INSURED AMERICAN & FAMILY

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Small Business Coverage Strategy

Group vs ICHRA vs QSEHRA vs Level-Funded vs Personal ACA

Your business has 5 ways to cover employees. The right one saves $1,000+ per employee per year.

WHAT IT IS

If you own a small business (1-50 employees), you have multiple coverage strategies, each with different costs, tax treatments, and administrative load. The right one depends on your headcount, employee health profile, geography, budget, and how much HR overhead you're willing to absorb. Most small business owners pick the wrong structure because they don't know the alternatives exist. Here's the decision framework.

THE FIVE STRUCTURES

Fully-insured group
Carrier sets rates based on group health

Level-funded group
Self-funded with stop-loss; healthy groups save big

ICHRA
Reimburse employees for individual ACA plans (tax-free)

QSEHRA
Same as ICHRA but for businesses under 50 employees

Personal ACA for owner
Skip group entirely; owner buys individual plan

WHICH FITS WHEN

Fully-insured wins
Older / less-healthy workforce; want simplest admin

Level-funded wins
Healthy workforce 10+; refund unused premium

ICHRA wins
Diverse workforce; budget control; flexible plan choice

QSEHRA wins
Under 50 employees; simple reimbursement, no admin

Personal ACA wins
Owner only or owner + spouse; subsidy-eligible

THE 3 THINGS PEOPLE GET WRONG

1. **"I have to offer group health to keep my employees."**
   Not always. Many small employers find that paying employees higher wages while they buy their own ACA plan (with subsidies) saves both sides money. Or use an ICHRA/QSEHRA for tax-advantaged reimbursement without the group plan.
2. **"ICHRA is too complicated for a small business."**
   Modern ICHRA platforms handle the admin for $5-15/employee/month. Setup is straightforward. Many small employers run ICHRA with less HR burden than a traditional group plan and far more budget control.
3. **"Level-funded only works for big companies."**
   False. Many carriers offer level-funded products for groups as small as 5-10 employees now. If your workforce is healthy (median age under 45, no major chronic claims), level-funded can return 20-30% of unused premium at year-end.

THE FAST DECISION TREE

Start with: How many employees? Under 50 = QSEHRA, ICHRA, fully-insured small group, or personal ACA. 50+ = group required. Next: Is your workforce healthy? If yes, level-funded saves 20-30%. If mixed, ICHRA gives flexibility. Solo or owner + spouse? Personal ACA + subsidies often wins outright. Mixed workforce ages, complex needs? Fully-insured group is the simplest. Don't pick blind, quote at least 2-3 structures before signing.

Small business owner trying to pick the right coverage structure? Call or text Craig, I'll quote 2-3 structures against your actual workforce and walk you through the math.

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

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