

# Health Savings Account Survey Results

January 24<sup>th</sup>, 2008

## Executive Summary

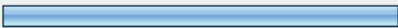
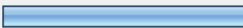

A majority of the nearly 1,200 financial institutions responding to a recent Wolters Kluwer Financial Services survey say they are offering their customers Health Savings Accounts (HSAs) and that the top reason they are doing so is customer demand.

Sixty-two percent of the survey’s respondents, a majority of which were community banks and credit unions, said they are offering HSAs while more than one in three of the respondents who said they are not currently offering HSAs are planning to start in the next 3 months.

The number one reason institutions offering HSAs said they were doing so in the survey was customer demand (80 percent), followed by the ability HSAs give them to generate new accounts (58 percent), increase cross-sell opportunities (51 percent) and increase deposits (51 percent).

While HSAs are growing in popularity, it is clear customers are still in the early stages of adoption as the number one reason institutions not offering HSAs surveyed was also customer demand at 74 percent. And the majority of institutions offering HSAs responding to the survey reported a small number of accounts. Sixty-nine percent of respondents reported 100 or less HSA accounts, 18 percent reported 101 to 500 accounts and 7 percent listed more than 500.

### Does your organization currently offer Health Savings Accounts (HSAs)?

		Response Percent	Response Count
Yes		61.7%	730
No		37.7%	446
Not sure		0.6%	7
		<i>answered question</i>	1183

## Respondents who Indicated their Organizations are Offering HSAs

The number one reason institutions offering HSAs said they were doing so in the survey was customer demand (80 percent), followed by the ability HSAs give them to generate new accounts (58 percent), increase cross-sell opportunities (51 percent) and increase deposits (51 percent).

Why does your organization currently offer HSAs? (Check all that apply)

		Response Percent	Response Count
Customers have requested HSAs		80.3%	476
HSAs generate fee income and other revenue		27.0%	160
HSAs generate new accounts		57.7%	342
HSAs help differentiate us from our competitors		43.2%	256
HSAs increase cross-sell opportunities		50.9%	302
HSAs increase deposits		50.6%	300
HSAs strengthen our commercial account relationships		30.5%	181
Not sure		1.2%	7
Other (please specify):		7.9%	47
<i>answered question</i>			593

For the majority of organizations currently offering HSAs, account growth has been slow with 56% of respondents indicating that their organizations currently have fewer than 50 accounts.

Approximately how many HSAs does your organization currently have?

		Response Percent	Response Count
None		3.2%	19
1 to 50		56.3%	334
51 to 100		12.8%	76
101 to 200		8.9%	53
201 to 500		9.1%	54
501 to 1,000		3.4%	20
1,001 to 2,500		2.5%	15
2,501 to 5,000		0.7%	4
More than 5,000		0.7%	4
Not sure		1.3%	8
Other (please specify):		1.0%	6
<i>answered question</i>			593

## Respondents who Indicated their Organizations are not Currently Offering HSAs

Of the 446 (38%) respondents that said their organizations are not currently offering HSAs, 161 (36%) indicated that they have plans to offer HSAs in the future.

### Does your organization have plans to begin offering HSAs?

		Response Percent	Response Count
Yes		36.4%	161
No		26.0%	115
Not sure		37.6%	166
<i>answered question</i>			<b>442</b>

For the 161 respondent organizations who indicated plans to start an HSA program, 119 (74%) plan to start their programs within a year, with 61 (38%) planning to start in the next 3 months.

### When do you anticipate that your organization will begin offering HSAs?

		Response Percent	Response Count
Within the next 3 months		38.1%	61
4 to 6 months		16.3%	26
7 to 12 months		20.0%	32
13 to 24 months		11.9%	19
More than 24 months		1.3%	2
Not sure		12.5%	20
<i>answered question</i>			<b>160</b>

For those organizations with no plans to start an HSA program, low customer demand was the most common answer with 74% of the responses.

### Why isn't your organization planning to offer HSAs? (Check all that apply)

		Response Percent	Response Count
HSAs are too expensive to set up and administer		19.8%	21
HSAs do not fit into our product mix		13.2%	14
<b>Low customer demand for HSAs</b>		<b>73.6%</b>	<b>78</b>
Our current solutions/systems do not support HSAs		4.7%	5
Our management is not interested in offering HSAs		21.7%	23
We don't know enough about HSAs		21.7%	23
Not sure		6.6%	7
Other (please specify):		6.6%	7
<i>answered question</i>			<b>106</b>

## HSA Products and Solutions

Wolters Kluwer Financial Services offers financial institutions a comprehensive, compliance-based set of HSA solutions, including:

- HSA Director™;
- HSA Management Center;
- Account Administration Services;
- Education Brochures and Paper Documents;
- Training to help staff understand and implement an HSA program; and
- A marketing program designed to help promote HSAs and ensure the program's success.

For more information, please visit [www.WoltersKluwerFS.com/HSAsolutions](http://www.WoltersKluwerFS.com/HSAsolutions).

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