

ICHRA 101

The Ultimate ICHRA Playbook

SureCo's Expert Guide to ICHRAs for Large Group Employers

What Is an ICHRA?

An **ICHRA (Individual Coverage Health Reimbursement Arrangement)** provides a **third option for employer-sponsored health benefits** beyond fully insured and self-funded plans. The model allows companies to make pre-tax contributions to employees for the individual health plan of their choice. Employees are free to choose the plan that best meets their specific needs and location, and employers are free from the claims risk associated with volatile rate hikes. ICHRAs went into effect in 2020 and are fully ACA-compliant.

24%

average first-year premium savings for large groups

44%

of large employers are considering an ICHRA for the upcoming year

35%

of consultants and brokers recommend an ICHRA to their large clients

SureCo 2025 State of ICHRA

ICHRA vs. Traditional Group Insurance

	ICHRA	Traditional
Employee Plan Ownership	✓	✗
Coverage of Pre-Existing Conditions	✓	✓
Coverage Continuation After a Job Loss or Change	✓	Limited
Unlimited Carrier & Plan Options	✓	✗
Tax-Advantaged Premiums	✓	✓
Simplified ACA & COBRA Compliance	✓	✗
No Claims Risk for Employer	✓	✗
Predictable Monthly Costs	✓	✗
Consultant/Broker-Endorsed	✓	✓

How Do ICHRAs Work?

- 1 Employer Sets Contribution:** With the help of their ICHRA administrator and consultant, employers define their pre-tax contribution amount(s).
- 2 Employees Shop for Plans:** Employees select their own plans from available options in their area on the individual market.
- 3 Premiums Are Paid Pre-Tax:** Once the employer's contribution is applied, the employee pays the remaining portion of their premium. This can be done pre-tax via payroll deduction.

ICHRAs Make Everyone Happy

94%

of large employers say switching to an ICHRA was the right move for their company

92%

of employers that have utilized an ICHRA felt their employees were satisfied with the model

74%

of consultants and brokers believe ICHRAs are a way to grow their business

SureCo 2025 State of ICHRA

Key ICHRA Advantages

- ✓ **Flexibility for Employees:** Workers choose health insurance that suits their individual or family needs, including plans from national and regional carriers.
- ✓ **Cost Control for Employers:** Employers set a fixed budget for contributions, resulting in long-term predictable and manageable healthcare costs.
- ✓ **Complete Compliance:** When structured properly, ICHRA ensures ACA compliance regarding minimum essential coverage and affordability requirements.
- ✓ **Plan Portability:** Employees own their plans and can take it with them if they leave the company.

What Companies Do ICHRAs Work Best For?

Companies of any size and in any industry can benefit from an ICHRA, but there are common characteristics that tend to result in the biggest success when moving to the model:



High-risk population or double-digit YoY premium increases



Groups who want to offer employees more plan choices



Large groups with remote or multi-state workforces



Forward-thinking leadership seeking long-term solutions



Groups with high turnover rates or seasonal staff

“

“Everyone, from my 86-year-old CEO to my younger, minimum-wage workers have been thrilled! They’ve all saved so much on their premiums that they feel like they were given de facto raises!”

—Patty MacDonald, Director of HR, Volta Oil

“

“SureCo helped my client save 30% on renewal. Their projection of cost versus the reality was dead on, and the onboarding and execution was seamless. Being able to call an on-shore support staff with previous healthcare experience has also been extremely comforting to my client.”

—David Lapkin, Vice President, Marsh

Case Study Spotlight Carenet Health[®]

Faced with rising premiums and a high-risk insurance pool, Carenet Health—an employer with 3,200 employees across 48 states—partnered with SureCo and transitioned to a large-group ICHRA. The results: \$2,000 in annual savings per enrolled employee, expanded plan choice, and improved satisfaction, particularly among younger team members.

\$2k

savings per annual premium per enrolled employee with ICHRA

3,200

employees (2k+ benefits eligible)

20%

increase in participation, leading to increased retention

The Role of the ICHRA Administrator

ICHRAAs work best when the employer, consultant, and ICHRA administrator act as a team. Consultants maintain their roles as strategic advisors, while ICHRA administrators handle the heavy lifting of contribution modeling, compliance, employee education, enrollments, premium payments, and more. Due to the nuanced nature of ICHRAAs, finding an administrator with a dedicated support team that's available to answer HR and employee questions is critical. You want an administrator who will act more like a partner than a vendor.

Why ICHRAAs Are Better With SureCo

ICHRAAs are simple in concept but complex in delivery, especially for large groups. SureCo absorbs those complexities and makes the experience feel like traditional group, so you get the benefits of an ICHRA without the administrative headaches. Unlike other administrators, we're the only one **100% focused on ICHRAAs for large employers**. It's all we do.

100%
ICHRA focused

- ✓ **Deep Industry Knowledge:** Founded by brokers & ICHRA pioneers
- ✓ **Award-Winning Service:** Fully managed open enrollment, education, & year-round support
- ✓ **Advanced Technology:** User-friendly enrollment platform, HRIS integrations, & more
- ✓ **Compliance Guidance:** SureCo wrote the book on ICHRA compliance
- ✓ **Direct Carrier Payments:** A single monthly bill & pre-tax payroll deductions
- ✓ **Regulatory Expertise:** SureCo's leaders lobbied for regulations allowing for ICHRA



"I'm a believer in SureCo, and I'm a believer in ICHRA. It's the way we all need to move."

—Robin Hamel, EVP & CHRO, Carenet Health

37%

of large employers would save 20%+ by moving to an ICHRA with SureCo

96%

large group customer retention rate since 2021

SureCo Enrollment Platform Data



Is an ICHRA Right for Your Large Group?

Help your company control premium costs, reduce risk exposure, and boost employee satisfaction.

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