

Presented by

oscar

The State of ICHRA 2025

A New Era of Employee Benefits Takes Hold

SureCo

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On the heels of its fifth 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 employers, benefits consultants, carriers, and employees are openly embracing.

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 solution from the 1940s to work in today’s world, though. Access to health insurance must evolve to meet the demands of the current workforce and economic realities, which is why so many stakeholders are looking to ICHRAs.

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

- ✓ Why an 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 ICHRAs 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 perceived as a last resort for companies unable to afford traditional benefits. Consultants and their clients took the leap due to a lack of other options. However, the success of these early adopters improved perceptions of the model and increased comfort levels across the board. Today, while an ICHRA is still viewed as a relatively new product, it is increasingly regarded as being **on par with self-funded and fully insured options**. The ability of ICHRA administrators to better emulate the group experience through operational technology and high-level service support has contributed to this parity.

In fact, 35% of brokers surveyed now recommend ICHRA's to their clients, up from just 25% last year⁴. Perhaps even more indicative is the nearly doubled percentage of brokers who reported actually transitioning a client to an ICHRA between 2024 and 2025⁴. Awareness is also rising among large employers; 86% of benefits and finance leaders at companies with 150 to 2,500 employees surveyed are familiar with the ICHRA model⁵.

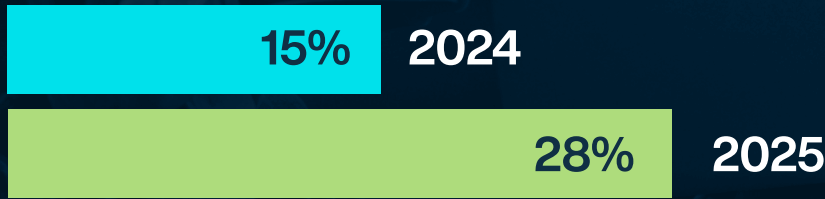
Estimates for total ICHRA enrollment are approaching **1 million employees**⁶, with an almost **60% year-over-year growth trajectory**⁷. Large employers, those with 200 or more employees, are leading the way. The HRA Council pegs the growth of this cohort from 2023 to 2024 at 84%⁷. On SureCo's Enrollment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



Key ICHRA Stats

- ~1M** | estimated employees enrolled in an ICHRA⁶
- 35%** | of consultants and brokers recommend an ICHRA to their large clients⁴
- 3x** | year-over-year growth in large-group SureCo ICHRA enrollment⁸
- 370** | average number of employees per SureCo customer 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 companies that have made the transition, the positive impact of an ICHRA is clear. SureCo's large-group customers save an average of 23% on premiums compared to their current costs⁸, which aligns with the 11-30% savings reported by the majority (78%) of surveyed brokers⁴.

These savings remain valid even when factoring in the average contributions employers are making to their workers (see graph at right).

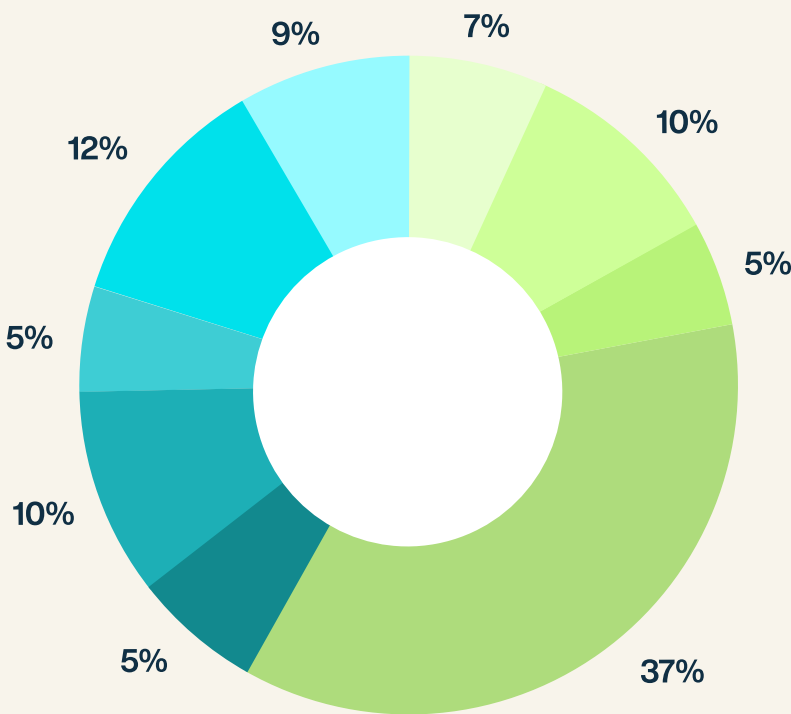
Nearly every benefits leader surveyed who reported that their company switched to an ICHRA was pleased with the decision. An impressive 94% indicated that the move was the right choice for their company, and 91% stated that their employees are happy with their plans⁵.

23% | large employer savings on premiums (compared to current costs)⁸

94% | of large employers say that switching to an ICHRA was the right decision for their company⁵

91% | of employers 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

The significant growth of ICHRAs in 2025 sharply contrasts with its slow start. It's important to note that ICHRA represents a major 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 launch was overshadowed by the onset of COVID-19. Business leaders quickly adapted to the pandemic and adopted a more risk-averse approach to health benefit changes, which hindered market penetration of ICHRA. Now, five years later, stakeholders—from consultants and their clients to policymakers and carriers—are revisiting ICHRA with renewed interest.

Large Employers Are Asking for ICHRAs

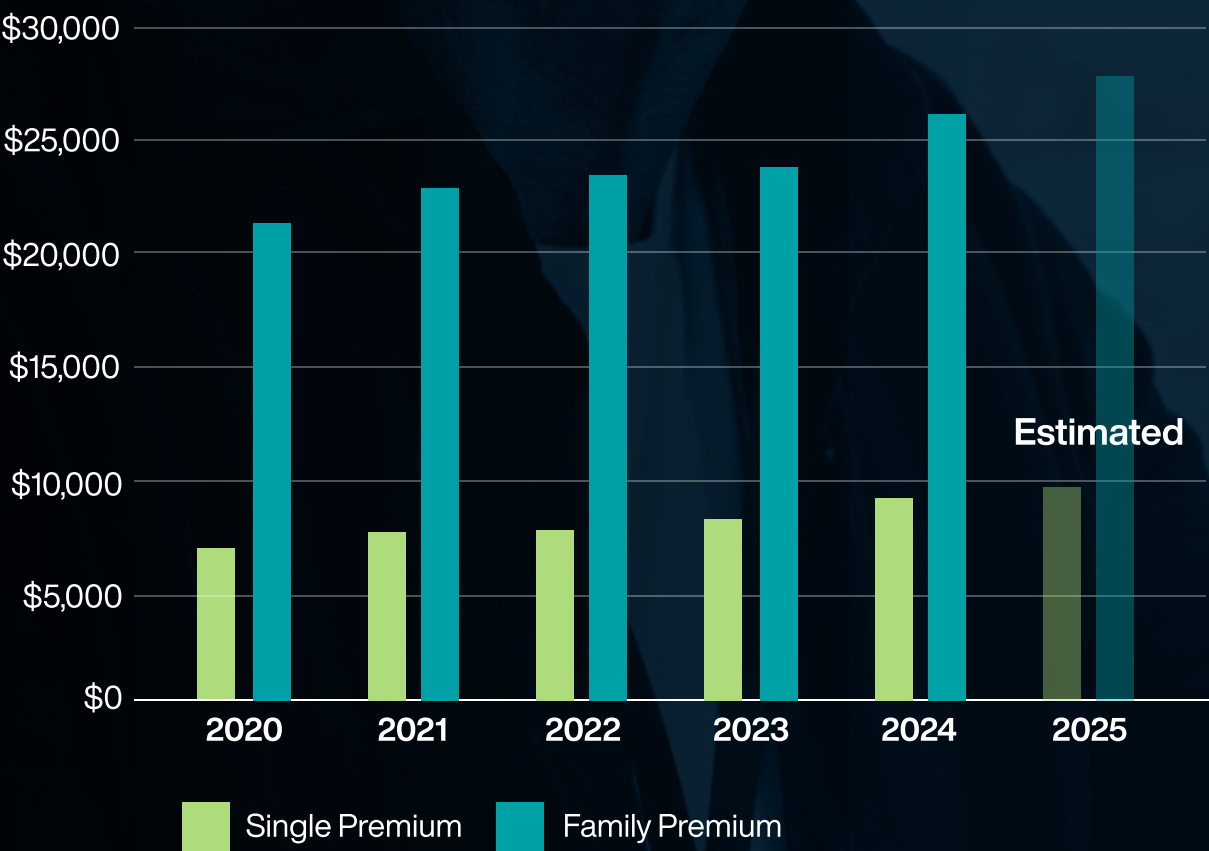
44% | of large employers say they're considering an ICHRA for the upcoming year⁵

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



Average Yearly Premiums for Employer-Sponsored Health Insurance¹⁰



“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.”

—Drew Altman, President and CEO, KFF



Increased utilization, labor shortages, high pharmaceutical prices, and medical inflation have all contributed to today’s unsustainable healthcare costs. In 2024, family premiums for employer-sponsored health insurance rose by 7% for the second consecutive year, accounting for a significant portion of the 24% cumulative increase experienced 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 context, the individual market also increased an average of 7% from 2024 to 2025¹¹, though this figure varies widely across different rating areas and plans. Plus, the beauty of an ICHRA is that it’s plan-specific. So, if the rate on one plan increases beyond what employees want to pay, they have other options.



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 are turning to their consultants and brokers for help. Despite negotiating vigorously with carriers on their clients' behalf, brokers report that their clients have been unhappy with renewal rates (or forced to change their plan design) for the past two years⁴. Even brokers who manage to lower rates for one year anticipate facing the same issues, with diminished bargaining power, in subsequent renewals. Traditional funding models are failing, and brokers risk losing a significant portion of their business if they do not provide alternative solutions like ICHRAs.

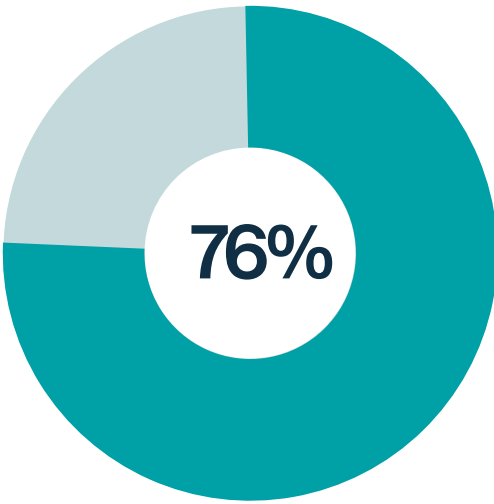
Employees Want to Take Control of Their Health Insurance

Employees, particularly those at larger companies, desire more than the 1-3 plan options currently available to them. They are becoming aware that their employer selects plans that fit the average needs of the organization rather than those that are most beneficial for each individual. This trend contributes to the fact that over one-third of surveyed employees admit they are either actively or passively seeking jobs with better benefits¹².

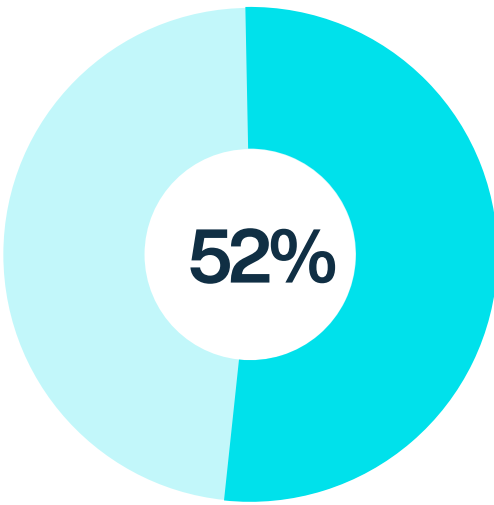
Workers want their employers to recognize that they are ready, willing, and able to make informed and effective plan selections.

Data from SureCo's Enrollment Platform supports these beliefs. When employees are given the option to choose their own plan, they spend an average of 32 minutes⁸ researching their options. As you will see on page 11, 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 selecting upwards of 150 different plans⁸, demonstrating that a limited number of group options will never satisfy everyone.

As ICHRA adoption increases and prioritizes individual enrollees, **the member experience becomes central for all stakeholders**, in a way that it was not in group products. The story below highlights one member's experience and sentiments towards the model.



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



of employees believe 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 are 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 affiliation with a particular doctor, so I chose plans based on price and the name of the carrier. Unfortunately, the plan and experience were not as good a fit for our family. Even simple things like obtaining our member ID cards were more challenging.

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

Brokers Are Using ICHRAs to Grow Their Business

ICHRAs 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 plan choices per member⁸.

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

144 | average ICHRA plan options available per member⁸

"ICHRA is reshaping the employee benefits landscape. I've seen firsthand how it can reduce costs by a notable margin in the first year and over a sustainable four-year period. ICHRA has provided a much-needed alternative funding solution for our clients. Being in the ICHRA business requires a culture of value and continuous innovation and improvement. We would not have the growth and success without exceptional ICHRA partners."

—Michael Uretsky, ICHRA Solutions, 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. Conversely, they also understand that they can use ICHRAs as a strategy to acquire new logos. The ability to use ICHRAs for both defensive and offensive purposes has led three-quarters of brokers to see ICHRAs as a way to grow their business⁴. Over half of brokers indicated that they are now more likely to recommend an ICHRA compared to early 2024⁴. Their confidence in recommending an ICHRA has significantly strengthened year over year. In 2024, while over 70% of brokers expressed a likelihood of recommending ICHRA, only 19% reported being “very likely”¹³. By 2025, the overall likelihood remained steady at 70%, but the percentage of brokers who were “very likely” to recommend increased to 37%⁴.

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

74% | of brokers believe ICHRAs are a way to grow their business⁴

56% | of brokers were 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.

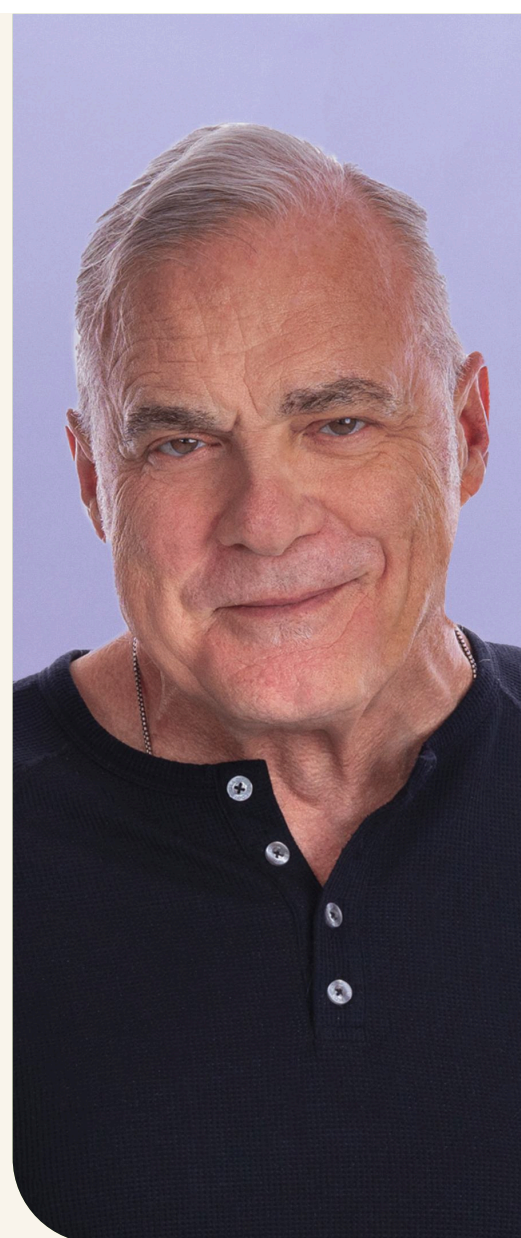
Payers such as Oscar Health and Ambetter are at the forefront by leveraging their extensive experience in the ACA marketplace to create ICHRA-specific offerings that attract new members.

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 diseases, 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 experiencing revenue declines due to groups transitioning from lucrative fully insured plans to more economical self-funded options¹⁶, ICHRAs could help bridge the gap. In many cases, individual plans provide unit economics that closely align with the fully insured market. However, carriers will need to effectively communicate their individual plan offerings to a typically healthier, savvier, and more affluent consumer—compared to those who purchase subsidized plans from the ACA marketplace—if they want to maximize the benefits of these enrollments.

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



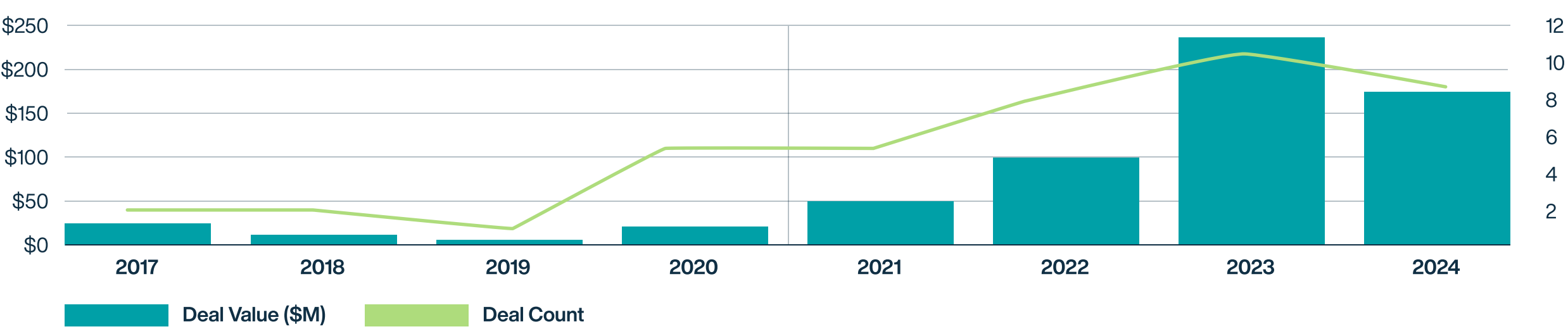
“Employer insurance no longer meets the needs of working Americans. Employees deserve to choose their own healthcare. Employers deserve to have predictable healthcare budgets that help their businesses grow. The individual insurance market is the solution where everyone wins—more choice, higher quality,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

—Mark Bertolini, CEO of Oscar Health

Investors Are Betting on ICHRAs

Venture capitalists and private equity firms are also doing their part to fuel ICHRAs’ future. They invested nearly \$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 influx of capital into this sector has resulted in a surge of new vendors—at least 18 across both small and large employer spaces as of the latest reports⁶. Additionally, this financial support has enhanced the efficiency of ICHRA administration through technological and operational improvements. More significantly, these investments demonstrate a robust confidence in ICHRAs’ potential for long-term success.

Investment in ICHRA Administration Companies⁶



Policymakers Are Looking to ICHRAs to Drive Large-Scale Changes 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, ICHRAs 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 dismantling employer-based monopolies on health insurance will mitigate risks 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 12⁸. This flexibility enhances employee satisfaction and promotes competition among insurance carriers through diverse plan designs, ultimately 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. ICHRAs 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 ICHRAs

As the American healthcare system takes center stage under the new political administration, it's essential to recognize the positive economic impact of ICHRAs. 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, ICHRAs create a more efficient, flexible, and sustainable economic landscape that benefits both employers and employees alike.

While ICHRAs are 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:

- Reducing the healthcare cost burden on businesses, thereby allowing 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
- Decreasing the drag on wage growth from rising healthcare costs
- Creating a more sustainable long-term healthcare financing system

How ICHRA Members Select Their Plans

Fear of the unknown remains the biggest barrier to ICHRA adoption for many employers and their benefits consultants. They often worry: *Will my employees be overwhelmed by how many plan 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 express confidence in their employees' ability to choose their own health insurance, data on how these employees select their coverage when using company contributions has been limited until

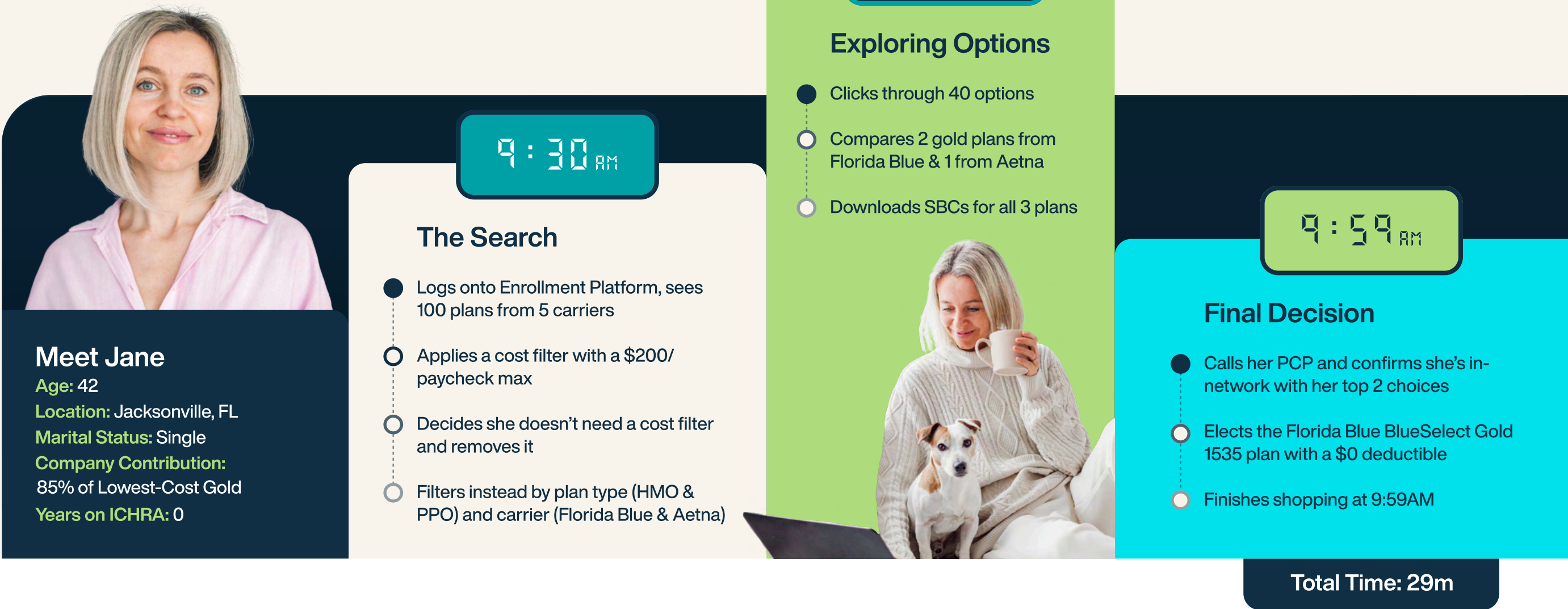
84% | of employers are confident in their employees' ability to select their own health plan⁵

The larger the company, the more pronounced these concerns tend to be. One Senior Vice President of HR for a 400-person nonprofit in Massachusetts shared that he was unable to sleep the night before his first ICHRA open enrollment with SureCo. "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 received only a single email from an employee who wanted to confirm whether the amount he was paying was legitimate, as it seemed too good to be true (it was very real).

Such positive feedback does not occur by chance. It requires an experienced ICHRA administrator skilled in onboarding hundreds, if not thousands, of individuals simultaneously to create a seamless experience. Advanced technology, comprehensive employee education, and ongoing professional support are essential for success.

With those pieces in place, let's take a closer look at a typical member journey using SureCo's Enrollment Platform. You'll find 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**. This is Jane's first year on an ICHRA, and her company is contributing 85% towards the lowest-cost gold plan available.

How a First-Year ICHRA Member Narrows Down Her Plan Options



Plan Availability & Consideration

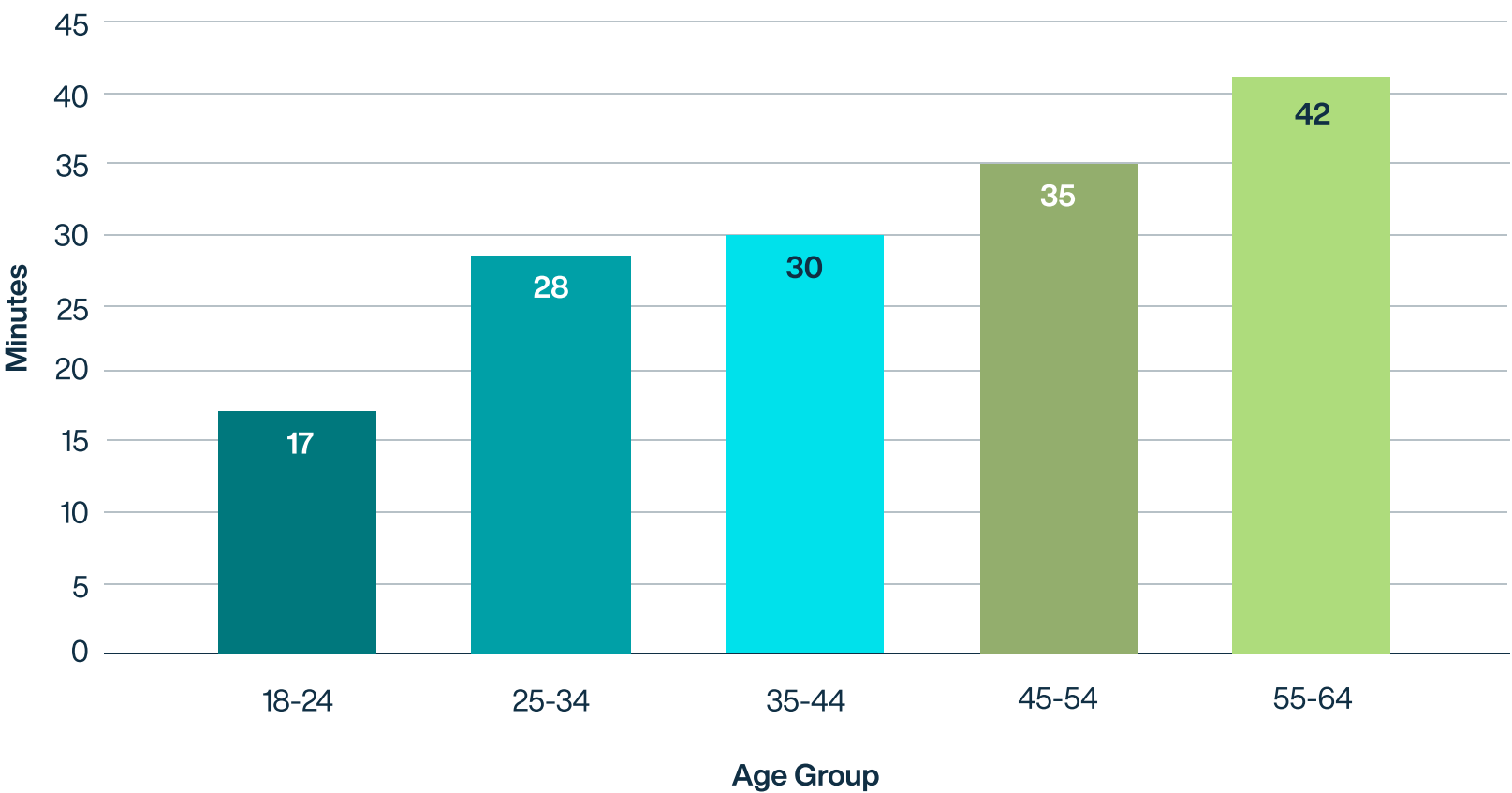
While Jane's ICHRA journey is typical, the personalized nature of the model means that **everyone's experience is different based on their age, location, and specific needs and preferences**. Carrier and plan availability can fluctuate significantly by state and rating area. On SureCo's platform, the median user encounters five carriers, but employees in states like Texas, Florida, Michigan, Ohio, Georgia, and Arizona may see between seven to nine carriers⁸.

Plan availability follows similar trends. The **median number of plans available per member is 144, increasing to 236 at the 80th percentile and declining to 92 at the 20th percentile**. But even in states like Rhode Island, which has a single carrier and 11 available plans, employees still see ICHRA as an improvement over 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 (see graph at right) and number of plans available.

78% | of SureCo members research their plan options⁸

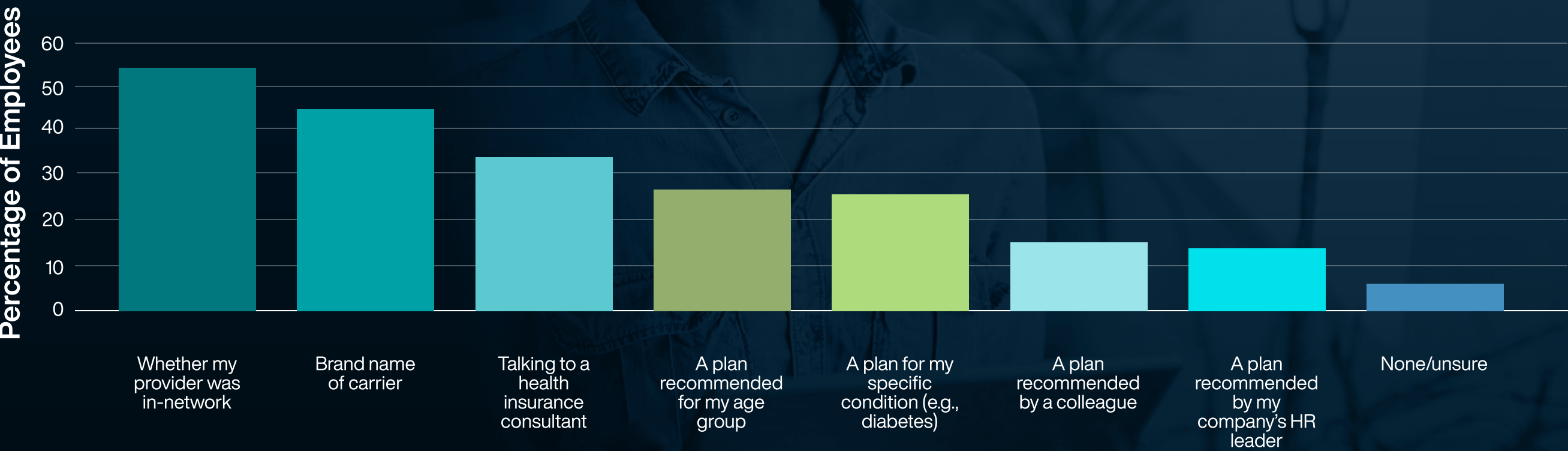
Time Spent Plan Shopping by Age⁸



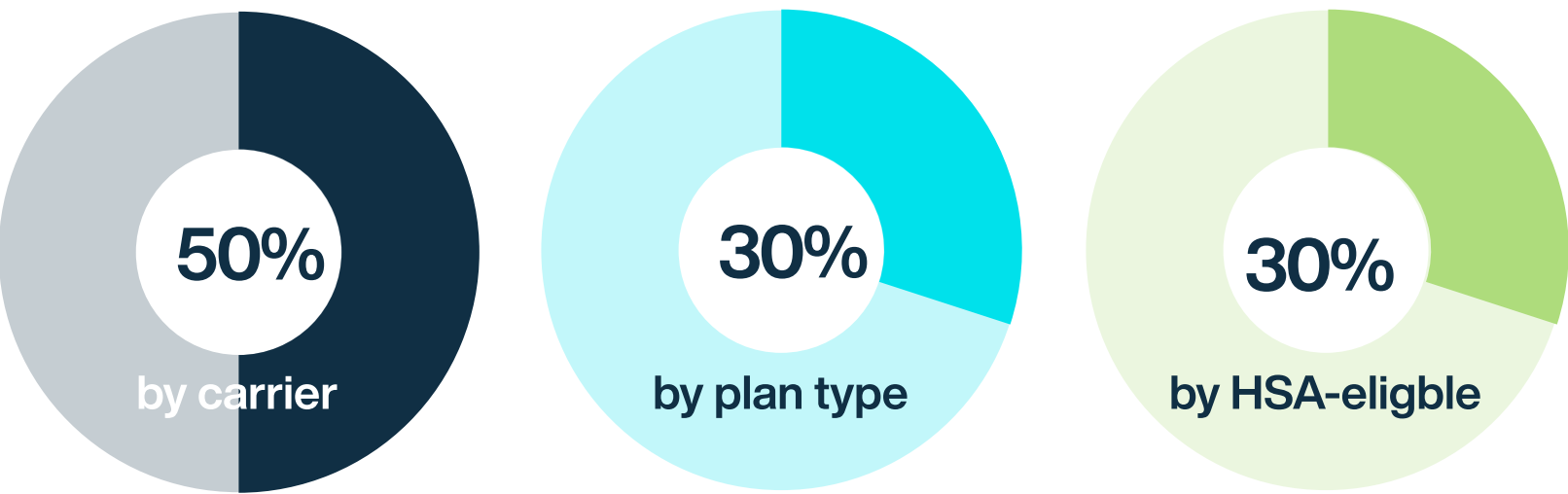
Like Jane, members use a variety of filters to find their best match. Notably, only one-fifth of users filtered by plan cost, and a quarter of those who did removed it before finalizing their selection, showing that for employees at large companies, price is not their highest priority when picking their 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 as the most important factors influencing their plan choice¹². This is reflected in their behavior on SureCo's platform. More than half of SureCo's members apply a non-cost-related filter during their selection process, with 50% filtering by carrier name⁸.

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



How SureCo Members Filter Plans⁸



Most Filtered by 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

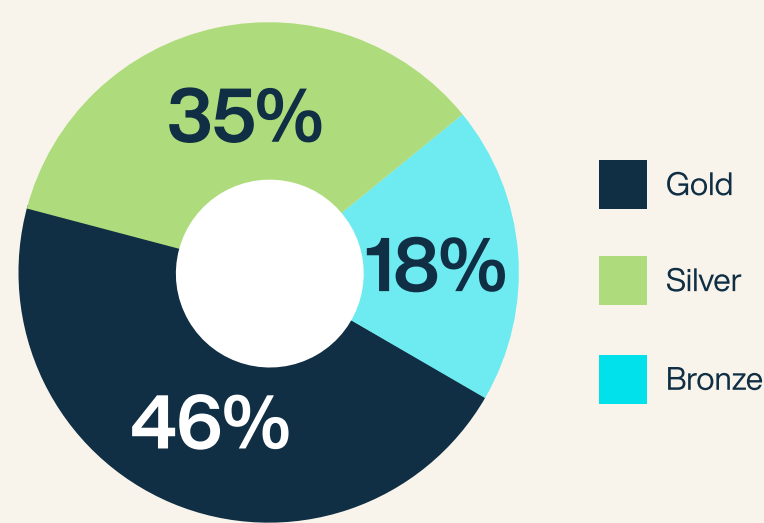
During the plan selection process, SureCo members have the option to mark specific plans as favorites. Overall, 20% of members use this feature, with most only marking two or three plans. Members who flagged a plan were significantly more likely than average to download related materials, such as an SBC associated with one of the plans. Among members who favorited a plan during the shopping process, approximately 75% ultimately selected one of those plans⁸, suggesting that employees are validating their intuition through research.

Plan Selection Statistics

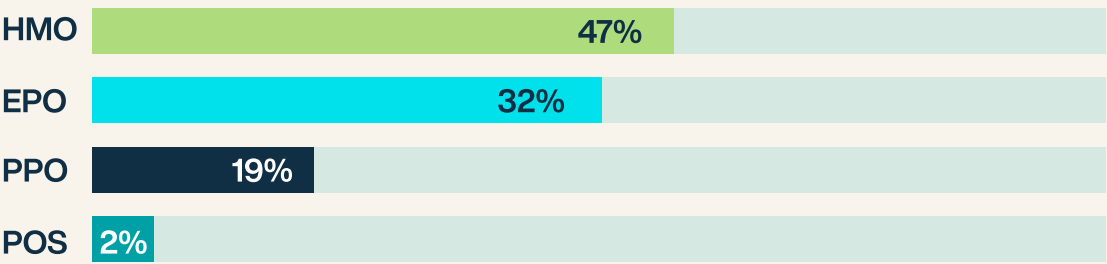
While you’ve seen what influences a SureCo member’s decision-making, what does the outcome of that consideration look like? The graphs below, normalized to account for plan type availability by state, illustrate the choices members made for during 2025’s open enrollment.

Although there was little variation in metal tier selection across demographics—with **gold consistently being the preferred tier**—the relative distribution of EPO, PPO, and HMO plan types varied significantly by state. This variability is likely due to differing plan availability. For instance, Texas does not offer a PPO. The table at right details 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%

Average Plan Costs

Monthly premiums vary across SureCo members due to age, location, and family structure. For an employee-only plan, the **total median monthly premium amount is \$592⁸**. That figure is close to the average cost (\$583) of an unsubsidized ACA gold plan for a 40 year old²¹. This provides further evidence that ICHRA members are willing to spend more than the average marketplace shopper of the same age who selects a silver plan for \$539²¹.

What Happens on ICHRA After Year 1

Theoretically, the ability for employees to change plans and/or carriers each year to better meet their needs is a significant ICHRA benefit. For example, one year you might be relatively healthy and prefer to save money by choosing a bronze plan; the following year, knowing you require knee surgery, you may opt for a richer gold plan to ensure adequate coverage for your care. But how does this work in practice?

How a Returning ICHRA Member Selects His Plan for Year 2



Meet Alex

Age: 36

Location: Portland, OR

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 71 plans from 5 carriers
- Realizes he's been paying more for a silver PPO plan that covers more than he actually needs

10:27 AM

Exploring Options

- Filters for EPO 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 EPO options are in-network



10:37 AM

Final Decision

- Switches to a Kaiser Permanente Silver EPO plan
- Saves \$57 per 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 participated in at least one open enrollment on an ICHRA typically spend less time shopping for new plans and make fewer comparisons than those going through the process for the first time. But this doesn't mean they're putting their health insurance on autopilot. They continue to make thoughtful choices regarding their coverage, demonstrating their engagement and willingness to manage their healthcare decisions actively.

73% | of returning SureCo members keep their carrier⁸

64% | of returning SureCo members change plans⁸

The majority of SureCo members kept the same carrier each year on an ICHRA, but many chose a different plan. 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 members 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 in these organizations, along with their brokers, are often more reluctant to give up the control they have with the carrier on their current group plan.

This is why SureCo developed a highly specialized Employee Experience Team. They work one-on-one with high utilizers to ensure that they receive equivalent, if not better, coverage when they switch to an ICHRA. To give you an idea of the types of high utilizers the SureCo 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 over about 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.**

How a High Utilizer With MS Finds a Plan That Covers Her Medication



Meet Maggie

Age: 54
Location: Boston, MA
Medical Conditions: Multiple Sclerosis
Company Contribution: 90% of Lowest-Cost Gold
Years on ICHRA: 0

8:49 AM

The Search

- 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

Exploring Options

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



9:37 AM

Final Decision

- 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: 48m

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

Over the past 12 months, it has become increasingly clear that the need for ICHRAs from employers, benefits consultants, and employees is more pressing than ever. 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 is at an all-time high.

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 that 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 ICHRA⁴, and many of SureCo's partners have said they are looking to ICHRA to grow their top-line premium business by 5-15% over the next three years.

Significant investments into both ICHRA administrators and insurance carriers will only enhance the foundation upon which ICHRA's success has already been built. Expect to 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, the current administration will 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 stay²².”

—Terry Burke, Senior Advisor, Oliver Wyman



5 Key Takeaways

1 ICHRAs Have 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 year²³), ICHRAs offer a compelling alternative with average savings of 23% for large employers⁸. With 44% of employers unable to absorb another increase⁵, ICHRAs provide 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 the 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 ICHRAs 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. ICHRAs align 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 ICHRAs over the next three years demonstrates that the infrastructure is in place for ICHRAs to potentially capture the majority of the market, as 77% of brokers predict⁴.



Matthew Kim,
CEO, SureCo

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



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