

# Navigating Group Health Insurance

## Understanding Fully Insured, Self-Funded, and Level-Funded Plans

Choosing the right group health plan can affect cost predictability, administration, and long-term benefits strategy. Most group health plans fall into three categories:

**Fully Insured:** The employer pays a fixed premium to the insurance carrier, and the carrier handles covered claims.

**Self-Funded:** The employer pays claims directly, usually with stop-loss coverage to help limit risk.

**Level-Funded:** The employer pays a fixed monthly amount that typically includes claims funding, administrative fees, and stop-loss coverage. If claims are lower than expected, the employer may receive a portion of unused funds back.

	Level-Funded	Fully Insured
<b>Monthly Cost</b>	A fixed monthly payment based on expected claims.	A fixed premium paid to the carrier.
<b>Claims</b>	Paid from the employer's funded claims account.	Managed and paid by the carrier.
<b>Money Back</b>	May return unused claims funds.	Typically do not.
<b>Best Fit</b>	Works well for employees seeking cost visibility and potential savings.	May fit employers who want simpler administration and carrier-managed risk.

## Benefits Made Simple

Franchise Benefit Solutions helps employers compare plan options and build practical benefits strategies that support employees, operations, and long-term cost control.

### Contact Us Today

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Is Level-Funded Insurance Right for Your Business?

**Level-funded plans can offer:**



### Predictable Monthly Payments

Fixed monthly costs help support budgeting.



### Potential Savings

Unused claims funds may be refunded or credited, depending on the plan.



### More Visibility

Employers may gain clearer insight into claims activity and plan performance.



### Built-In Risk Protection

Stop-loss coverage helps protect against higher-than-expected claims.