

Why Most Small Businesses Overpay for Health Insurance

Small employers in Georgia are stuck in fully-insured plans that:

- Increase 8–14% every year
- Hide claims data
- Force small groups to subsidize everyone else
- Offer no refunds when claims are low

This is why premiums keep rising even when your team is healthy.

The Modern Solution: Level-Funded Medical Plans

Level-funded plans give small businesses the pricing power that only large employers used to have.

Benefits include:

- 40–60% lower premiums
- Refunds when claims are low
- Transparent reporting
- Better renewal control
- Same major carriers (UHC, Aetna, Cigna, AllSavers)

For many Atlanta employers, this is the first time health insurance has felt fair.

The IRS Tool That Makes It Even Better: Section 125 Cafeteria Plans

A Section 125 plan allows employees to pay their share of premiums **pre-tax**.

This creates savings for both sides:

Employer Savings

- 7.65% payroll tax savings on every pre-tax dollar
- Lower overall cost of offering benefits

Employee Savings

- 20–40% tax savings
- Higher take-home pay
- Lower net cost for coverage

This is an IRS-approved strategy used by nearly every large employer — but rarely explained to small businesses.

How They Work Together

When you combine a level-funded plan with a Section 125 cafeteria plan:

1. Premiums drop significantly
2. Employees pay their share pre-tax
3. Employers save payroll taxes
4. Employees save income taxes
5. Employers may receive a year-end refund
6. Everyone wins

This is the most efficient structure available to small employers.

Real Example From an Atlanta Business

A 20-employee company switched from a fully-insured plan to a level-funded plan.

- Premium savings: **\$7,000 per employee**
- Total annual savings: **\$140,000**
- Additional Section 125 payroll tax savings: **\$8,000–\$12,000**

Total savings: over \$150,000 — without reducing benefits.

Why This Matters in 2026

Carriers are signaling the highest renewal increases in a decade. Small employers who stay fully insured will feel the impact.

Those who move to level-funded plans with a Section 125 strategy can:

- Reduce costs
- Improve benefits

- Protect their business from future increases
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Next Step: Free 20-Minute Savings Analysis

If you have **5–50 employees**, I'll run a complimentary analysis showing:

- Your potential premium savings
- Your payroll tax savings
- Your refund potential
- Your 2026 renewal risk
- Your best level-funded options

Most Atlanta employers are overpaying — and don't know it.

Let's fix that. 404-492-7942