INSURED AMERICAN & FAMILY

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Level-Funded Group Health

Self-insurance with the predictability of a fixed premium

The middle path between fully-insured and full self-funding.

WHAT IT IS

Level-funded plans are a hybrid: the employer technically self-insures their employees, but pays a fixed monthly amount to the carrier, like a premium. The carrier handles claims; if claims come in below projections, the employer gets a refund of unused funds at year-end. If they come in higher, stop-loss insurance covers the overrun. Fully-insured predictability with self-insured upside.

WHO IT'S FOR

5,250 employee groups
Sweet spot is 10,100 lives

Healthy employee populations
Younger, lower-claim groups win biggest

Cost-conscious owners
Want lower premium than ACA-rated plans

Groups in tough rate territory
High-cost small-group markets get the most relief

Employers tired of renewal hikes
Claims-based pricing rewards low claims

HOW IT WORKS

Fixed monthly payment
Same number every month, like a premium

Claims fund + admin + stop-loss
Three buckets inside that monthly check

Year-end reconciliation
Low-claim years → refund of unused claims fund

Stop-loss caps the downside
Per-employee and aggregate stop-loss

ERISA-governed, not state law
Bypasses some state mandates / ACA rating

THE 3 THINGS PEOPLE GET WRONG

1. **"Level-funded is the same as fully-insured."**
Not at all. With fully-insured, your premium is gone whether you use it or not. With level-funded, if your group's claims come in below projection, you get a refund (often 20,40% of premium in low-claim years). Fully-insured carriers keep that money.

2. **"My employees will notice the difference."**
Usually no. The employee experience is nearly identical, same ID card, same network, same claims process. Most employees never know it's level-funded vs. fully-insured. The mechanics live entirely between the employer and the carrier.

3. **"Self-funding is too risky for a small business."**
That's why stop-loss exists. Per-employee stop-loss caps your worst-case exposure per claim. Aggregate stop-loss caps your total annual exposure. The employer's downside is fixed and known. The upside (refunds) is variable. That's the whole pitch.

WHO USUALLY WINS WITH LEVEL-FUNDED?

Groups with healthier-than-average populations, low historical claims, lower turnover, and employers willing to do a medical questionnaire at underwriting. Employers in high-cost small-group markets often see the largest savings vs. fully-insured ACA-rated plans. Many of the carriers we work with regularly return at LEAST 20,40% of premium in low-claim years, sometimes considerably more. The carrier underwrites your group, better health = better rate.

Want to see a level-funded quote for your group? Call or text Craig, I'll run it against your current plan and show you the math.

Don't go underinsured when you can be Insured AF.

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