Enough!
GROUP INSURANCE

AN HONEST GUIDE FOR EMPLOYERS

Should you self-fund your health plan?

Most guides to self-funding are written by someone who gets paid when you say yes. This one isn't. Here's how to tell whether self-funding is right for your company — before you commit, not after.

Who it's for
HR directors, CFOs, founders & benefits leads

Group size
Roughly 50–5,000 employees

Read time
About 15 minutes, start to finish

START HERE

The honest version

Self-funding your health plan can save real money and give your people something a fully-insured plan never will. It can also go badly — for the wrong company, at the wrong size, in the wrong year.

An honest guide has to tell you both halves. So that's what this is. No pitch, no urgency, no "act now." Just the trade you're actually considering, laid out plainly enough that you can make the call yourself.

What self-funding actually means

In a fully-insured plan, you pay a carrier a fixed monthly premium. They take the risk, they pay the claims, and they keep whatever's left over. Predictable for you, profitable for them.

In a **self-funded** (or self-insured) plan, you flip that. You pay your employees' claims directly out of company cash. You buy **stop-loss insurance** to cap your downside when someone has a catastrophic year. And whatever you don't spend on claims stays in your business instead of funding a carrier's margin.

THE TRADE, IN ONE BREATH

You take on more risk and more responsibility. In exchange, you stop paying for a carrier's profit, you see exactly where every dollar goes, and you keep what you don't spend.

That trade is excellent for some employers and genuinely wrong for others. The rest of this guide is about figuring out which one you are.

How to read the rest of this

The next two pages are the most important: an honest go/no-go on whether you're even a candidate. After that, what it actually takes to run one, the numbers as they really land, and the compliance reality nobody mentions in the sales meeting. If you only read one section, read the next one.

THE HONEST GO / NO-GO

Is this even right for you?

This is the part most guides rush past, because the honest answer is sometimes "no." We'd rather you find that out here than two years and one bad claims year later.

Self-funding rewards **scale and stability**. The larger and more predictable your group, the more the math works in your favor — that's just the law of large numbers. The smaller or more volatile you are, the more a single catastrophic claim can swamp the savings.

✓ GOOD SIGN YOU'RE A FIT

- Roughly 100+ enrolled employees (50+ can work with the right structure)
- Two-plus years of stable, available claims history
- Cash reserves to absorb a heavy claims month without flinching
- Leadership that understands year one can be bumpy
- A broker who actually specializes in self-funding

✕ SIGN TO WAIT (OR NOT DO IT)

- Under ~50 employees — claims volatility is simply too high
- No usable claims history to underwrite against
- Tight cash flow that a bad quarter would strain
- A large known claim already in progress
- Leadership expecting guaranteed savings on day one

SAID PLAINLY

If you're under about 100 employees, can't comfortably ride out a volatile year, or need certainty more than upside — **self-funding probably isn't your move yet. And that's a completely fine answer.** A level-funded plan can be a sensible bridge until you're ready. Being honest about timing is how this works long-term.

BEFORE YOU MOVE

The readiness checklist

If the go/no-go pointed you toward "yes," here's what to have in hand before you take another meeting. Walking in with these answered is the difference between a clean transition and an expensive scramble.

- [ ] **Claims history.** 24–36 months ideally, 12 minimum, pulled from your current carrier — including any large-claimant report.
- [ ] **A reserve plan.** Several months of expected claims set aside, so a heavy stretch is a cash-flow event, not a crisis.
- [ ] **Stop-loss strategy.** A clear view of how much per-person and total annual risk you're willing to hold before insurance takes over.
- [ ] **An administrator decision.** Who processes claims, handles eligibility, and answers your employees — the TPA question (next page).
- [ ] **Leadership alignment.** CFO and CEO genuinely on board with the risk profile, not just the projected savings.
- [ ] **The right broker.** Someone who places self-funded plans every week, not a generalist learning on your account.

> **A quiet truth:** the single most common reason a self-funding transition disappoints isn't the claims — it's going in underprepared on these six. Get them solid first, and most of the horror stories simply don't happen to you.

What you're really deciding

Strip away the jargon and you're answering one question: ***are we big enough, steady enough, and prepared enough to take back control of this spend?*** If yes, the rest is logistics. If not, waiting a year is a strategy, not a failure.

THE MOVING PARTS

What it actually takes to run one

Self-funding sounds complicated because the industry profits from it sounding complicated. Here are the four pieces that actually matter, in plain terms.

1. **A TPA — your third-party administrator**
   They process claims, manage eligibility, and handle the day-to-day so your HR team doesn't become a claims department. You're not building an insurance operation; you're hiring one piece of it.

2. **Stop-loss insurance — your safety net**
   Two layers: **specific** stop-loss caps what you pay on any one person's catastrophic year; **aggregate** caps your total annual claims across everyone. This is what makes self-funding a calculated risk instead of a gamble.

3. **A PBM — your pharmacy manager**
   Drug spend is often 20–30% of total health costs, so how your pharmacy benefit is priced matters enormously. Newer transparency rules give self-funded plans more visibility here than ever — use it.

4. **Plan design — the part you finally control**
   Deductibles, networks, what's covered and how — these become your decisions instead of a carrier's take-it-or-leave-it package. This is where self-funding stops being about cost and starts being about fit.

> **The reframe:** you don't run all of this yourself. You assemble a small set of specialists — administrator, stop-loss carrier, pharmacy manager — and keep the control and the savings that a fully-insured carrier would otherwise pocket.

THE NUMBERS, HONESTLY

What the math really looks like

Anyone who promises you a specific savings number is guessing — or selling. Here's how the economics actually tend to land, with the caveats that matter.

3–10%
Typical annual savings vs. fully insured, per common industry estimates

~73%
Of covered workers at 100+ employee firms are already in self-funded plans

2–4 mo
Of expected claims most advisors suggest holding in reserve

Figures above reflect widely-cited industry benchmarks (e.g., Kaiser Family Foundation, benefits-consultant estimates), not a projection for your specific group.

Three things the savings number won't tell you

Year one is the bumpy one. Savings tend to show up as your claims experience stabilizes and your plan design matures — not in month one. Budget for a transition, not an instant win.

Volatility is the price of upside. A fully-insured premium is smooth by design. Self-funded spend moves month to month. Stop-loss caps the ceiling, but you still feel the texture — which is exactly why reserves and group size matter so much.

The real return isn't only dollars. It's seeing where the money goes, designing benefits around your people instead of a carrier's menu, and — done right — letting employees share in what isn't spent. That last part is where the model gets genuinely interesting.

OUR HONEST STANCE

We won't put a savings figure on your company in a PDF, because we don't know your claims, your size, or your year. **A real number comes from your real data — and we'll run that with you before you commit to anything.**

THE PART NOBODY MENTIONS

The compliance reality

When you self-fund, you become the plan sponsor and a fiduciary — which means real obligations. None of this is a dealbreaker; thousands of employers handle it routinely. But you should walk in knowing it's work, not magic.

- ☐ **ERISA fiduciary duties** — you're now responsible for running the plan in your members' interest, with documentation to match.
- ☐ **Plan documents & SPD** — a formal summary plan description your employees can actually read.
- ☐ **Form 5500 & federal filings** — annual reporting obligations that scale with your plan.
- ☐ **ACA, COBRA & HIPAA** — coverage reporting, continuation rights, and data-privacy rules still apply.

A good TPA and a specialized broker carry most of this load with you. The mistake is assuming it isn't there.

WHERE WE COME IN

The honest-broker approach

Enough! Health Group Insurance exists for a simple reason: the employer health benefit should **build something** for the people it covers — not just spend something every year. We help employers move to models where what isn't spent doesn't vanish.

That means **employers** get cost they can finally see and predict, and **employees** get to own a stake in their own coverage instead of watching it evaporate at year-end. Both sides win, or it isn't worth doing.

> **And the honest part:** if a self-funded structure isn't right for your size or situation, we'll tell you — and point you somewhere that fits. Turning away the wrong fit is the whole point of being an honest broker.

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GROUP INSURANCE

See what the numbers look like for your people.

A 30-minute consultation includes a preliminary, no-obligation look at your group — and an honest read on whether self-funding is your move yet, or not.

No pressure. No "act now." If it's not the right fit, we'll say so.

Book an Employer Consultation

enoughhealthgroup.com · Speak with a real advisor, not a sales script