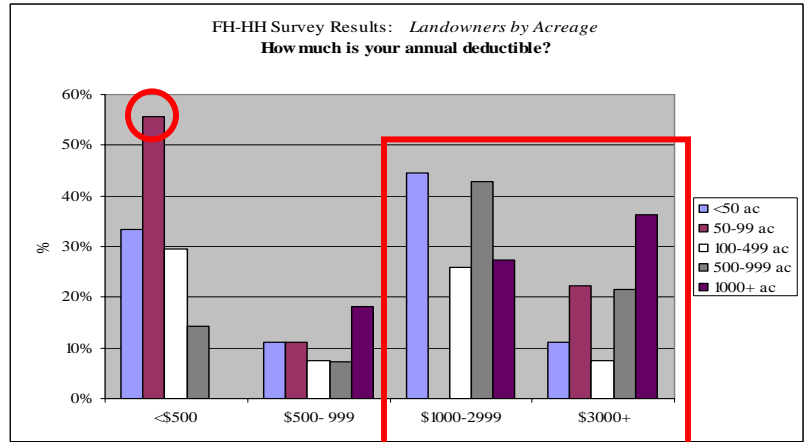
9. Annual deductible (continued):

- Over 30% of Oregon offspring pay \$3,000 or higher annually to meet deductible requirements for their health insurance. Less than 20% of Washington offspring do so.
- Conversely, 34% of Washington offspring pay between \$1,000-\$2,999 annually to meet deductible requirements for their health insurance. 21% of Oregon offspring do so.
- Keeping in mind that offspring were fairly equally split between males and females in this study, it is surprising to note that over 30% of female offspring pay \$3,000 or higher per year as a deductible, compared to <20% of their male counterparts.
- The reverse is true for deductible payments of \$1,000-\$2,999 where more than 30% male offspring pay in this cost bracket compared to 20% of their female counterparts.
- Male offspring in Washington appear to have the most dramatic difference between the \$1,000-\$2,999 and \$3,000+ deductible levels. Almost 40% of them pay \$1,000-\$2,999 per year while only 11% pay \$3,000+ per year. 27% of Oregon male offspring pay \$1,000-\$2,999 per year and another 27% pay \$3,000+ per year.
- Female offspring in Oregon appear to have a similar dramatic difference between the \$1,000-\$2,999 and \$3,000+ deductible levels. 14% of them pay \$1,000-\$2,999 per year and 36% pay \$3,000+ per year. 27% of Washington female offspring pay \$1,000-\$2,999 per year and another 27% pay \$3,000+ per year.



9. Annual deductible (continued):

- With the exception of 50-99 acre landowners, a majority of landowners in all other acreage size brackets are paying \$1,000 or more per year in deductible payments. Over 50% of landowners of 50-99 acres pay <\$500 per year.
- With the exception of <50 acre ownership, a majority of offspring in all other acreage size brackets are paying \$1,000 or more per year in deductible payments. Over 60% of offspring with parents that own <50 acres pay <\$500 per year.
- When looking at medical plan by deductible for landowners and offspring: ~40% of both landowners and offspring covered by a group plan pay \$1,000 or more per year in deductible payment; 76% of landowners with individual or family plans paying direct are in that same deductible bracket. 80% of offspring with individual or family plans paying direct are in that same deductible bracket.

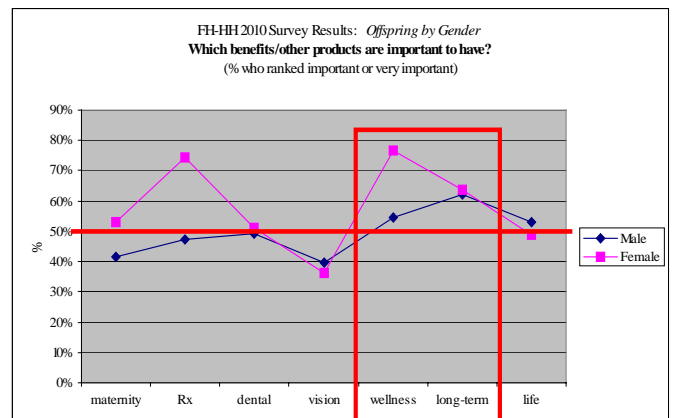
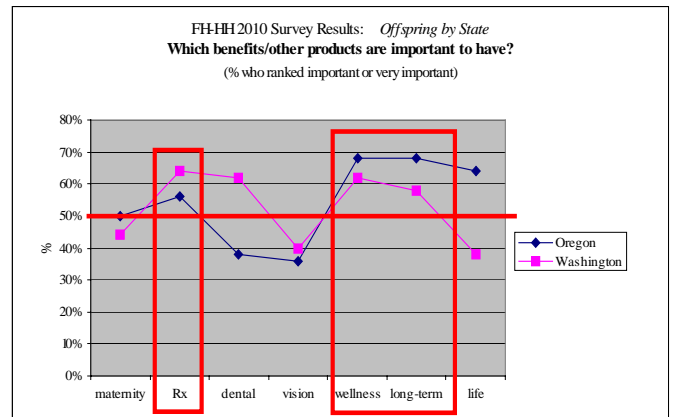
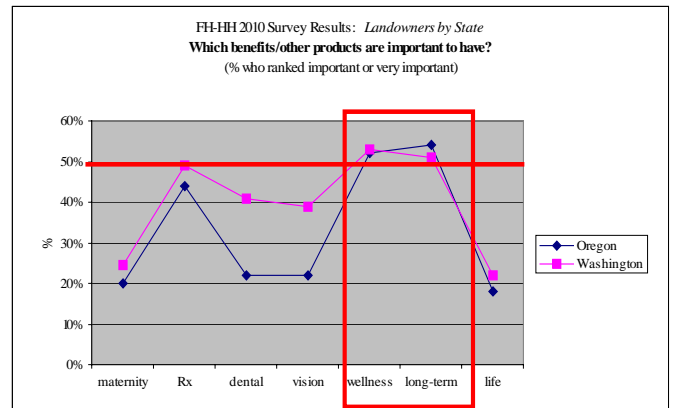
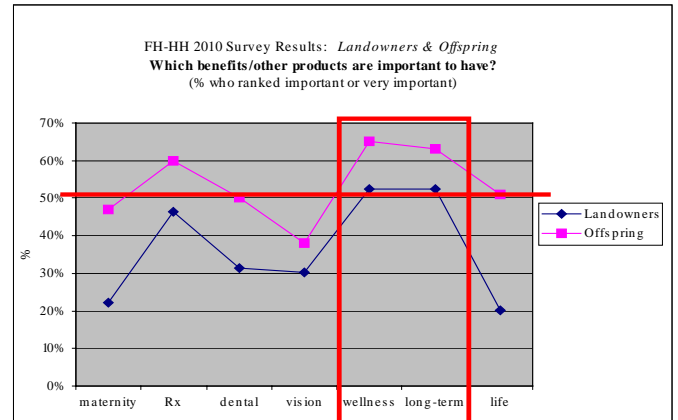


10. Which insurance benefits/other insurance products are important to have?

Background: This question was not an open-ended question. A ranking of 1-5 was requested for the following seven policy benefits/products: *maternity, prescription, dental, vision, wellness, long term care, and life insurance*. A ranking of 1 indicated not important; 5 indicated very important.

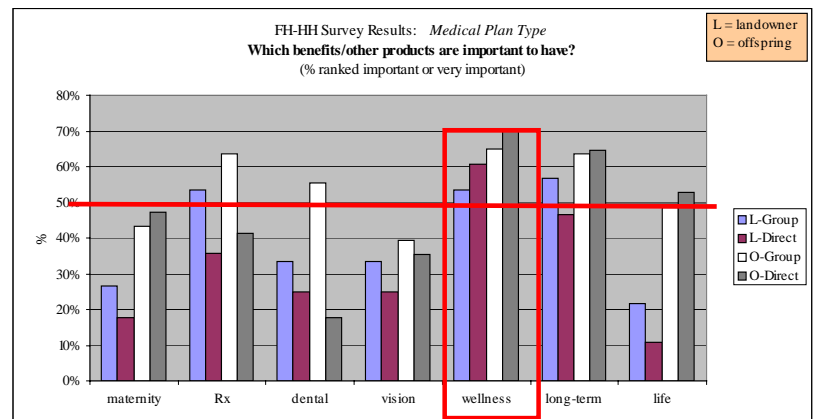
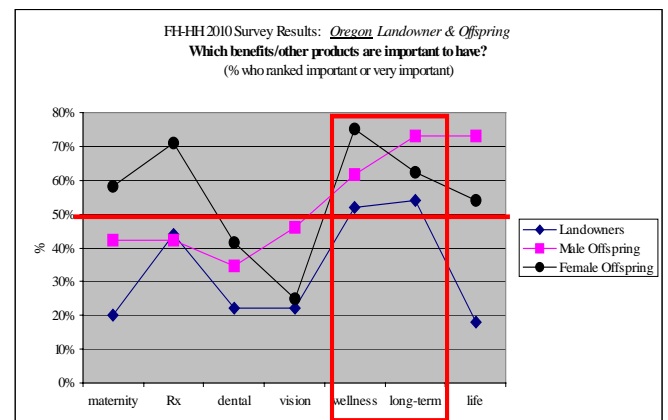
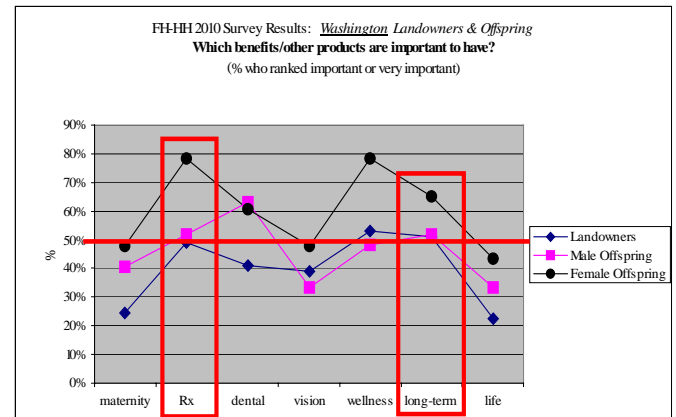
Survey results:

- No matter landowner, offspring, or offspring gender, health insurance framed around wellness programs and long term care was valued as important or very important by over 50% of each interviewed audience.
- These results did not change when viewing male and female offspring results.
- Over 50% of offspring in Oregon and Washington also ranked prescription benefits as important or very important, but less than 50% of landowners in each state identified this as an important benefit.



10. *Benefits/other products (continued):*

- In Washington at least 50% of landowners, and 50% of male and female offspring each ranked long term care and prescription benefits as important or very important.
- Wellness ranked high for female offspring and landowners in Washington, but just under 50% of male offspring in the state ranked it important or very important.
- In Oregon, over 50% of landowners, and 50% of male and female offspring each ranked wellness and long term care as important or very important.
- Between 70%-80% of female offspring in both states ranked prescription benefits as important or very important, but 30% fewer male offspring in each state agreed with their female counterparts.
- Regardless of type of medical plan for both landowners and offspring, a wellness benefit plan was the only benefit/program to be ranked important or very important by all medical plan segments. Over 50% of landowners with group plan (L-Group), offspring with group plan (O-Group), landowner with individual or family plan (L-direct), and offspring with individual or family plan (O-direct) ranked wellness benefit in a health insurance plan as important or very important.



Section C

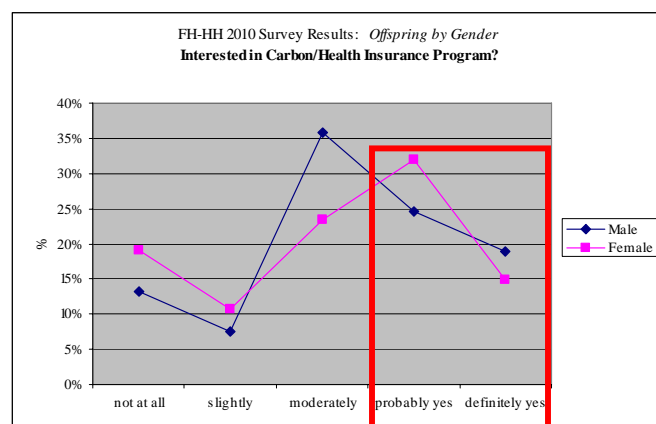
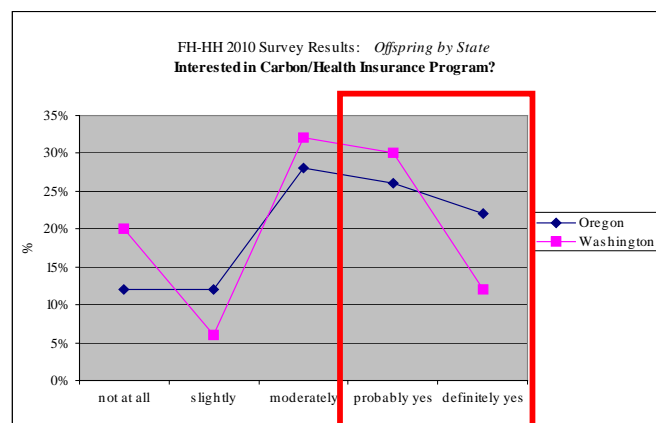
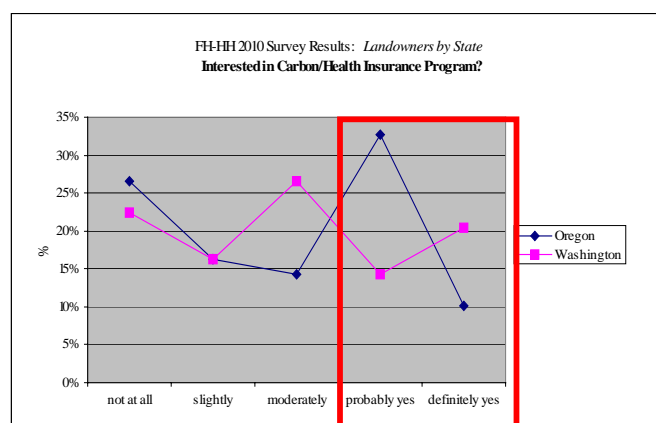
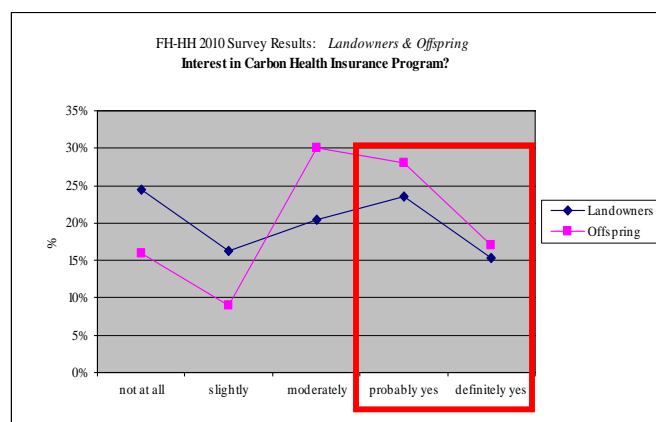
This section provides graphs and discussion of the survey results specifically addressing the question of whether landowners and offspring are directly interested in a carbon – health insurance program as discussed in the survey.

11. Interest in Carbon-Health Insurance Program?

Background: For this question a ranking of 1-5 was requested. A ranking of 1 indicated not at all interested; 2 indicated slightly interested; 3 indicated moderately interested; 4 indicated probably interested; and 5 indicated definitely interested. Respondents were asked to rank according to their direct level of interest in a carbon-health insurance product.

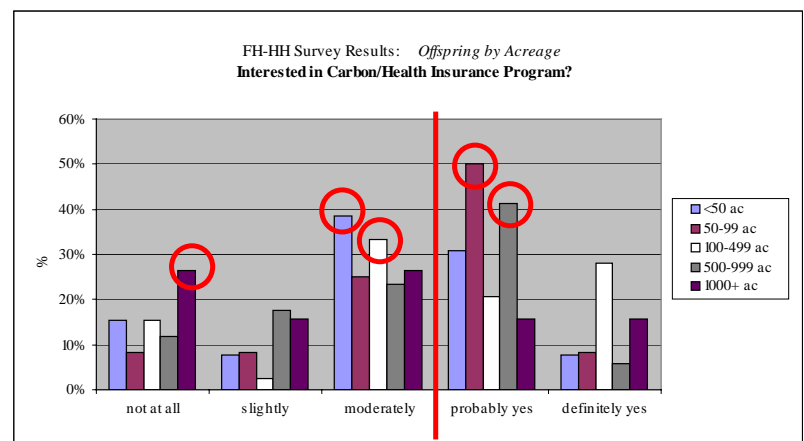
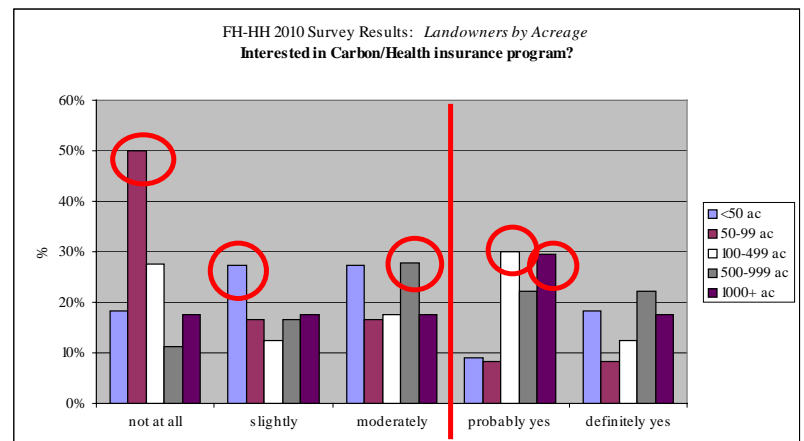
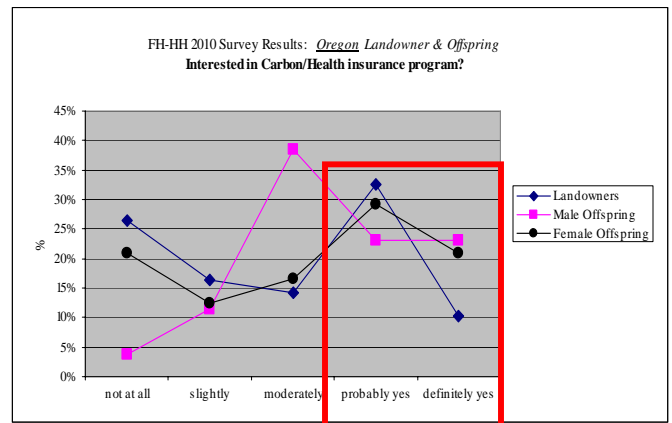
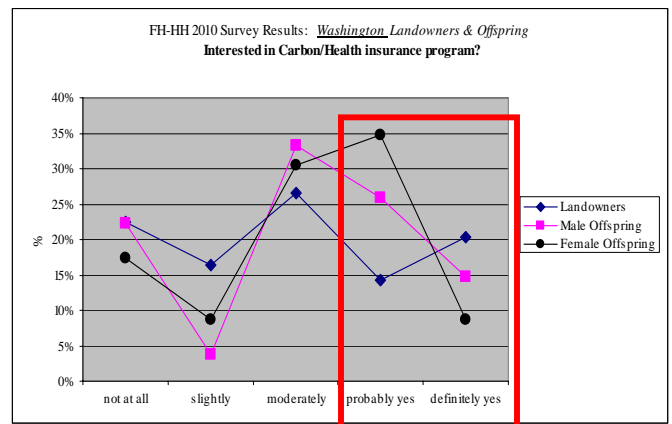
Survey results:

- Almost 40% of all landowners were either probably interested or very interested in a carbon-health insurance product. 25% were not at all interested.
- 45% of all offspring were either probably interested or very interested in a carbon-health insurance product. 16% were not at all interested.
- Oregon landowners (43% probably or very interested) were notably more interested in a carbon-health product compared to Washington landowners (35% probably or very interested).
- 48% of Oregon offspring and 42% of Washington offspring were probably or very interested in a carbon-health insurance product.
- Female offspring were more interested in a carbon-health insurance product than male offspring (47% v 43% respectively).



11. Interest (continued):

- Interest in a carbon-health insurance product from Washington landowners was notably lower than interest from their offspring. 35% of Washington landowners were probably or very interested in such a product compared to 41% male offspring and 43% female offspring in the state.
- In contrast, Oregon landowners' interest level better matched the interest level of their offspring. 43% of landowners in this state were probably or very interested in a carbon-health insurance product closely matching 46% of male offspring and 50% of female offspring interest.
- While only 27% and 17% of landowners owning <50 acres and 50-99 acres, respectively, were probably or very interested in a carbon-health insurance product, 43% of landowners with 100-499 acres, 44% of landowners with 500-999 acres, and 47% of landowners with 1,000+ acres were probably or very interested.
- Offspring interest by acreage class somewhat differed from landowner interest in a carbon-health insurance product. 38% of offspring in <50 acre ownership class were probably or very interested, as were 58% of offspring in a 50-99 acre ownership class, 49% of offspring in a 100-499 acre ownership class, and 47% of offspring in a 500-1,000 acre ownership class.



11. Interest (continued):

- For group insurance, 36% of landowners and 34% of offspring were probably or very interested in a carbon-health insurance product.
- For direct purchase (individual and family), 50% of landowners and 82% of offspring were probably or very interested.
- When isolating responses from landowners and offspring who are already covered by a BCBS policy, only Washington offspring fell below the 50% mark for being probably or very interested in a carbon-health insurance product.

