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The State of ICHRA 2025

A New Era of Employee Benefits Takes Hold

SureCo

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On the heels of its 5th birthday, the Individual Coverage Health Reimbursement Arrangement (ICHRA) has emerged as the single most promising option for the future of health insurance in America. The model, which gives employees “cash for coverage,” has ushered in a new era that seeks to decouple health insurance from employment.

It’s a much-needed change that’s being openly embraced by employers, benefits consultants, carriers, and employees alike.

Employers, after all, were never supposed to be in the business of health benefits. They became the unintended stewards of their employees’ coverage during World War II, when companies faced with labor shortages offered health insurance as a way to increase total compensation without violating wartime wage controls¹.

It worked, but for 75 years, the way 60% of Americans² get their health insurance has remained largely unchanged. You can’t expect a 1940s solution to work in today’s world, though. Access to health insurance must evolve to meet the demands of our current workforce and economic realities, which is why so many stakeholders are looking to ICHRA.

In This Year’s Report, You’ll Discover:

- ✓ Why ICHRA Is the Coverage Model of the Future
- ✓ All-New ICHRA Adoption Statistics
- ✓ The Stakeholders Propelling the ICHRA Movement Forward
- ✓ How Brokers & Carriers Are Leveraging ICHRA to Grow Their Business
- ✓ Insights on How ICHRA Members Make Election Decisions





Methodology

Unless otherwise noted, all insights and findings in this report are based on comprehensive market research conducted by SureCo, in partnership with independent research firm Censuswide. Responses were collected between January 31 and February 10, 2025, from a nationally representative sample of 1,200 HR and finance professionals, employees, and benefits consultants across all industries. All employees and employers were from U.S.-based companies with 150-2,500 employees. All SureCo-specific data was collected from member usage of the Enrollment Platform dating back to January 2021 and up to February 2025. The analysis is based on in-depth responses from thousands of employees, employers, and health benefits consultants, aimed at providing the most accurate and up-to-date review of the ICHRA market in the United States.

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What Is an ICHRA & Who Is Using One?

ICHRA, Defined

An **Individual Coverage Health Reimbursement Arrangement (ICHRA)** is an alternative to traditional fully insured and self-funded group health plans. Employers set a pre-tax defined contribution that employees use to purchase the individual health plan of their choice. When administered correctly, it's fully compliant with the Affordable Care Act (ACA) and offers unparalleled **cost control and flexibility**.

Large Group ICHRA Adoption

As SureCo is focused on large group adoption of ICHRA, this report will center on this end of the market. The era of ICHRA is officially here. It's been one of the most talked-about topics of the year by everyone from executives at leading brokerage firms and insurance carriers to legislators on Capitol Hill³, and **the momentum shows no signs of stopping**. The uptick in nationwide dialogue reflects the shifting sentiment and growing adoption rates SureCo is seeing on the ground, too.

ICHRA's were initially viewed as a last resort for companies that couldn't afford their benefits. Consultants and their clients took the leap due to a lack of other options, but the success of these early adopters drove positive perceptions of the model, and comfort levels increased across the board. Today, an ICHRA is still seen as a new product, but it's increasingly regarded as **on par with self-funded and fully insured options**. ICHRA administrators' ability to better mimic the group experience through operational technology and high-level service support has led to greater parity.

In fact, 35% of brokers surveyed say they recommend ICHRA's to their clients now, up from just 25% last year⁴. Perhaps even more telling is that **the percentage of brokers who reported actually moving a client to an ICHRA nearly doubled** from 2024 to 2025⁴. Awareness is spreading to large employers as well. Eighty-six percent of benefits and finance leaders at companies with 150 to 2,500 employees surveyed are familiar with the model⁵.

Estimates for total ICHRA enrollment are approaching **1 million employees**⁶ with an almost **60% year-over-year growth trajectory**⁷. Large employers, those with 200 or more employees, are leading the way. The HRA Council pegs the growth of this cohort from 2023 to 2024 at 84%⁷. On SureCo's Enrollment Platform, there has been a **3x growth in year-over-year large-group member count**⁸, and brokerage and carrier partners have reported similar trends.



Key ICHRA Stats

- ~1M** | employees estimated to be enrolled in an ICHRA⁶
- 35%** | of consultants and brokers recommend an ICHRA to their large clients⁴
- 3x** | growth in YoY large-group SureCo ICHRA enrollment⁸
- 370** | average SureCo customer size for the past 12 months⁸

% of Brokers Who Moved at Least 1 Large Group Client to an ICHRA^{4, 13}



Spending, Savings, & Satisfaction

While ICHRAs tend to show **outsized savings** for hospitals, nonprofits, higher education institutions, and manufacturing companies, growth on SureCo’s platform has been largely industry-agnostic.

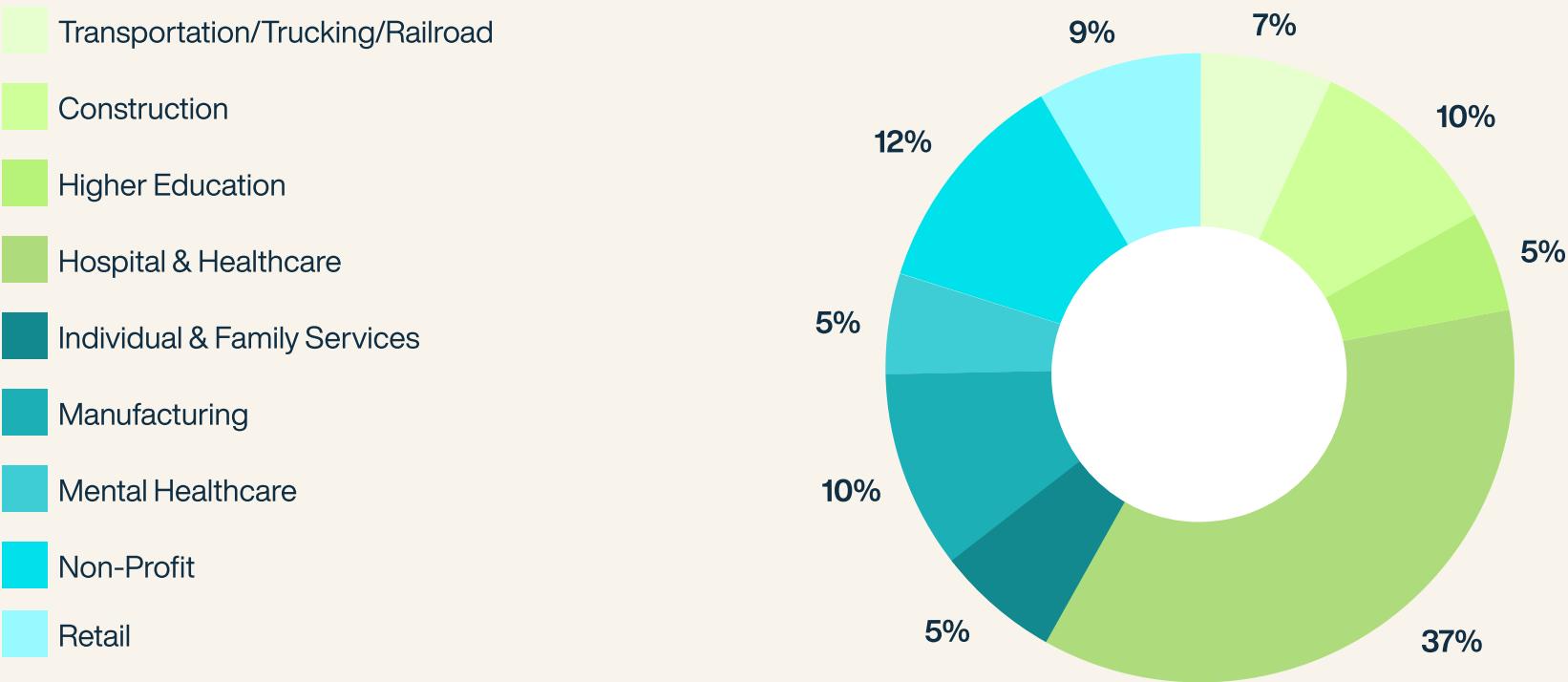
For the companies that have made the switch, **the ICHRA hype is real**. SureCo’s large-group customers save an average of 23% on premiums (vs. current)⁸, which is in line with the 11-30% savings the majority (78%) of surveyed brokers reported⁴.

Those savings still hold when you take into account the average contributions employers are giving their workers.

Nearly every benefits leader surveyed who said their company moved to an ICHRA was pleased with the decision. A staggering 94% said the switch to an ICHRA was the right move for their company, and 91% said their employees were satisfied with their plans⁵.

- 23% | large employer savings on premiums (vs. current)⁸
- 94% | of large employers say switching to an ICHRA was the right move for their company⁵
- 91% | say their employees are satisfied with their ICHRA plans⁵

Most Common SureCo Customer Industries⁸



Average SureCo Customer Contributions⁸



“We’re in the people business, and we see a direct correlation between employees who have health benefits and their longevity at the company. We made the move to an ICHRA to save money on premiums, but also to reduce overall attrition.”
—Meredith Gaitanis, CFO, Ansafone

Why America Is Moving to ICHRA Now

ICHRA's strong growth in 2025 sharply contrasts with its slow start. It's important to note that ICHRA represents a significant paradigm shift in how employers provide benefits, and large-scale changes like this take time to gain traction. When ICHRA was introduced in January 2020, its debut was overshadowed by the onset of COVID-19. Business leaders quickly pivoted to pandemic adaptations and adopted a more risk-averse approach toward health benefit changes, which hindered ICHRA's market penetration. Now, five years later, stakeholders—from consultants and their clients to carriers and policymakers—are revisiting ICHRA with renewed interest.

Large Employers Are Asking for ICHRA

44% | of large employers say they're considering an ICHRA for the upcoming year⁵

That huge number is being driven by four main factors that we'll discuss in-depth in the pages that follow:

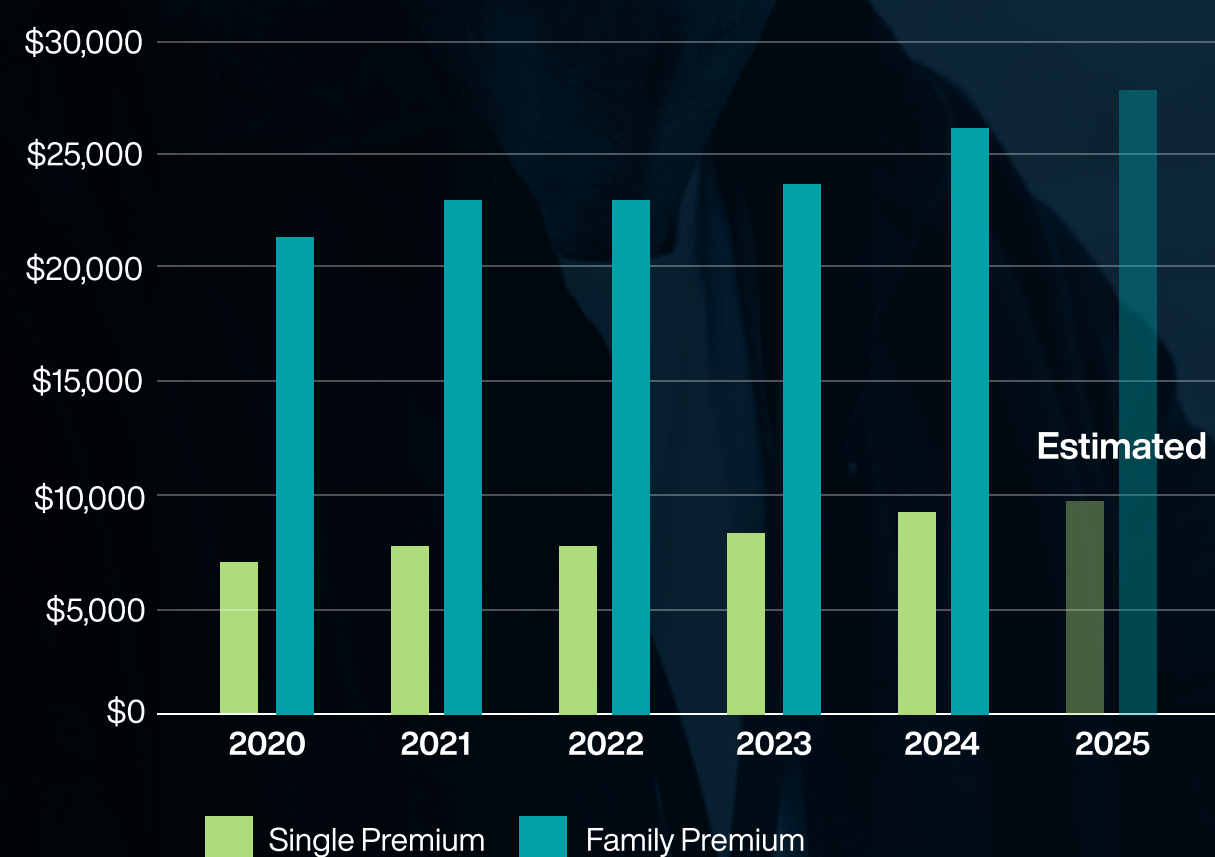
- 1 Skyrocketing healthcare premiums and low cost predictability
- 2 Declining employee satisfaction with group plans
- 3 The need for a long-term solution instead of incremental yearly changes
- 4 Increased consultant and broker endorsement of the model

“Employers are shelling out the equivalent of buying an economy car for every worker every year to pay for family coverage. In the tight labor market in recent years, they have not been able to continue offloading costs onto workers who are already struggling with health care bills⁹.”

—KFF President and CEO Drew Altman



Average Yearly Premiums for Employee-Sponsored Health Insurance¹⁰



Increased utilization, labor shortages, expensive pharmaceuticals, and medical inflation have all contributed to today's unsustainable healthcare costs. Family premiums for employer-sponsored health insurance rose 7% for the second year in row, making up a significant portion of the 24% cumulative increase over the past five years⁹.

This significantly understates the reality for many large employers; over one-third reported premium increases exceeding 10%, with 7% seeing renewals rise above 20%⁵. **The numbers are keeping more than half of the HR and finance leaders up at night, with 44% agreeing that they cannot absorb another increase⁵.** For reference, the individual market also increased an average of 7% from 2024 to 2025¹¹, but that number varies wildly across rating areas and plans. Plus, the beauty of an ICHRA is that it's plan specific. So if a rate on one plan increases more than employees want to pay, they have other options available.



The problem is acutely felt in 2025; 45% of leaders cited premium costs as their top benefits challenge (a 10% increase from 2024)⁵. Despite increased spending, nearly half (49%) report decreased employee satisfaction with their health insurance⁵.

They're turning to their consultants and brokers for help. Despite fiercely negotiating with carriers on behalf of their clients, brokers say their clients have been unhappy with their renewal rates (or forced to make a change in their plan design) for the past 2+ years⁴. Even the brokers who are able to bring rates down for one year know that they will likely be in the same position, with less bargaining power, the following renewal. Traditional funding models are failing, and brokers risk losing a significant portion of their business if they do not offer alternative solutions like ICHRAs.

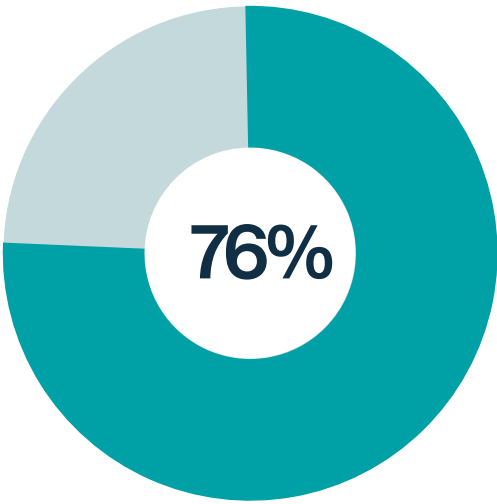
Employees Want to Take Control of Their Health Insurance

Employees, especially those at larger companies, want more than the 1-3 plan options they're being offered. They're waking up to the fact that their employer is choosing the plans that fit the average at their organization rather than the ones that make the most sense for each individual. It's a dynamic that's contributing to the more than a third of employees surveyed who admit they're either actively or passively looking for a job with better benefits¹².

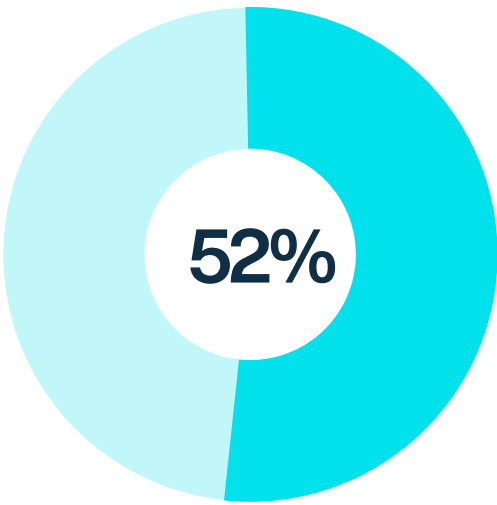
Workers want their employers to understand that they're ready, willing, and able to make thoughtful and effective plan elections.

Data from SureCo's Enrollment Platform backs up these beliefs. When employees are given the option to choose their own plan, they spend time—32 minutes on average⁸—researching their options. As you'll see on page XY, they compare their top choices, download additional plan information, and contact customer support when they have specific concerns. Most large companies see their employee population choose upward of 150 different plans⁸, proving that a few group options were never going to satisfy everyone.

As ICHRA adoption grows to prioritize individual enrollees, however, **the member experience takes center stage for all stakeholders** in a way that it did not in group products. The story below showcases one member's experience and sentiments towards the model.



of employees say they're confident in choosing their own plan¹²



say they could do a better job of choosing their health plan than their employer¹²

Member Story: Why I Love My ICHRA Plan

Meet Nicole
Age: 44
Location: Austin, Texas
Marital Status: Married
Children: Two girls, 10 and 13
Current Health Plan:
Oscar Health Gold Classic
Standard EPO

"I've been on an ICHRA for four years and never want to go back to the old way of getting coverage. I manage the health insurance for our family, and it's always been important for me to choose a plan where my kids' pediatricians were in-network. I was thrilled with our plan during our first year on ICHRA. The carrier made it so easy to reference costs and access documents for each of us.

During our second year on ICHRA, we moved from California to Texas and had to switch carriers because ours wasn't available in our new area. We didn't yet have an allegiance to a particular doctor, so I chose plans based on price and brand name of the carrier. Unfortunately, the plan and the experience wasn't as good a fit for our family. Even simple things like getting our member ID cards was more difficult.

So when the carrier we were on in California entered the Texas market, I couldn't wait to return during our next open enrollment. That kind of flexibility never would've been possible before ICHRA."

Brokers Are Using ICHRA to Grow Their Business

ICHRAAs have emerged as both a consultant's saving grace and a new lever for winning business. The model allows them to give their clients an escape hatch from the volatile group market and the high claims that drive it. Plus, it gives employees the options they're craving: an average of 144 plans per member⁸.

1/3 | of brokers say their clients need an alternative to fully insurance plans⁴

144 | is the average plans per member across the U.S.⁸

"ICHRA is reshaping the employee benefits landscape. I've seen firsthand how it can reduce costs by a notable margin while also enhancing health outcomes for my clients' workforces. ICHRA has provided a much-needed solution for my clients and been great tool to grow of my business."

—Michael Uretsky, New England Area Senior Vice President, Gallagher

Consultants and brokers now realize that if they aren't presenting an ICHRA as an option, someone else will. The flip side of that, though, is that they also know they can use ICHRA as a means for obtaining new logos. The ability to use ICHRA both defensively and offensively has led three quarters of brokers to see ICHRA as a way to grow their business⁴. And over half say they're more likely to recommend an ICHRA now than they were at the beginning of 2024⁴. Their conviction behind recommending an ICHRA has also strengthened meaningfully year over year. In 2024, while over 70% of brokers indicated they were likely to recommend ICHRA, only 19% said they were "very likely"¹³. By 2025, overall likelihood remained steady at 70%, but the share of those "very likely" to recommend almost doubled to 37%⁴, reflecting a stronger endorsement of ICHRA adoption.

87% | of brokers have lost a client by not presenting ICHRA⁴

74% | of brokers believe ICHRA is a way to grow their business⁴

56% | of brokers are more likely to recommend an ICHRA in January 2025 than they were in January 2024⁴

Carriers Are Tapping Into a Growing Market Through ICHRA

Carriers stand to benefit significantly from the expanding ICHRA market. As insurance providers navigate economic pressures, ICHRA is a low-cost strategy for driving higher-value member growth and retention. The model offers employer-funded stability, engaged consumers, and long-term growth potential—making it a strategic investment for carriers.

Payers like Oscar Health and Ambetter are leading the charge by leveraging their deep ACA marketplace experience to create ICHRA-specific offerings to entice new members.

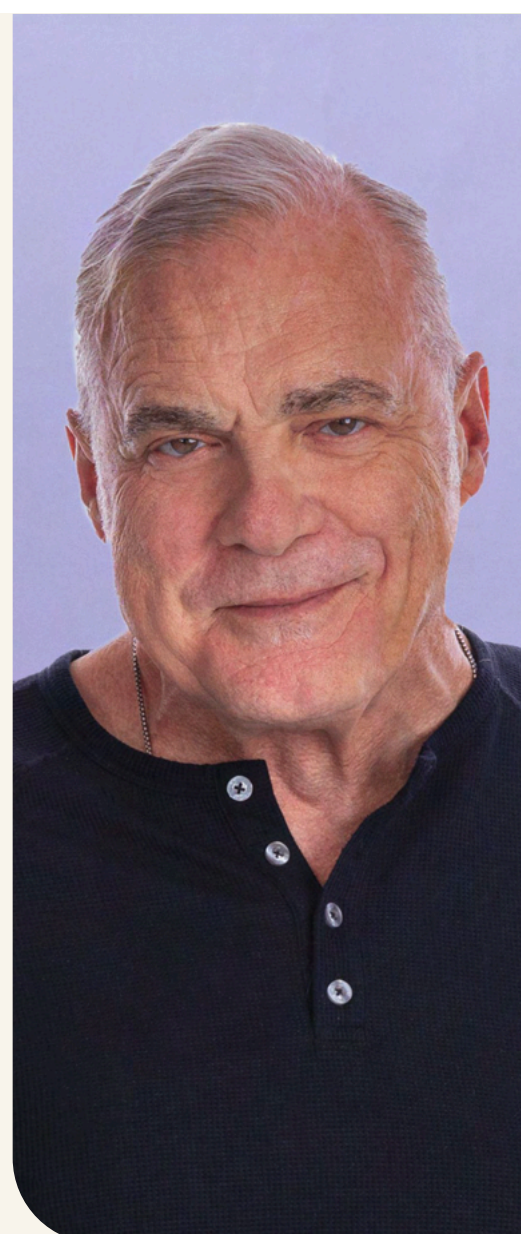
Oscar is releasing **plans and services built around personal health needs and preferences** that align with

ICHRA. The carrier recently launched a multi-condition plan for members with diabetes, pulmonary, and cardiovascular disease, and it is also offering *Buena Salud*, a Spanish-first solution for Hispanic and Latino members¹⁴. Oscar's ICHRA play is working; it reported increased ICHRA enrollments in Atlanta, Columbus, Kansas City, Miami, and throughout New Jersey in 2025.

Ambetter launched ICHRA plans in six states during the 2025 open enrollment period and recently hired its first ICHRA president to expand and deepen its footprint¹⁵.

While Oscar and Ambetter have always focused on the individual and family market, even carriers that historically play in the large group space like United Healthcare and Capital Blue Cross are leaning into ICHRA. They're actively marketing ICHRA plans in an effort to compete in this emerging slice of the employer market. For carriers that see a decline in revenue due to groups switching from more lucrative fully insured plans to leaner self-funded options¹⁶, ICHRA may help bridge gap. In many cases, individual plans provide unit economics that more closely mirror the fully insured market. Carriers will, however, need to learn how to effectively communicate their individual plan offerings to a typically healthier, savvier, and more affluent consumer (versus those who buy subsidized plans from the ACA marketplace) if they want to reap the benefits of their enrollment.

As more carriers follow suit and propel the ICHRA movement forward, **expect to see better plans, more competitive pricing, and more streamlined integrations** with ICHRA administrators.



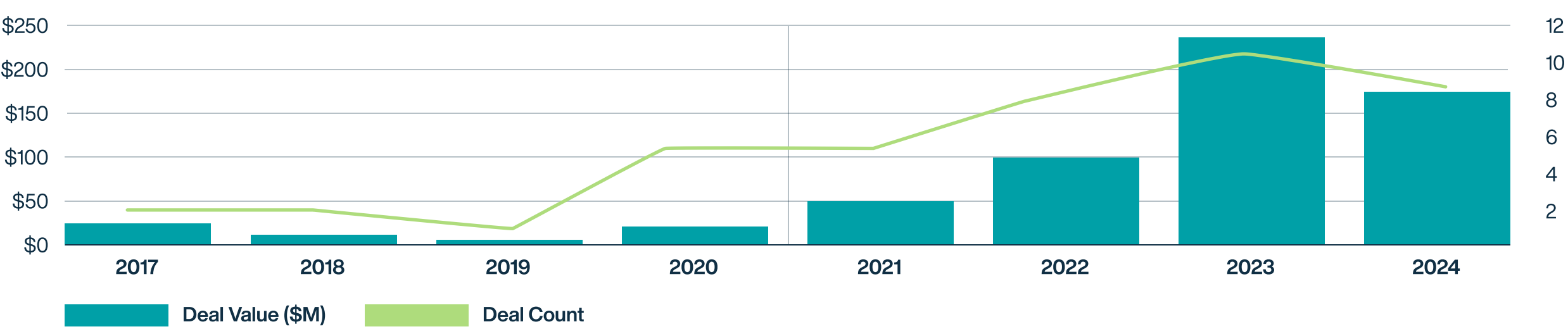
"Employer insurance no longer meets the needs of working Americans. Employees deserve to choose their own healthcare. Employers deserve to have predictable healthcare budgets that help their businesses grow. The individual insurance market is the solution where everyone wins—more choice, higher quality, lower costs."

—Mark Bertolini, CEO of Oscar Health

Investors Are Betting on ICHRA

Venture capitalists and private equity firms are also doing their part to fuel ICHRA’s future. They pumped almost \$200M of institutional capital into ICHRA and ICHRA-related vendors in 2024 alone¹⁷. That number increases to over \$500M when you look at the past seven years⁶. The infusion of money into the sector has led to a proliferation of new vendors (there were at least 18 as of press time across both the small and large employer space⁶) and has also made ICHRA administration more efficient through technological and operational enhancements. Perhaps more importantly, however, the investments show a strong confidence in ICHRA’s long-term success.

Investment in ICHRA Administration Companies⁶



Policymakers Are Looking to ICHRA to Drive Large-Scale Change in Health Coverage

By now it is no secret that ICHRA experienced bipartisan support since it was introduced during the first Trump administration. It was one of the few Trump-era policies Biden didn’t reverse, and with the current administration’s emphasis on protecting businesses and supporting free market competition, ICHRA’s are poised to further thrive.

When Surveyed...

79% of brokers

and

85% of employers

anticipate a favorable political and regulatory climate for ICHRA over the next two years^{4,5}

Policymakers posit that breaking employer-based monopolies on health insurance will reduce the risk of overpriced, low-value coverage.

According to SureCo’s platform data, the median ICHRA member, for example, has access to five carriers (with some states offering up to 12)⁸. This flexibility not only enhances employee satisfaction but also encourages competition among insurance carriers through plan designs, leading to higher quality plan options at lower prices.

Moreover, ICHRA has the potential to reduce the number of uninsured Americans by expanding access to a broader range of high-quality, affordable health plans through employers. This will become even more important if the ACA’s extended premium tax credits (PTCs) expire at the end of the year and deep funding cuts hit Medicaid and other government-subsidized health programs. ICHRA’s also stand to benefit from the potential expansion of state-based reinsurance programs that aim to reduce the cost of marketplace plan premiums for people who are ineligible for PTCs and increase enrollments¹⁸.

Policymakers are motivated to formalize ICHRA’s role in healthcare legislation. They are pushing for more clarity around ICHRA regulations and tax incentives that can facilitate adoption and support the evolution of a consumer-driven healthcare system¹⁹.

A Macroeconomic View of ICHRA

As the American healthcare system takes center stage under the new political administration, it's essential to recognize the positive economic impact of ICHRA. By fostering competition in healthcare markets, enhancing labor mobility, empowering the gig economy, removing hiring barriers for high-risk populations, offering tax advantages²⁰, and streamlining business operations, ICHRA creates a more efficient, flexible, and sustainable economic landscape—benefiting both employers and employees alike.

While ICHRA is commonly discussed through the lens of the employer and employee, the model has the power to support broader economic growth and drive positive outcomes in U.S. by:

- Lessening the healthcare cost burden on businesses, which allows them to invest in growth and innovation
- Enhancing labor mobility through plan portability (i.e., the employee's coverage is no longer tied to their job)
- Supporting entrepreneurship and small business formation
- Reducing drag on wage growth from escalating healthcare costs
- Creating more sustainable long-term healthcare financing



How ICHRA Members Select Their Plans

Fear of the unknown remains the biggest barrier to ICHRA adoption for many companies and their benefits consultants. *Will my employees be overwhelmed by how many choices they have? Will I be able to answer their questions like I have in the past? What about employees with complex or ongoing health concerns?*

While employers report confidence in their employees' ability to choose their own health insurance, little data has been available until now about how they select their own coverage when using company contributions.

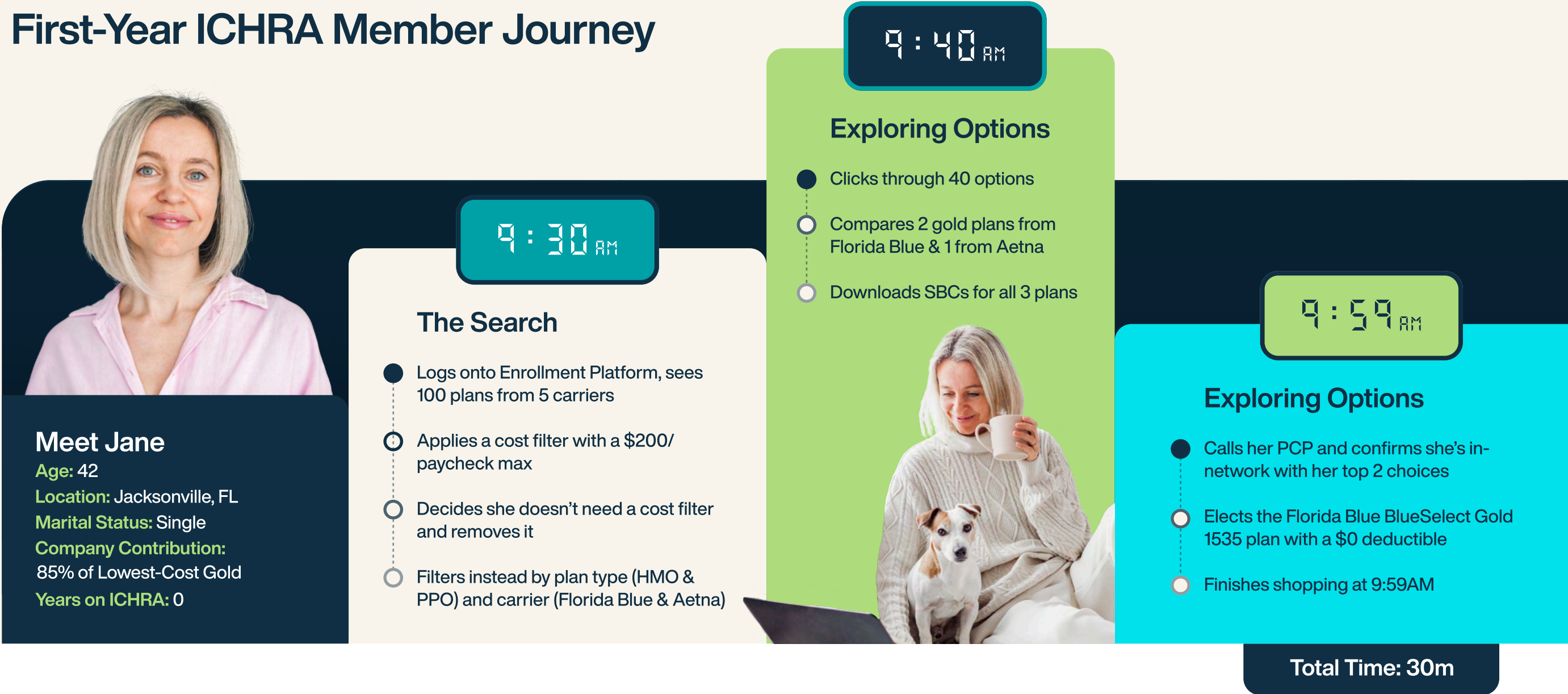
84% | of employers are confident in their employees ability to select their own health plan⁵

The larger the company, the more pronounced these concerns tend to be. One SVP of HR for a 400-person non-profit in Massachusetts said he couldn't sleep the night before his first ICHRA open enrollment with SureCo started. "I kept thinking no one would understand how to pick their plan and imagined I'd wake up to a barrage of emails and phone calls," he recalled. In reality, he got a single email from an employee who wanted to know if the amount he was paying was real because it seemed too good to be true (it was very real).

That kind of feedback doesn't just happen, though. It takes an experienced ICHRA administrator adept at onboarding hundreds, if not thousands, of individuals at a time to create a frictionless experience. Advanced technology, intensive employee education, and ongoing professional support are non-negotiable.

With those pieces in place, let's take a closer look at a typical member journey using SureCo's Enrollment Platform. We'll show examples of other member types, including a returning ICHRA member and a high-utilizer, on the following pages, but let's start by charting the course of **Jane, a 42-year-old female who lives in Florida and is enrolling in an employee-only plan**. It's Jane's first year on an ICHRA and her company is giving her an 85% contribution of the lowest-cost-gold plan available.

First-Year ICHRA Member Journey



Plan Availability & Consideration

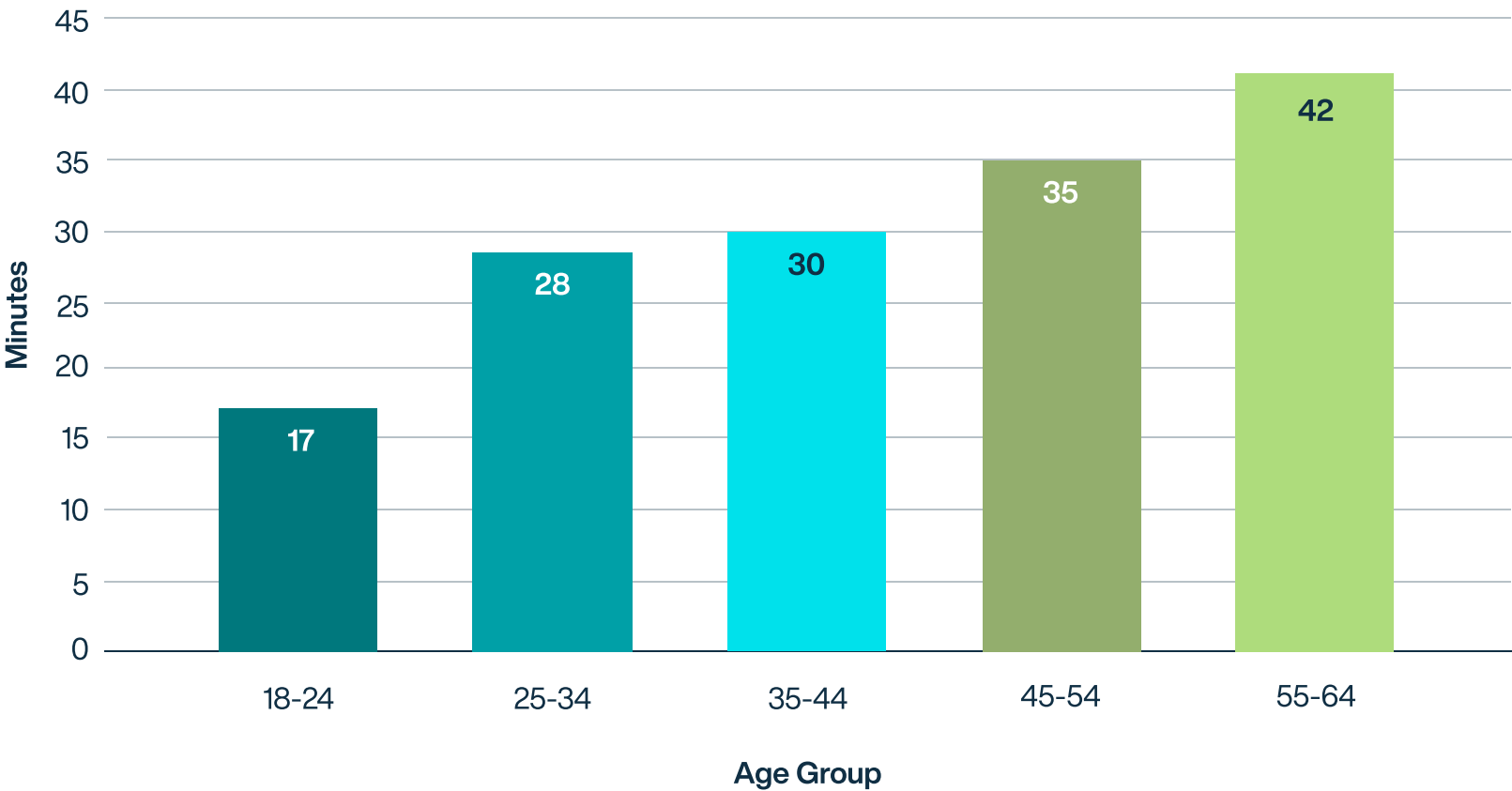
While Jane's ICHRA journey is typical, the personalized nature of the model means that **everyone's experience is different based on their age, location, and specific needs and preferences**. Carrier and plan availability vary widely based on state and rating area. On SureCo's platform, the median user sees five carriers, but employees in states like Texas, Florida, Michigan, Ohio, Georgia, or Arizona see seven to nine⁸.

Plan availability follows similar patterns. The **median number of plans available per member is 144, but that increases to 236 at 80th percentile and declines to 92 at the 20th percentile**. However, even in states like Rhode Island with a single carrier and 11 plans available employees still see ICHRA as an improvement to their previous limited employer-selected options.

Nearly 8 in 10 SureCo members (78%) research their plan options, with 64% downloading at least one Summary of Benefits and Coverage (SBC)⁸. **On average, members spend 32 minutes making their selection**, though that time flexes with both age and number of plans available.

78% | of SureCo members research their plan options⁸

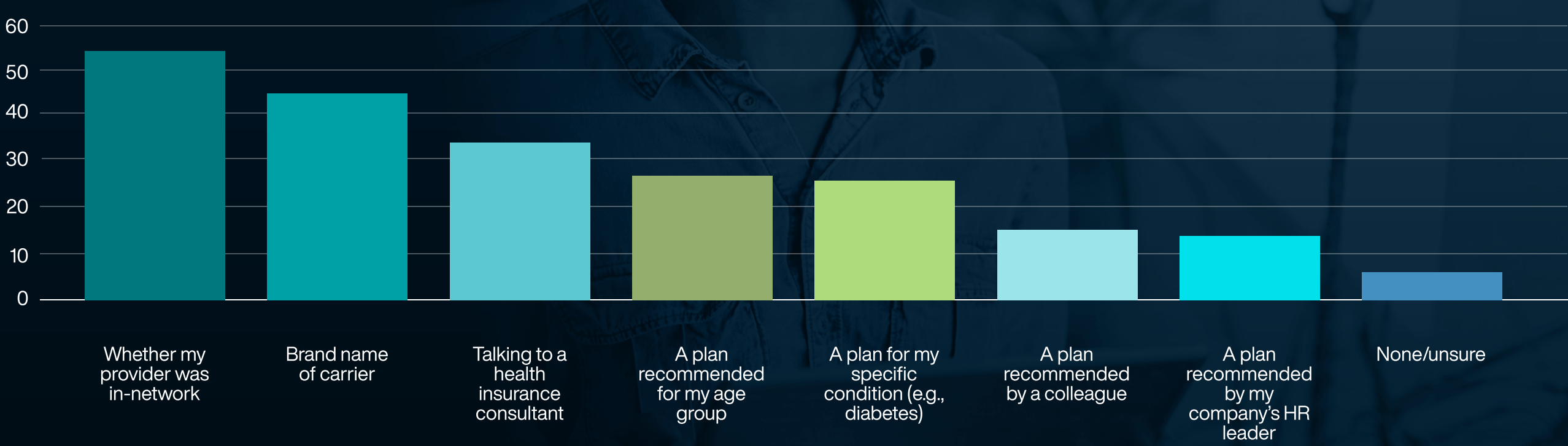
Time Spent Shopping⁸



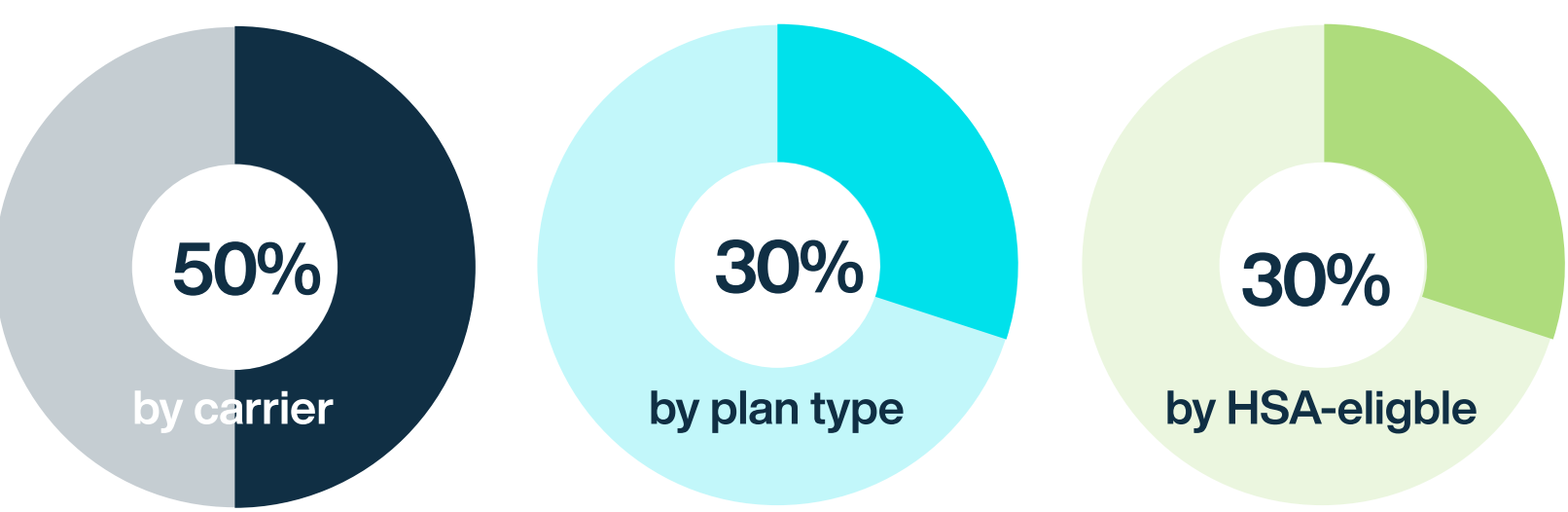
Like Jane, members use a variety of filters to find their best match. Notably, only a fifth of users filtered by plan cost, and a quarter of those who did removed it before finalizing their selection, showing that for employees at large companies, price is not their highest priority when picking their plan. This holds true even for younger, generally healthier members⁸.

When surveyed, employees ranked whether their provider(s) is in-network and the brand name of the carrier the most important factors that influence their plan choice¹². This tracks with their behavior on SureCo's platform. More than half of our members apply a non-cost-related filter during their selection process, and 50% of those filter by carrier name⁸.

Outside of cost, what factors would influence you most when choosing your own health insurance plans?¹²



Plan Filtering Behavior of SureCo Members⁸



Most Requested Carriers⁸ (listed alphabetically)

- Aetna
- Ambetter
- Anthem
- Blue Cross Blue Shield
- Blue Shield
- Cigna
- Florida Blue
- Harvard Pilgrim Health Care
- Highmark
- Kaiser
- Oscar
- United Healthcare



Comparing Plans

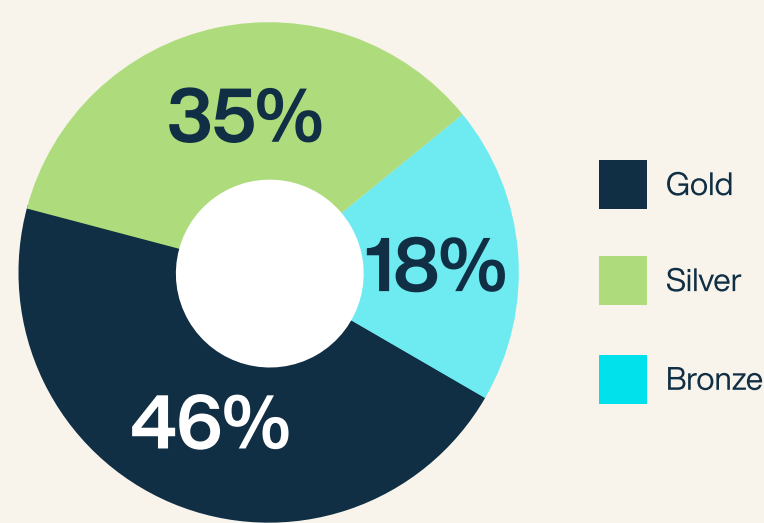
During the plan selection process, SureCo members have the option to mark specific plans as favorites. Overall, 20% used this feature, and most only marked two or three plans. Members who did so were far more likely than average to download materials like an SBC associated with one of the plans. Of members who favorited a plan during the shopping process, about 75% eventually went on to select one of them⁸, suggesting that employees are validating their intuition with research.

Plan Selection Statistics

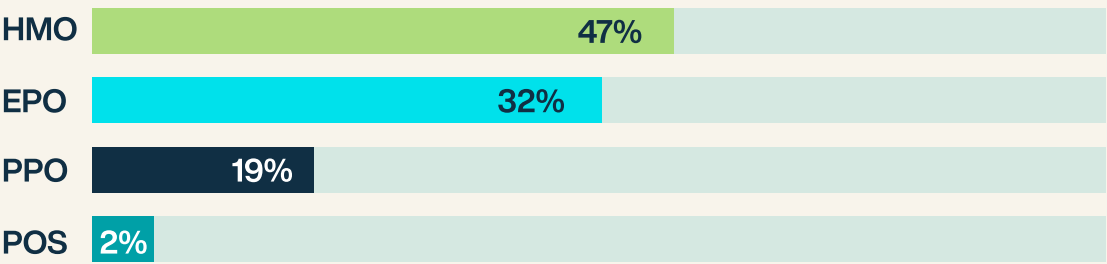
You’ve seen what goes into a SureCo member’s thought process, but what does all that deliberation look like in the end? The graphs below, which have been normalized to account for plan type availability by state, show where members netted out after 2025’s open enrollment.

That said, while there was little variation in metal tier selection across all demographics (gold reigned supreme across the board), the relative split between EPO, PPO, and HMO plan types differs meaningfully by state. This is likely due to the availability of plan types. Texas, for example, does not offer a PPO. The table at right outlines the breakdown across the 20 most popular states on SureCo’s platform.

Metal Tier Selected⁸



Plan Type Selected⁸



Plan Type Availability for Top 20 States on SureCo’s Platform⁸

State	EPO	PPO	HMO	POS
AZ	0%	9%	91%	0%
CA	6%	22%	72%	0%
CO	39%	0%	61%	0%
FL	44%	16%	36%	4%
GA	26%	12%	62%	0%
MA	0%	7%	93%	0%
ME	0%	49%	51%	0%
MI	1%	23%	76%	0%
MN	43%	56%	1%	0%
NC	36%	39%	22%	3%
NH	11%	2%	87%	0%
NY	68%	0%	32%	0%
OH	0%	0%	100%	0%
PA	31%	61%	8%	0%
SC	81%	8%	11%	0%
TN	100%	0%	0%	0%
TX	14%	0%	85%	1%
VA	24%	0%	73%	3%
WA	53%	0%	47%	0%
WI	35%	4%	54%	7%

A Note About PPOs

Traditional group health plans tend to favor Preferred Provider Organizations, or PPOs, because they offer a wide network and allow members to see specialists and out-of-network providers without a referral. Their benefits are less pronounced with an ICHRA because every member can choose a local plan with their preferred providers and facilities.

What Happens on ICHRA After Year 1

Theoretically, the ability for employees to change plans and/or carriers every year to better align with their needs is a solid ICHRA benefit. For instance, maybe one year you're largely healthy and would rather save money by selecting a bronze plan, and the next year you know you're going to need knee surgery, so you opt for a richer gold plan to ensure your care is covered. But how does this play out in reality?

Returning ICHRA Member Journey



Meet Alex

Age: 36

Location: Denver, CO

Medical Conditions: None (Healthy)

Company Contribution:
90% of Lowest-Cost Silver

Years on ICHRA: 2

10:22 AM

The Search

- Logs into the SureCo Enrollment Platform for his annual plan review
- Sees 100 plans from 5 carriers
- Realizes he's been paying more for a PPO plan that covers more than he actually needs

10:27 AM

Exploring Options

- Filters for HMO plans and checks coverage for check-ups and routine care
- Downloads SBCs to compare out-of-pocket costs and coverage details for regular visits
- Calls his doctor to confirm his HMO options are in-network



10:37 AM

Exploring Options

- Switches to the Blue Cross Blue Shield HMO plan
- Saves \$60/month compared to his previous PPO plan
- Feels confident knowing he has the right coverage for his occasional check-ups and savings in his pocket

Total Time: 15m

SureCo members who have been through at least one open enrollment on an ICHRA spend less time shopping and make fewer plan comparisons than those who are going through the process for the first time, but that doesn't mean they're putting their health insurance on autopilot.

They're still making thoughtful considerations and coverage changes, showing their willingness and ability to own their healthcare decisions.

73% | of SureCo members keep their carrier⁸

64% | of SureCo members change plans⁸

That said, many SureCo members chose a different plan in subsequent years on an ICHRA. Of those on an ICHRA in 2024, only 36% chose the same plan in 2025⁸. When compared to 2023, just 25% of users kept the same plan this year⁸. Among users who changed their plan, 37% selected a different plan type and 43% changed metal tiers⁸.

For those who switched metal tiers, most bought up, with a roughly 10% increase in those who chose either gold or silver plans⁸. This is good news for carriers because richer plans increase their average premium revenue per member (ARPM).

Interestingly, people who switched plan types tended to move away from a PPO in favor of an HMO or EPO⁸. The shift away from PPOs may signal an increased understanding in the inherent locality of ICHRAs (i.e., people are realizing they don't need a wider network when they have the ability to select in-network providers near them from the start). To put it another way, once employees become comfortable on an ICHRA, they are more likely to only buy what they need and keep relative downside protection.

Multi-Year ICHRA Members at a Glance

- Actively engage in plan selection every year
- Become more efficient shoppers
- Tend to stay with the same carrier
- Typically buy up in metal tiers
- Move away from PPOs in favor of EPOs or HMOs

A Closer Look at High Utilizers

Companies’ highest healthcare utilizers (those with chronic conditions, multiple prescription medications, and/or ongoing medical needs) are traditionally the ones who cause customers to stall on moving to an ICHRA. HR leaders at these companies and their brokers are oftentimes more hesitant to relinquish the control they have with the carrier on their group plan.

This is the reason SureCo created a highly specialized Employee Experience Team. They work one-on-one with high utilizers to ensure they receive the same, if not better, coverage when they switch an ICHRA. To give you an idea of the types of high utilizers our team works with, they recently found plans for:

- ✔ A member whose child needs to see a pediatric colorectal specialist who is out of state
- ✔ A man who was scheduled to have a stem cell transplant five days after his company moved to an ICHRA
- ✔ A woman who routinely sees four mental health providers and takes six medications

In general, high utilizers spend 37 minutes on the phone with a support team member for an average of 1.6 calls to reach a resolution⁸. Unsurprisingly, they also spend more time shopping on the platform and download more SBCs than their non-high-utilizer counterparts. **The story below illustrates the member journey for one high utilizer with multiple sclerosis (MS) who needs specialty infusion treatments:**

High Utilizer ICHRA Member Journey



Meet Maggie

Age: 54
Location: Denver, CO
Medical Conditions: Multiple Sclerosis
Company Contribution: 80% of Lowest-Cost Silver
Years on ICHRA: 2

8:49 AM

The Goal

- Find a plan that covers her specialty infusion medication
- Ensure her new ICHRA plan provides the right coverage
- Improve her healthcare costs without sacrificing care

9:00 AM

The Search

- Connected with a SureCo specialist for guidance
- Identified her original Cigna plan at \$164.86/paycheck wasn't the best option
- Found the Mass General HMO HSA plan at \$96.01/paycheck, which covered her infusion medication as a medical procedure



9:37 AM

The Outcome

- Switched to the Mass General HMO HSA plan
- Saved 42% annually on treatment costs
- Gained peace of mind with full coverage for her infusion medication

Total Time: 37m

SureCo’s Employee Experience Team doesn’t disappear after open enrollment either. They’re here to assist year-round.

“Working with members who have complex medical needs is the most rewarding part of my job,” says Kevin Scott, SureCo’s head of employee experience. “I don’t know any other model that provides the same level of assistance for high-utilizers that an ICHRA provides.”

Conclusion & Key Takeaways


If we've learned anything over the past 12 months, it's that the need for ICHRAs from employers, benefits consultants and employees has never been more clear. Unrelenting premium increases and the inflexible nature of traditional group health insurance is leaving everyone—especially brokers and their larger clients—without a sustainable path forward.

American businesses need another way to keep their workers healthy without destroying their bottom lines. ICHRAs' early adopters have proven the model's ability to combat the biggest benefits issues these companies faced, and market interest has never been hotter.

Almost all employers (95%)⁵ and brokers surveyed (97%)⁴ are confident that ICHRA will continue to gain market share. Seventy-seven percent of brokers are so bullish they think ICHRAs will eventually represent more than half of the market⁴—a 14% increase from last year's findings¹³.

Brokerages as a whole are taking a stronger pro-ICHRA stance than they have in the past. Almost half (46%) of firms either encourage or mandate their brokers to present ICHRA, and many of our partners have told us they are looking to ICHRA to grow their top-line premium business by 5-15% over the next three years⁴.

Significant investment into both ICHRA administrators and insurance carriers will only enhance the foundation upon which ICHRA's success has already been built. We will see technological answers to some of ICHRA's biggest administrative hurdles and more competition among carriers to craft more robust individual plans at lower price points. Ideally, we will also see this administration codify ICHRA into law and offer more regulatory clarity around topics like the use of off-exchange plans for determining affordability.



“ICHRA will drive more choice, greater flexibility and a stable individual exchange market. The technology is scalable, employers are beginning to warm to the concept, brokers are getting educated and positioning ICHRA as a group alternative and payers are beginning to strategically explore their adoption of an ICHRA platform. I think 2025 is a tipping point for ICHRA and you will see significant growth in 2026 and beyond. ICHRA is here today, and here to stay²¹.”

—Oliver Wyman Senior Advisor Terry Burke



5 Key Takeaways

1 ICHRA Has Reached a Tipping Point

With enrollment approaching 1 million employees⁶, 60% year-over-year growth of employers⁷, and 84% growth in the large employer segment⁷, ICHRA has evolved from a last resort to a first-choice benefits solution. The market confidence is overwhelming, with 95% of employers⁷ and 97% of brokers⁴ expecting continued market share growth, signaling a fundamental shift in employer-sponsored health insurance.

2 Economic Pressures Are Driving Adoption

As traditional premium costs continue to rise (>5% increase for the third consecutive year²²), ICHRA offers a compelling alternative with average savings of 23% for large employers⁸. With 44% of employers unable to absorb another increase⁵, ICHRA provides the cost predictability and control that businesses desperately need in today's economic environment.

3 Stakeholder Satisfaction Validates the Model

The near-universal satisfaction (94% of employers say switching was the right move⁵, 91% report employee satisfaction⁵) demonstrates ICHRA's effectiveness. This satisfaction has driven broker confidence, with recommendations up from 25% to 35% year-over-year and the percentage of brokers moving clients to ICHRA doubling since 2024^{4,13}.

4 Employees Want Control of Their Healthcare Decisions

The data clearly shows employees are ready for this shift—76% are confident in choosing their own plan¹², 52% believe they could choose better than their employer¹², and 78% thoroughly research their options⁸. ICHRA aligns with the modern workforce's desire for personalization and choice rather than one-size-fits-all employer solutions.

5 Industry Alignment Will Accelerate Growth

With 46% of brokerage firms now encouraging or mandating ICHRA presentations⁴, carriers developing more robust individual plans, and technology improvements addressing administrative challenges, the ecosystem is maturing rapidly. Brokerages projecting 5-15% premium growth through ICHRA over the next three years signals that the infrastructure is in place for ICHRA to potentially capture the majority of the market, as 77% of brokers predict⁴.



About SureCo

SureCo is the #1 large-group ICHRA administrator. We're more than a vendor—we're a trusted partner helping employers, consultants, and carriers transform the delivery of health insurance in America—and we're uniquely positioned to drive this change.

We've been at the forefront of innovation in the individual market since day one. Originally founded as an insurance brokerage, SureCo quickly joined forces with a pioneering team that created the first group-to-individual coverage model and lobbied congress to change the regulations that allowed for ICHRA in 2020.

Today, we proudly administer individual benefits to large groups, bringing unmatched expertise built over 12 years (the longest tenure in the industry) and a proven track record of continuous improvement.

- ✓ **Easy Enrollment Technology:** Plus, custom HRIS integrations
- ✓ **Award-Winning Service:** 96% large customer retention & 92% satisfaction
- ✓ **Direct Carrier Payments:** One monthly bill & payroll deductions
- ✓ **Compliance Guidance:** We wrote the book on ICHRA compliance!

Ready to see what an ICHRA with SureCo can do for you?
Visit sureco.com/lets-meet-up to talk to an ICHRA expert today.

About OSCAR

Oscar is the health insurance company with the happiest members in the individual insurance market*. We earn the trust of 1.8 million individuals, families, and employees every day—with technology that drives seamless experiences and plans that fit every budget and health need.

Oscar puts employees and employers first. Everyone should be able to shop, buy, and enroll in health plans and healthcare services they value most—on demand. Individual choice will drive the future of health insurance, which is why Oscar is the only company dedicated to the individual market.

Oscar invested early in ICHRA to bring tech-first experiences to more employers and employees. Employers have an efficient way for employees to access great health insurance. Employees have easy tools to manage their health and access to dozens of networks, doctors, and medication coverage. We engage in ways that make the most sense for them—concierge teams, 24/7 care, and more.

Oscar is building the individual insurance market for businesses with partnerships across the government, states, ICHRA platforms, and other insurers. Oscar knows an exceptional healthcare experience is not only possible—it is what everyone needs to live healthier lives. Come join us: www.hioscar.com/ichra.

* Oscar's net promoter score (NPS) is 66 as of Q4 2024.

SureCo



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