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Obamacare Guarantees Higher Health Insurance Premiums -- \$3,000+ Higher

President Obama will deliver a second inaugural address later this month. He'll no doubt reflect on what he's done during his first four years in office — and on his signature healthcare law in particular.

Let's reflect with him. During his first campaign for the presidency in 2008, the president promised that his health reform plan would “bring down premiums by \$2,500 for the typical family” by the end of his first term.

Well, that first term is just about up. And health insurance isn't any cheaper. In fact, it's more expensive. Premiums have increased by an average of \$3,065. And they're about to go up even more, as Obamacare takes effect during the president's second term.

At the end of 2012, Mark Bertolini, the CEO of [Aetna](#), the third-largest health insurer in the country, warned that many consumers would face “premium rate shock” with the advent of Obamacare's major insurance regulations in 2014. He predicted that unsubsidized premiums would rise 20 to 50 percent, on average.

For some people, premiums would double. “We're going to see some markets go up as much as 100 percent,” Bertolini told [Bloomberg](#) News.

Aetna isn't the only company forecasting higher health-insurance premiums. In [California](#), Blue Shield has asked regulators to approve premium increases of up to 20 percent. Obamacare's new regulations were a factor in the request. A spokesperson for the company said the new law “will bring a lot of volatility” into the market.

A shock? Not to those who've been paying attention. When Obamacare was making its way through Congress, the Congressional Budget Office warned that premiums in the individual market would increase by 10-13 percent.

Even the law's designers admit that it will raise premiums. [Massachusetts Institute of Technology Economics](#) Professor Jonathan Gruber, one of Obamacare's chief architects, estimated that premiums in Wisconsin would rise by

about 30 percent by 2016 following implementation of the law. Most of the Badger State's individual insurance market will see an even larger increase, averaging about 41 percent.

Obamacare's defenders typically respond that the law's subsidies will decrease what people actually pay out-of-pocket for insurance.

But that's not always the case. Many individuals will still pay more even after they receive the generous subsidies to which the law entitles them. According to a report conducted by Gruber, 59 percent of the individual market will end up paying more after taking the subsidies into account. The average increase? Nearly a third.

These premium hikes will hit young people hardest. As The New York Times reported in October, insurers and health policy wonks are warning that the young will "face higher premiums because of a provision that limits how much rates can vary based on a person's age."

Typically, insurers charge older individuals more because they have higher average health costs. But because Obamacare includes a "community rating" provision that restricts how much insurers can charge people of different ages, the young will end up paying more — essentially subsidizing the coverage of older individuals who require more expensive care.

These won't be small increases. Health insurance expert Bob Laszewski has said that young adults should expect their premiums to double thanks to Obamacare's rules.

The law will make insurance more expensive for everyone else by saddling it with expensive mandates. Obamacare tasks states with figuring out which health benefits are "essential" and thus mandatory for insurers.

The result? Furious lobbying by every healthcare group, from acupuncturists to chiropractors to fertility specialists, all of whom want to make sure that coverage of their services is required for all policies issued in the state. The more coverage mandates there are, the higher premiums rise. Indeed, benefit mandates can add as much as 50 percent to the cost of insurance.

As President Obama's second term unfolds, few — if any — families will see the \$2,500 in health insurance savings he promised four years ago. The White House is now clinging to the hope that premiums won't rise quite as fast as they have in the past.

In other words, health insurance costs are going up. And for that, you can thank Obamacare.