2025 Employee Benefits

MARKET TREND REPORT

Assurex® GLOBAL

Executive Summary

As 2026 approaches, the employee benefits environment shows no signs of slowing down. Plan modernization is accelerating across the industry, expanding what is possible for organizations and their people. At the same time, multiple years of escalating costs continue to shape decision-making, and heightened attention on fiduciary responsibility and transparency has put certain long-standing practices under the microscope. Balancing financial pressures with a strong participant experience and ongoing compliance will require a careful, strategic approach.

For benefits and HR professionals, staying connected to emerging trends is more important than ever. Throughout the past year, Assurex Global engaged with thousands of employers through webcasts and real-time polling to gain a deeper understanding of employer perspectives and actions in employee benefits and human capital management. This report compiles those monthly insights, presented from the most recent to the earliest.

Our goal with this summary is to provide employers with a clear and consolidated view of the trends shaping benefit programs today, enabling them to effectively plan for both the immediate future and the long term. We encourage plan sponsors to remain forward-thinking, informed, and ready to adapt. Assurex Global and our Partner Firms are committed to supporting your efforts as you refine and advance your benefits strategy for 2026 and the future.

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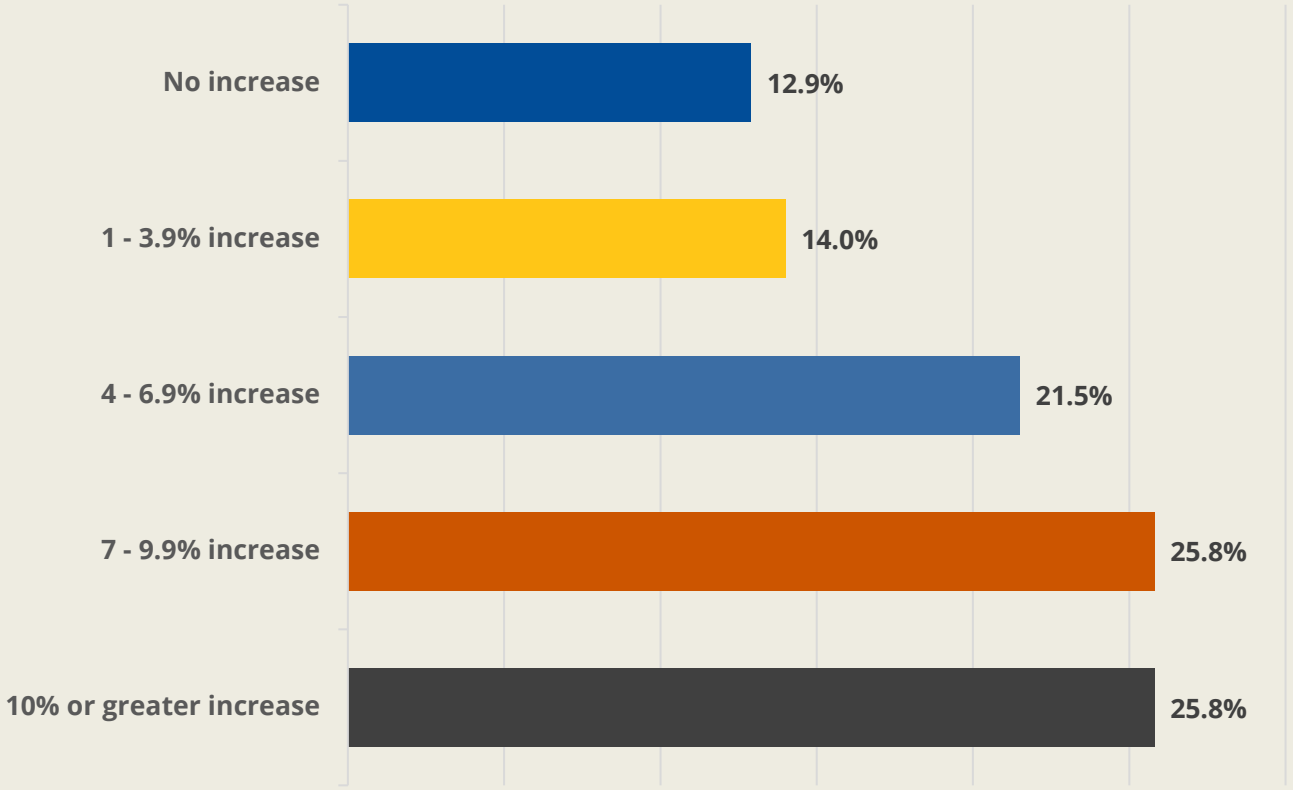
December 2025

As the year draws to a close, many employers are finalizing loose ends related to their medical renewals. For much of the last few months, we heard that 2026 renewals would be the most difficult in many years. Headwinds, including increased utilization of services, price inflation, high-cost specialty drugs, gene therapies, tariffs, and deterioration in overall health, led to exorbitant premium increases for many plan sponsors.

We conducted a survey on December 18 to confirm final cost impacts, causes, and tactics employers took to address their premium increases for the upcoming year. The following summarizes the responses.

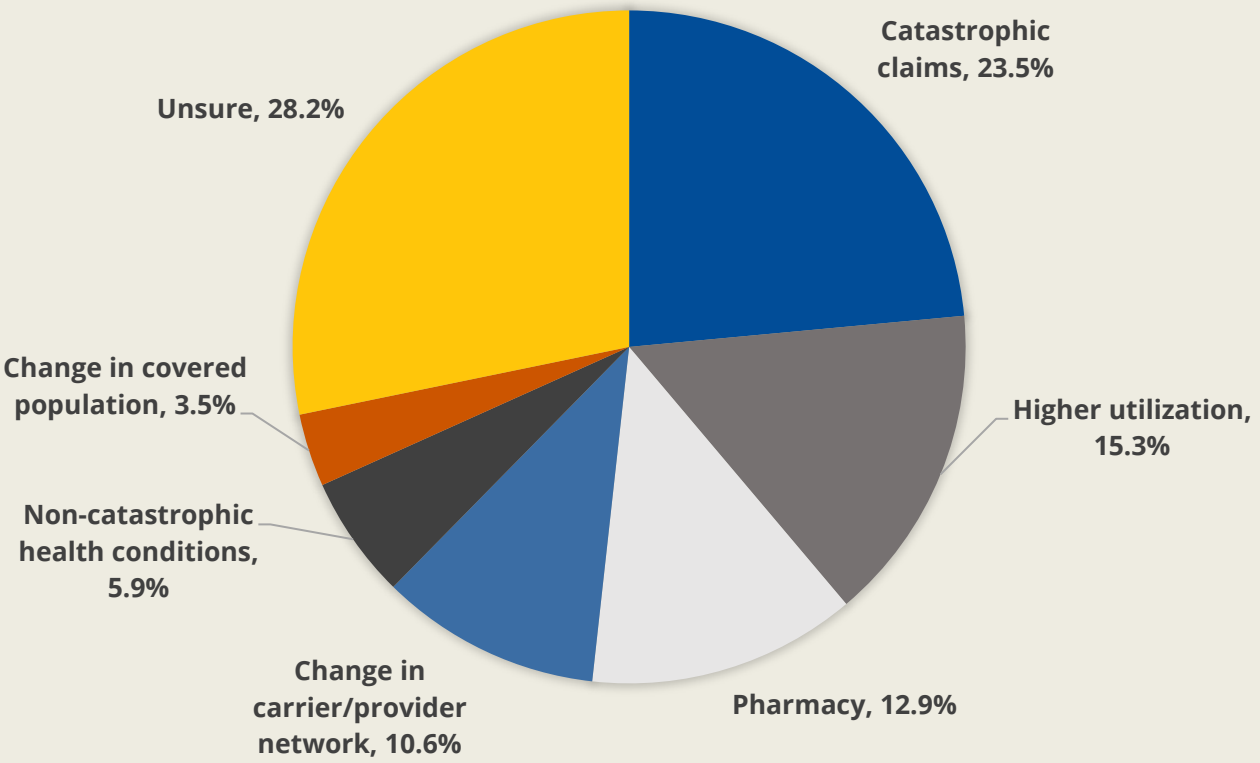
2026 Final Medical Cost Increase

(after all plan design, carrier and network changes)



**Results based on 95 employer respondents.*

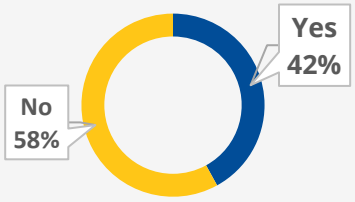
Primary Driver of Medical Plan Increase



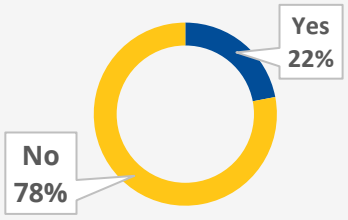
**Results based on 95 employer respondents.*

Medical Plan Changes Implemented for 2026

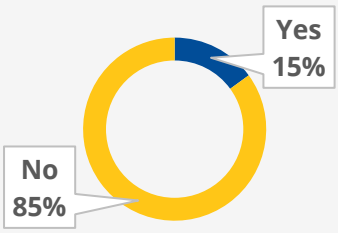
Increased Contributions



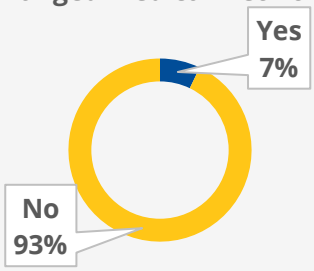
Changed Plan Design



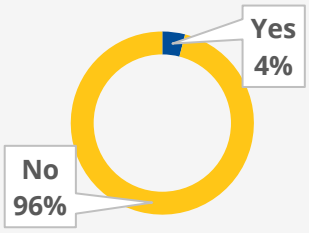
Changed Carrier/TPA



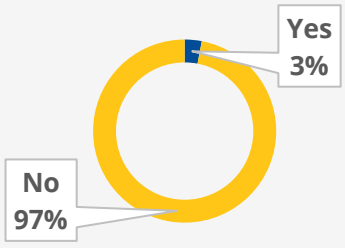
Changed Medical Network



Implemented Incentive/Surcharge

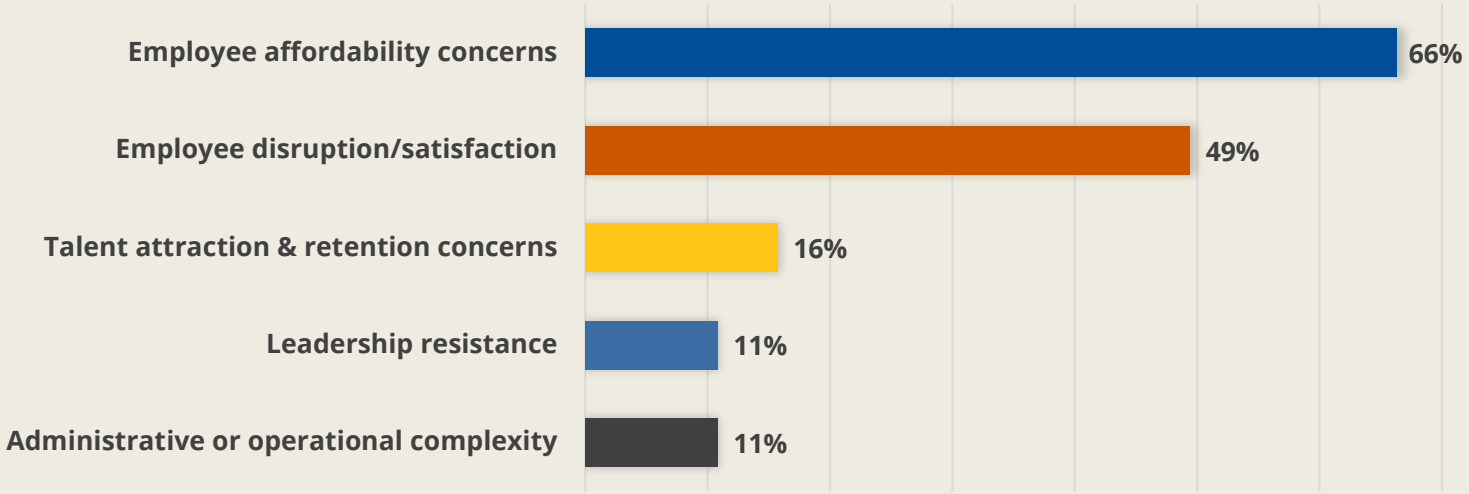


Changed Funding Type



28% elected to make no changes

What barriers prevent you from making bigger changes to your medical plan to control costs?



Other reasons cited that received less than a 10% response rate:

- Carrier or vendor limitations
- Collective bargaining or contractual limitations
- Limited data or insight into cost drivers
- Limited remaining levers

Key Findings

Unfortunately, the data confirms what was suspected for some time; 2026 was a challenging renewal year for many employers. Just over half of respondents are seeing their costs increase by at least 7% over 2025, and that is after they have made all possible changes to offset the price increase. The top changes implemented to reduce the cost increase were to increase employee payroll contributions and to revise the plan design. These are consistent with prior years and are the levers that can have the most immediate impact, but are felt heavily by employees.

There are currently numerous dynamics affecting healthcare premiums, and the primary driver for employers is also a mixture. The prevalence of catastrophic claims (those exceeding $1 million annually) continues to rise, and the overall utilization of the delivery system remains on the upswing as well. Pharmacy was the #1 driver last year, but dropped to third on the list this year. While not the primary cost driver for many, it still causes concern as prescription drugs become a greater share of the overall medical spend and will require continuous monitoring by benefit leaders.

Amidst all the difficulties with managing an employee benefits budget that is growing at a confounding rate, employers remain sensitive to additional changes. The workforce remains top of mind for benefit leaders as they contemplate revisions to their benefit plans. Affordability concerns and satisfaction remain critical factors for decision makers as they explore a benefits model for the future.

Should you have any questions regarding any of this information or want to discuss your health plan renewal, please contact your local Assurex Global adviser.

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Changes to Benefit Offerings in 2026

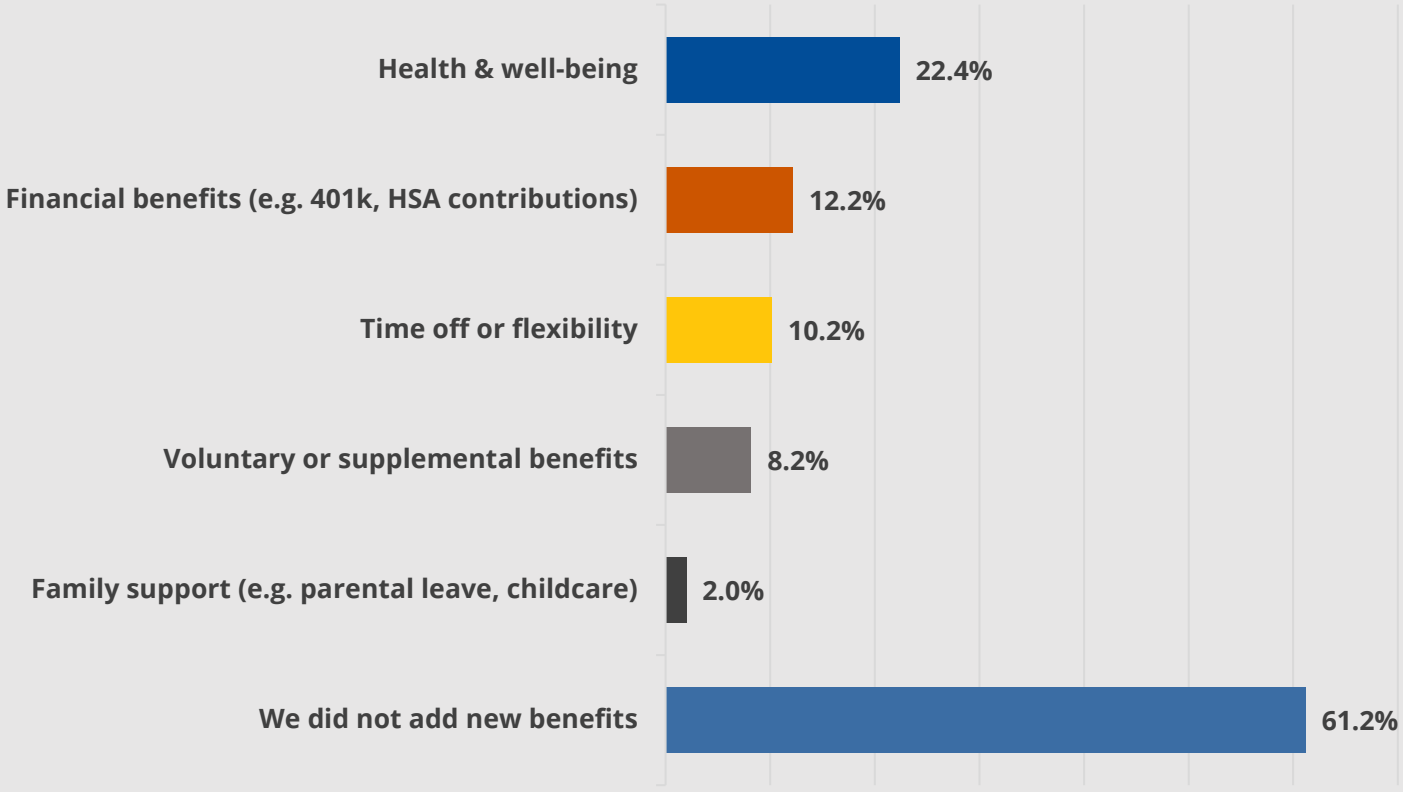
Employee Benefits Market Check Survey

November 2025

Employers again faced a challenging medical renewal season, prompting many to reassess their overall benefits strategy and make decisions about adding, enhancing, or reducing programs. As organizations continue to balance rising cost pressures with evolving employee expectations, the focus remains on maintaining a well-rounded benefits package that meets workforce needs while remaining financially sustainable.

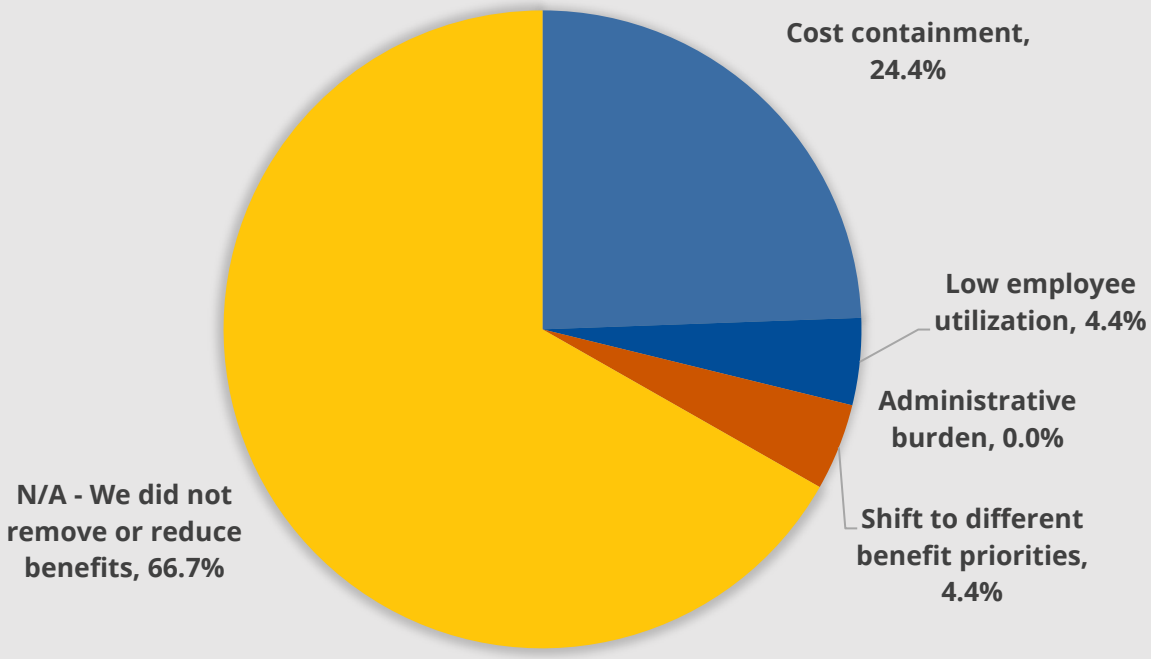
To better understand the changes employers are considering for 2026, we conducted two polls on November 20. The following summarizes the responses and highlights emerging trends.

If you added new benefits for 2026, which area(s) were most impacted?



**Results based on 49 employer respondents.*

If you removed or reduced benefits, what was the main reason?



**Results based on 49 employer respondents.*

Key Findings

We found that a significant number of employers have adjusted their benefits strategies for 2026. Approximately 39% reported adding new benefits, with the most common areas of expansion including health and well-being offerings (such as medical, dental, and pharmacy benefits).

On the other side, only 36% of respondents indicated they reduced or eliminated at least one benefit. Among those organizations, the most frequently cited reasons were for cost containment. A meaningful number of employers (67%) indicated no major changes, reinforcing that while some organizations are actively recalibrating their benefits, others are maintaining steady-state offerings. Given the very challenging 2026 renewal season, this was a surprising but welcome outcome.

Overall, the data highlights an environment where employers are balancing cost pressures and employee expectations, with many selectively enhancing benefits that support well-being, flexibility, and financial security, while reevaluating programs with lower impact or higher costs.

Should you have any questions regarding any of this information or want to discuss your benefits strategy, please contact your local Assurex Global adviser.

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Employer Compliance Perspectives

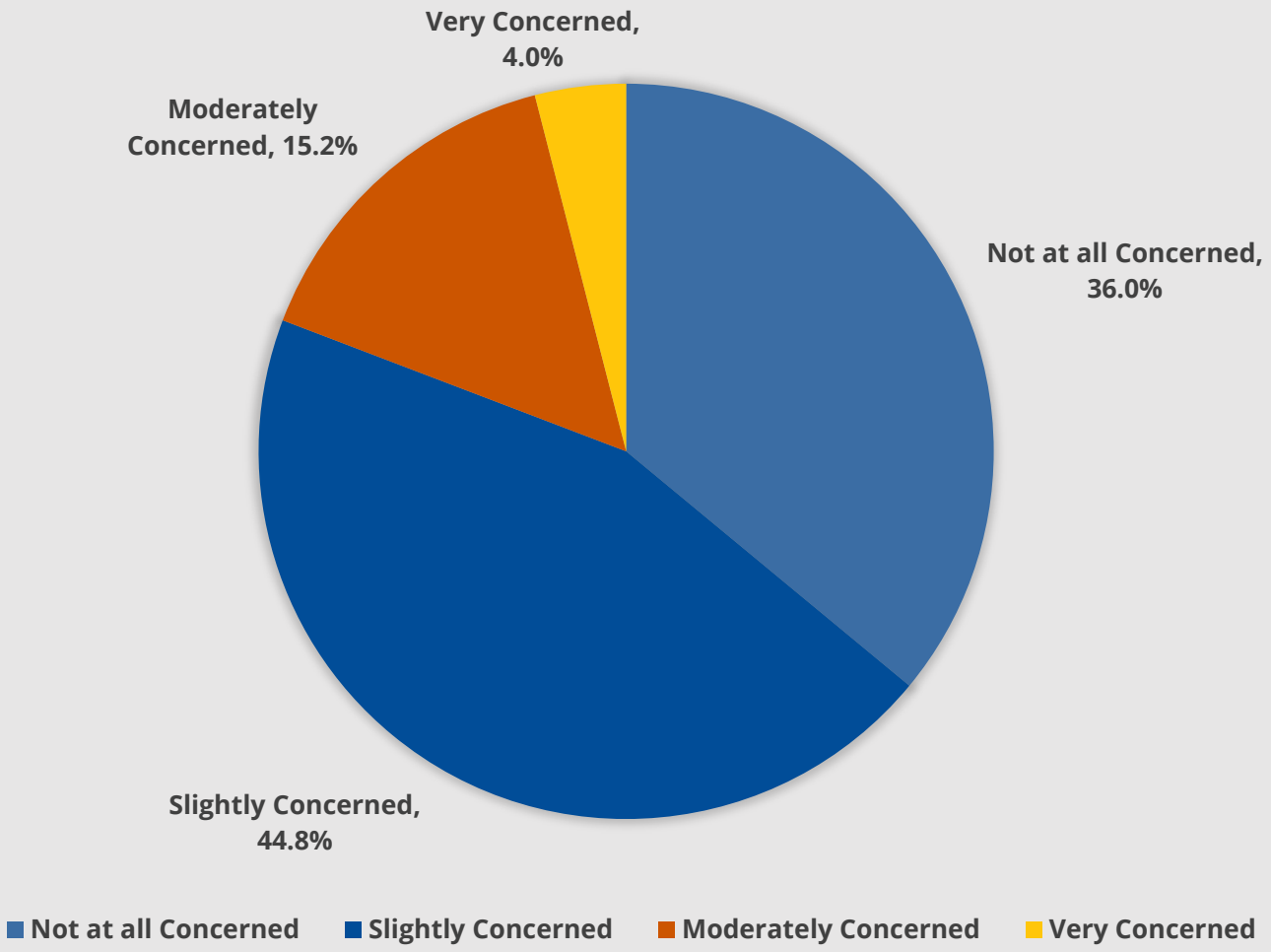
Employee Benefits Market Check Survey

October 2025

Sponsors of health and welfare plans may have noticed an increased scrutiny of employee benefit offerings recently. Employers face more complexity than ever before, making compliance and documentation more critical.

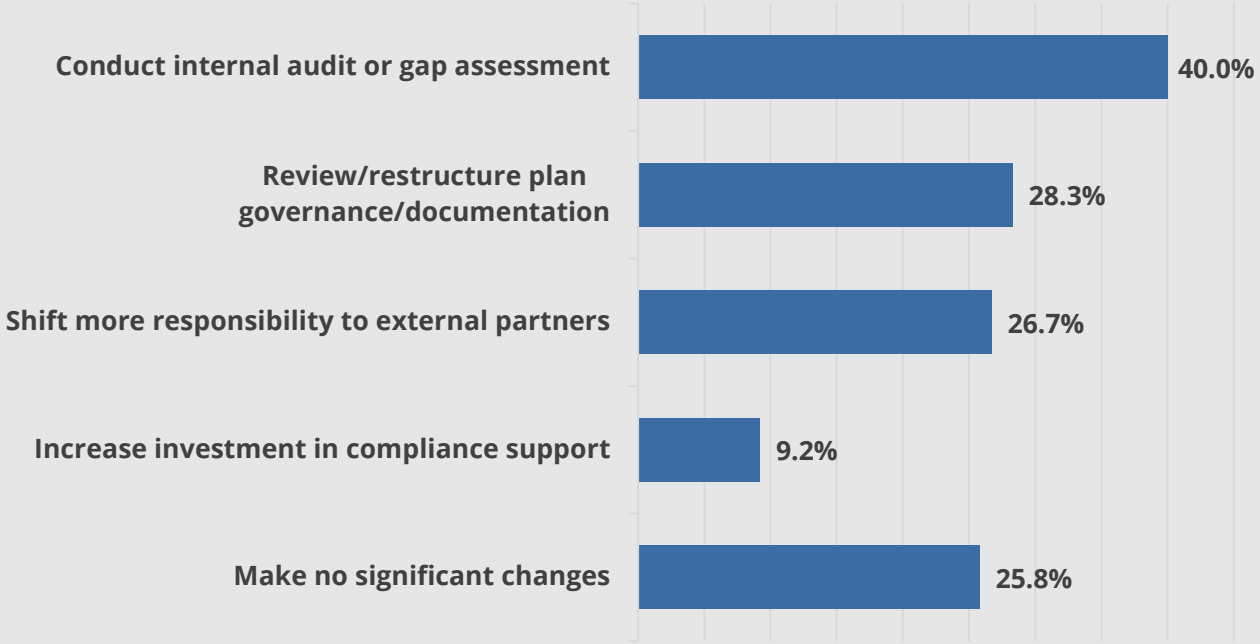
To gauge the temperature of how employers feel about their compliance status, we conducted two polls on October 23, focusing on how organizations are approaching initiatives for 2026 and beyond. The following results highlight employer attitudes.

How concerned are you that your organization may face compliance scrutiny in the next 12-24 months?



**Results based on 125 employer respondents.*

Given rising scrutiny of health plans, do you expect your organization to:



**Results based on 120 employer respondents. Respondents could select multiple options.*

Key Findings

Approximately 80% of respondents have moderate or no concern that they will face any additional scrutiny of their benefit offerings in the next year or two. While apprehensions are low, a notable portion of respondents (74%) are taking proactive steps to ensure readiness. Benefit managers should take the time to review their compliance posture, recognizing that compliance is a process that requires continuous attention. Some companies believe that because they are small, they wouldn't be a candidate for an audit; however, plan size doesn't matter if litigation or an investigation arises from a participant complaint or a regulatory inquiry.

Beyond conducting audits or reviewing documentation, what are some other ways employers can respond to these issues?

- Review fiduciary roles
- Formalize governance
- Ensure accurate and timely documentation and update documents when necessary
- Conduct audits of external vendors
- Review employee communications to ensure they are clear and consistent
- Stay informed as this area will continue to change, both at the federal and state levels.

Remaining compliant not only avoids costly penalties, it can also further build trust with those employees the benefit plans strive to protect and reinforces the integrity of the benefit plans designed to insure them.

Should you have any questions regarding any of this information or want to discuss your compliance strategy, please contact your local Assurex Global adviser.

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Employer Total Well-Being Perspectives

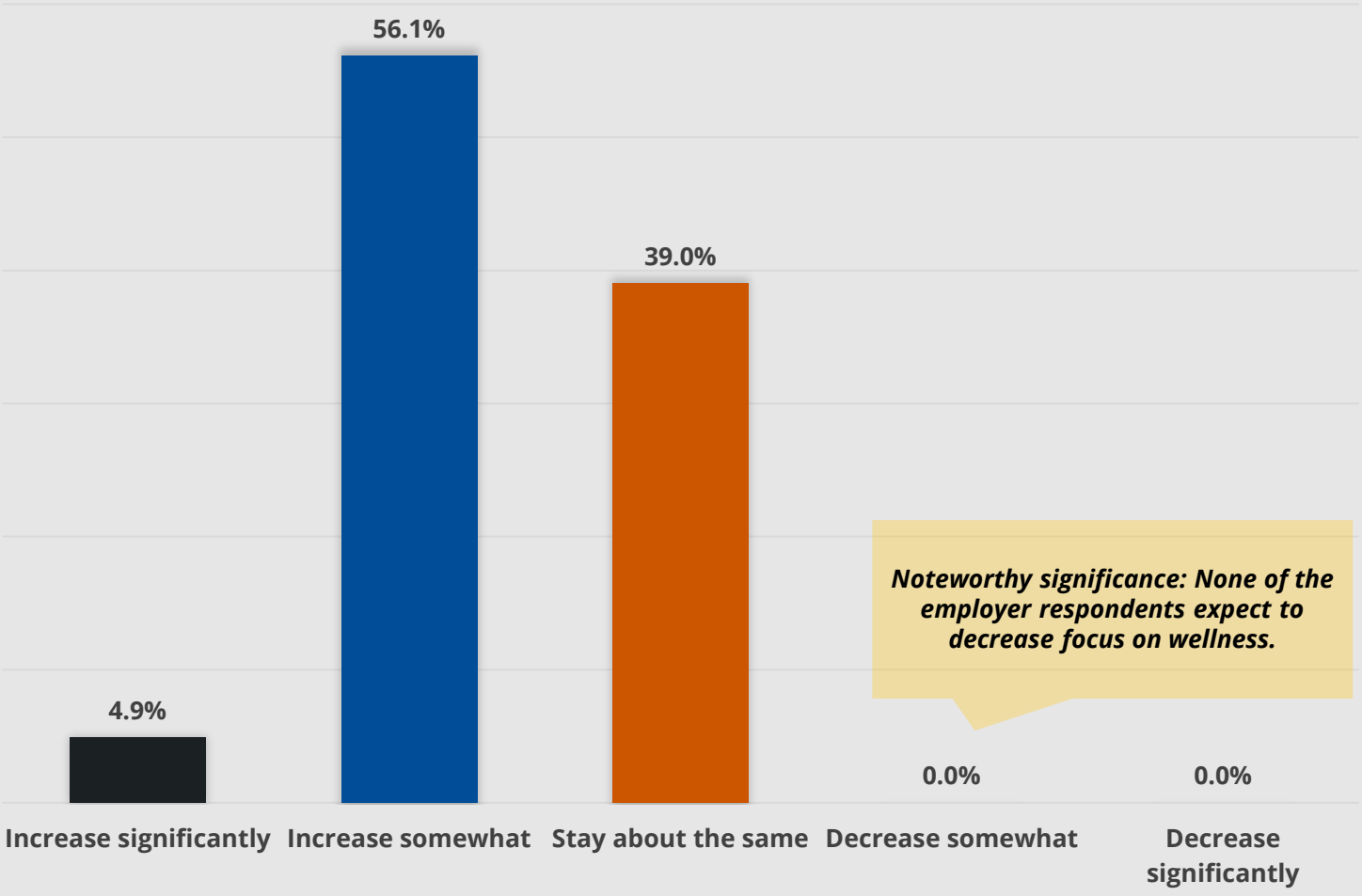
Employee Benefits Market Check Survey

September 2025

Total well-being (also referred to as wellness) refers to the holistic approach to supporting the overall health and quality of life of employees. It emphasizes physical, financial, emotional/mental, and social health. Employers have been focused on improving the total well-being of their workforce due to its impact on culture, talent attraction and retention, healthcare costs, and productivity.

To gain insights into employer perspective on future well-being strategies, we conducted two polls on September 25 focused on how organizations are approaching initiatives for 2026 and beyond. The following results highlight employer attitudes.

How do you expect your organization's focus on well-being to change over the next three years?



*Results based on 41 employer respondents.

Top Changes to the Well-Being Offering in 2026

34% **Improve communication/education around existing program(s)**

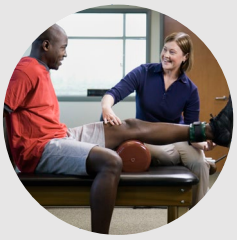
10% **Add new focus area (e.g. mental health or caregiving)**

9% **Implement a brand-new offering**

8% **Change wellness vendor(s)**

50% are taking no specific action






**Results based on 163 employer respondents. Respondents could select multiple options; the top four responses are highlighted above.*

Key Findings

Many employers are bracing themselves for a difficult renewal season with significant medical cost increases on the horizon. Rising healthcare expenses are forcing challenging choices and may influence how organizations prioritize and allocate resources towards well-being initiatives, from expanding existing programs and introducing new resources to streamlining vendors and adopting emerging technologies. The data above confirms that of the 50% taking some proactive measures, most focused on trying to improve education and communications on what is currently available. A stronger focus on existing programs can help maximize the financial investments already made. Half of the respondents are choosing to take no action.

At the same time, high medical trends are shaping decision-making. Some employers may view well-being as a lever to help manage healthcare costs and reduce claims, while others may scale back offerings to balance their budgets. Fortunately, as of now, employers are not looking to reduce their well-being budget over the next three years. Forward-looking perspectives suggest that well-being will remain a strategic priority overall, with mental health, financial wellness, and technology-enabled solutions expected to see the most growth.

Should you have any questions regarding any of this information or want to discuss your total well-being strategy, please contact your local Assurex Global adviser.

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Employer Actions on OBBBA

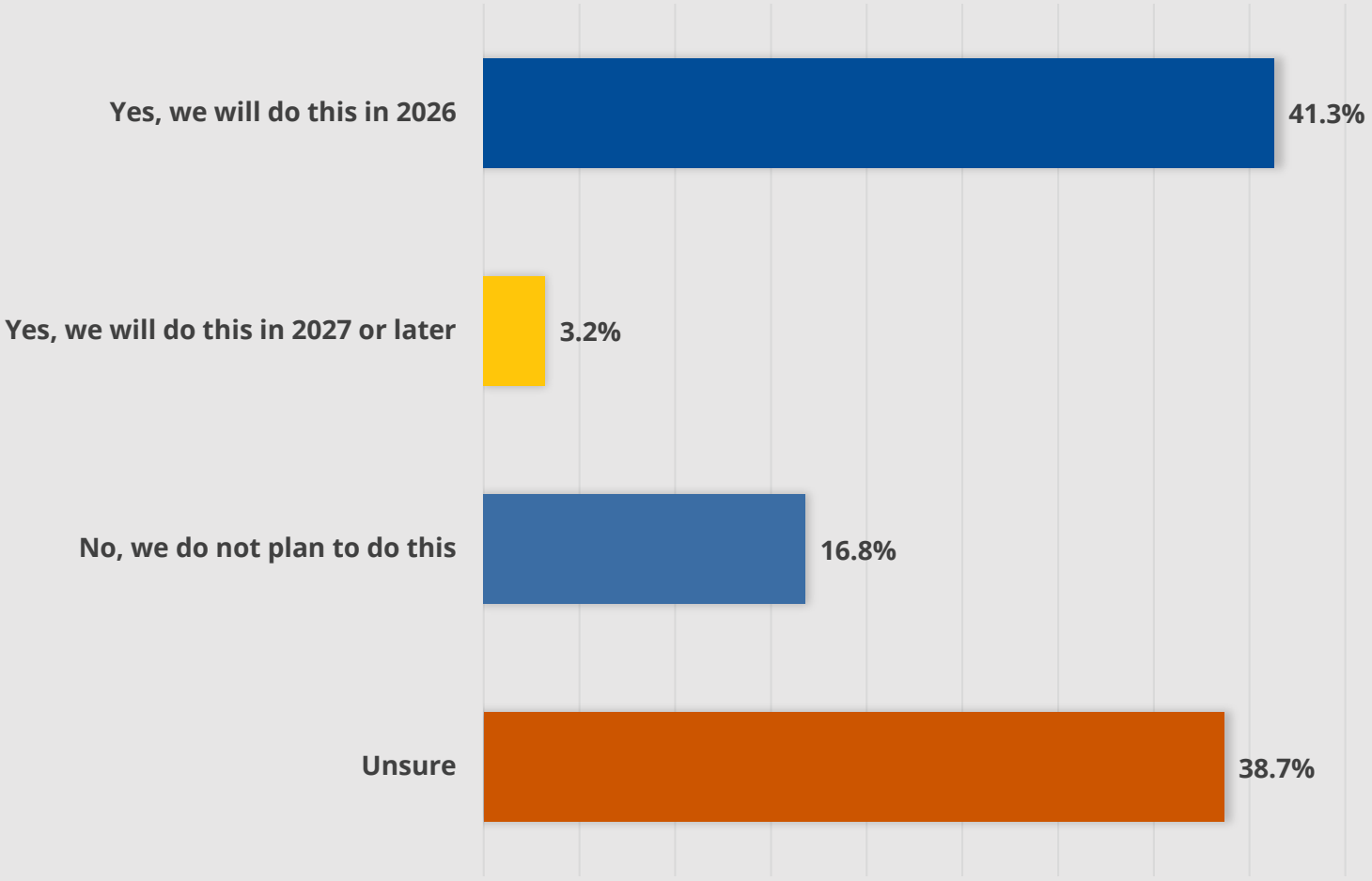
Employee Benefits Market Check Survey

August 2025

The One Big Beautiful Bill Act (OBBBA), enacted in July 2025, impacts a wide variety of workplace issues, and employers are facing important decisions about how these changes may affect their benefit strategies. From the treatment of HSAs and telehealth, to the potential impact of so-called "Trump Accounts," to adjustments in DCAP limits, student loan repayment, and other provisions, organizations must determine how (and when) to respond.

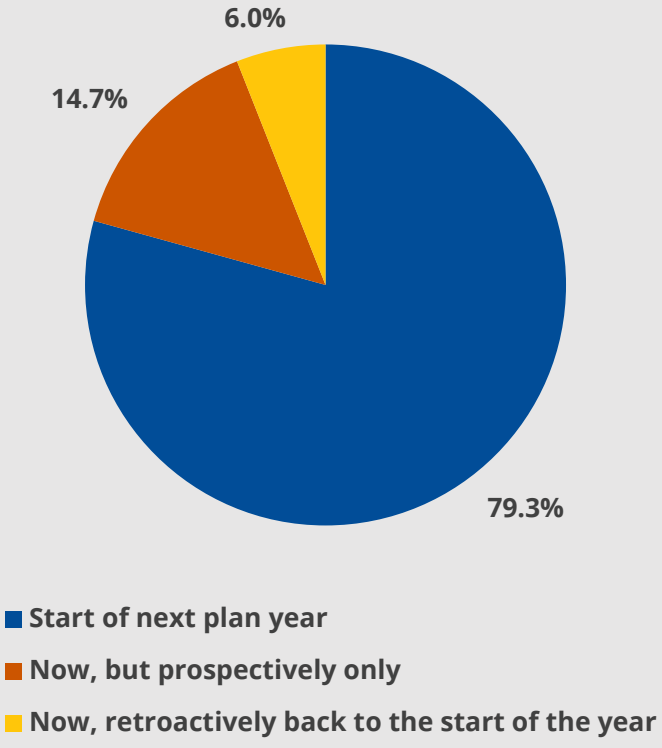
To better understand employer perspectives, we conducted several polls on August 21 to understand how they are approaching these changes and what actions they may take in the months ahead. The following results highlight where employers stand today.

The annual reimbursement limit for a DCAP will increase to $7,500. Will your company increase its limit?



**Results based on 339 employer respondents.*

HSAs: When do you intend to eliminate the Fair Market Value fee for use of telehealth?



Other Highlights

The OBBBA permanently allows employers to make tax free student loan reimbursement payments of $5,250 per year, beginning in 2026.

Only 2.5% of employers said they will now begin making student loan payments (another 10% indicated they already offer repayment assistance)

The OBBBA creates "Trump Accounts" to promote long-term saving for children. Employers may contribute $2,500 per year per dependent child.

Only 2% of employers are committed to contributing in 2026 or later. Another 51% say they are Unsure.

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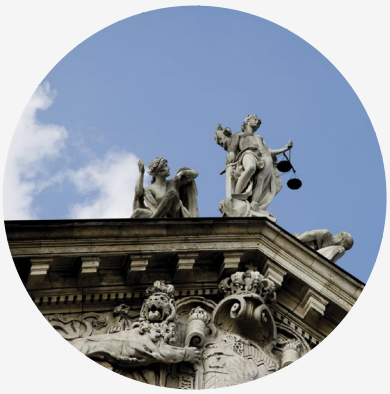
Key Findings

With the OBBBA only having passed recently, there is much to digest. There are some positive changes included in the bill that affect employee benefit plans. Many are still unsure whether they will adopt any of the changes included in the bill, and that is understandable. As annual enrollment draws near for many businesses, leaders should incorporate OBBBA benefit planning into their overall strategy for 2026 and beyond, with the DCAP limit decision being a critical one. While the message of increasing the limit will be positive, employers must be careful to avoid failing the non-discrimination test.

The workforce's demands will continue to evolve, and plan sponsors should continue evaluating their offerings to ensure they meet the employees' needs. Clear communication is always critical and will be even more so for the upcoming year.



Should you have any questions regarding any of this information or want to discuss the OBBBA in greater detail, please contact your local Assurex Global adviser.

What Employers Are Watching in EB

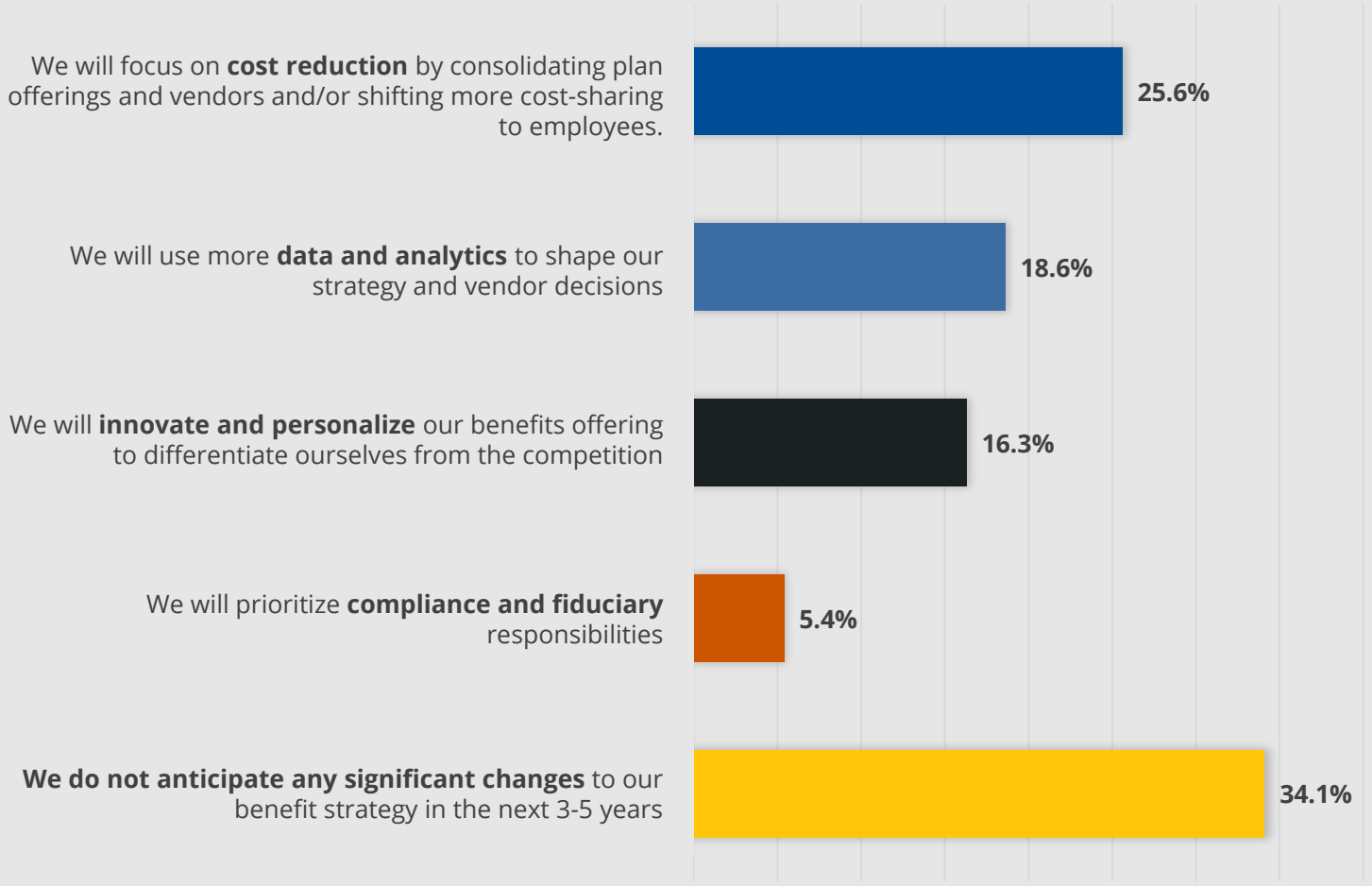
Employee Benefits Market Check Survey

July 2025

As the employee benefits landscape grows more intricate, employers are under constant pressure to manage rising costs, ensure compliance, and meet the evolving expectations of a diverse workforce. With a seemingly endless array of strategies, technologies, vendors, and plan designs to consider, making the right decisions can feel overwhelming. Amid this complexity, many employers are stepping back to take a more strategic, forward-looking approach.

We conducted a poll on July 21 to capture employer perspectives on the evolving employee benefits space. The results are summarized below.

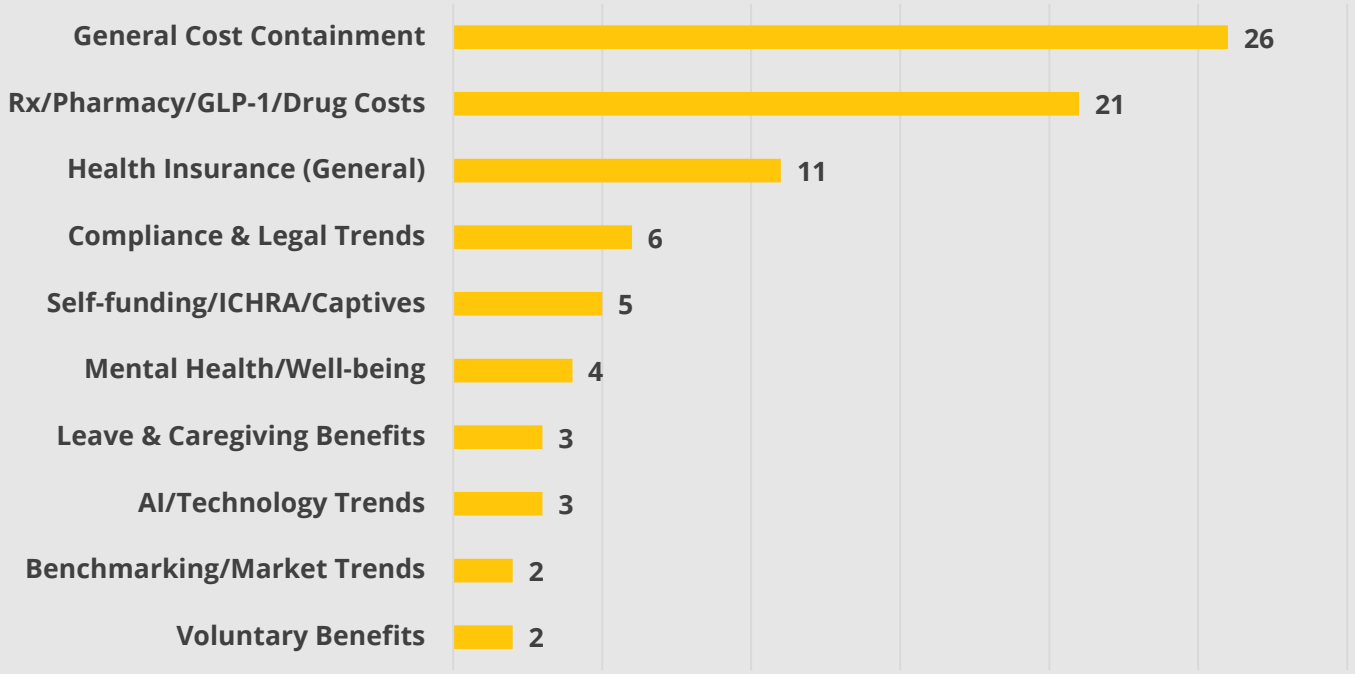
How do you see your employee benefits strategy evolving over the next 3-5 years?



**Results based on 129 employer respondents.*

What Trends in Employee Benefits Are You Monitoring Most Closely? (Open-Ended Question)

Responses were normalized and categorized into common themes to identify the most frequently mentioned trends across open-ended employer feedback.



Response Highlights

"We are looking at the cost as well as encouraging our employees to utilize generic prescription drugs."

"Health insurance premiums. The costs are staggering."

"Pharmacy management—GLP medications—claims that hit the stop loss limit."

"What changes in health, mental health, and caregiving are going on."

"Compliance, with ever changing federal and state regulations."

"I am still new to this role and learning what trends I should be monitoring the most."

"We are looking at the needs of our employees and what direction prices are going in to make a decision that works best for us."

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Key Findings

Employers are facing a benefits landscape marked by increasing complexity, rising costs, and evolving employee expectations. Across both questions — what trends they're monitoring and how they see their benefits strategy evolving — **cost containment emerged as the dominant theme for employers**, particularly related to health insurance premiums and pharmacy spend. High-cost therapies such as GLP-1 medications were frequently cited, alongside concerns about out-of-pocket costs, plan design, and stop-loss claims. Some employers are actively exploring strategies such as self-funding, ICHRA models, and reference-based pricing to manage financial risk. Meanwhile, a smaller but notable number are paying close attention to compliance with federal and state regulations, signaling ongoing concern over the administrative and legal complexity of benefits programs.

Beyond cost, several employers are looking ahead and prioritizing **more flexible, personalized benefits**, a theme reflected in both the open-ended comments and the multiple-choice responses. Mental health, caregiving support, and voluntary benefits were highlighted as areas of growing interest. Others mentioned the potential role of **AI and technology** in shaping future strategy, especially in relation to plan management, employee experience, and internal consulting capabilities.

Key Takeaways for Employers:

- **Prioritize cost transparency and control**, especially around Rx spend, high claims, and specialty medications.
- **Explore benefit models** such as ICHRA, captives, alternative provider networks, and self-funding to increase flexibility and financial sustainability.
- **Keep a pulse on employee needs** as mental health, financial planning, family support, and ease of access continue to rise in importance.
- **Stay ahead of regulatory shifts**, particularly in multi-state environments or industries with rapidly changing compliance requirements.
- **Use data and analytics** not only for cost control but also to support better plan design, additional products, engagement, and outcomes.

Should you have any questions regarding any of this information or want to discuss your employee benefits strategy, please contact your local Assurex Global adviser.

For additional insight into some of the topics covered here, we invite you to visit some of our other Market Check Surveys:

- Employer Strategies for GLP-1 Drugs
- Affordability and Alternative Provider Networks
- Benefit Priorities and Strategies in 2025

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Health Plan Fiduciary Approach

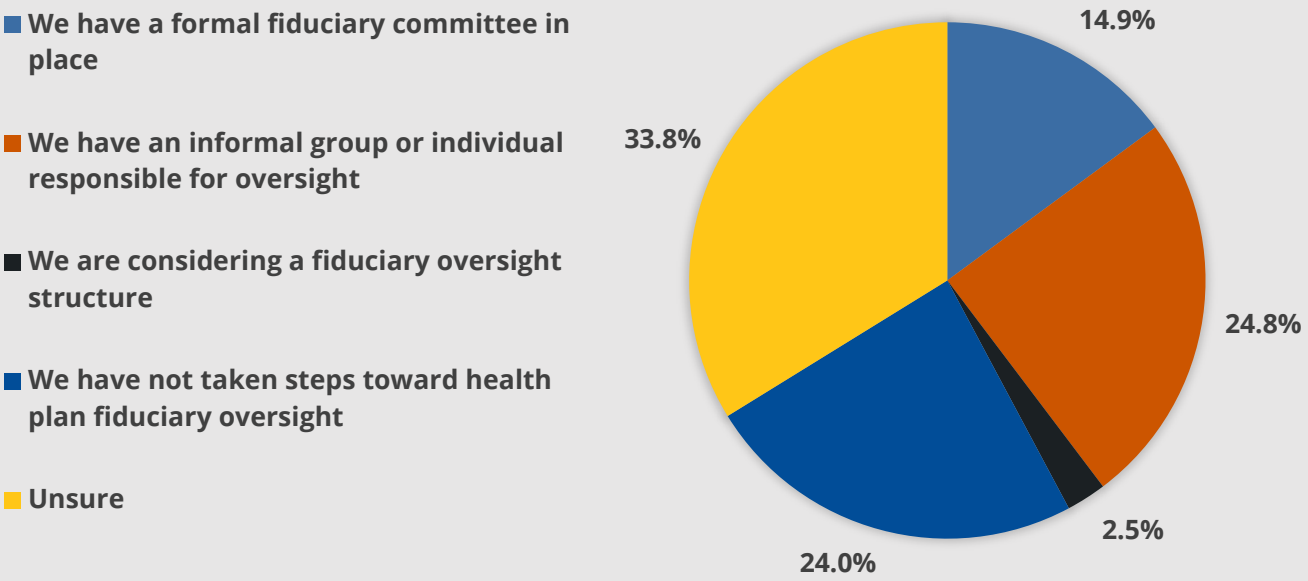
Employee Benefits Market Check Survey

June 2025

Employers that sponsor employee benefit health and welfare plans have always had responsibilities as ERISA fiduciaries. The Consolidated Appropriations Act (CAA) of 2021 contained additional rules pertaining to fiduciary obligations, and recent class action lawsuits have further highlighted the importance of the fiduciary role.

We conducted a survey on June 26 to understand how employers currently view their role as health plan fiduciaries. The results are summarized below.

Which best describes your organization's current approach to health plan fiduciary oversight?



**Results based on 121 employer respondents.*

Fiduciary Duties Reminder

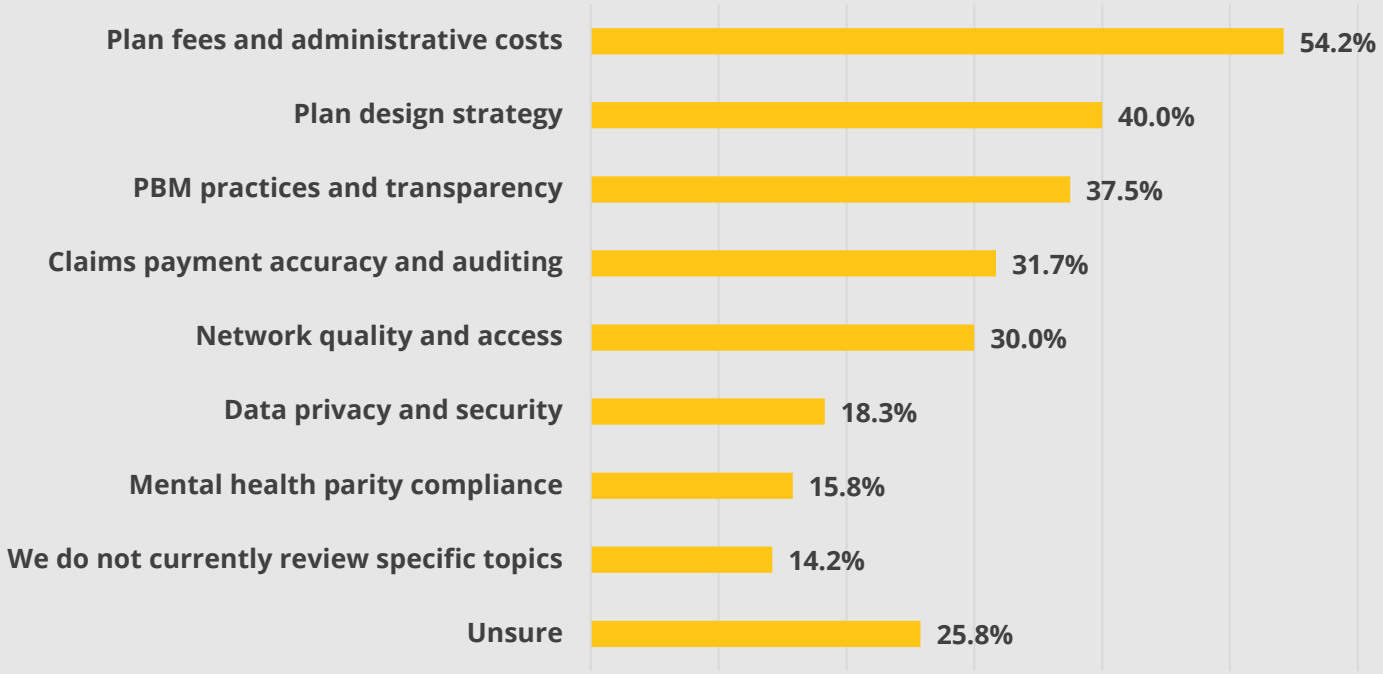
Duty of Loyalty – Act solely in the interest of plan participants.

Exclusive Benefit – Act for the exclusive purpose of providing plan benefits.

Duty of Prudence – Act with the care, skill, prudence, and diligence that a prudent person acting in a like capacity would.

Duty to Plan Adherence – Follow the plan documents.

What topics does your company typically review as part of its health plan fiduciary responsibilities?



Key Findings

These poll results highlight that while some employers are taking meaningful steps to fulfill their health plan fiduciary responsibilities, many have room to grow. Just under 15% of respondents have a formal fiduciary committee in place, and about a quarter have an informal structure or individual handling oversight. However, more than half either haven't taken any steps, are considering what to do next, or are simply unsure, underscoring the need for greater awareness and action.

It's encouraging to see that many employers are focusing on critical fiduciary areas like plan fees (54%), plan design (40%), and pharmacy benefit management transparency (38%). Selecting and monitoring plan vendors is one of the most important responsibilities of an employer. Lower response rates for topics like data privacy and security (18%) and mental health parity compliance (16%) suggest that important fiduciary risks may be overlooked. Notably, about 14% do not review any specific fiduciary items, and over a quarter are unsure of what they monitor—an exposure that could create compliance and legal challenges.

As fiduciary duties for health plans receive more attention through legislation and litigation, it's clear that employers should re-examine their oversight structure and practices. Establishing clear accountability, conducting regular reviews of plan costs and services, and ensuring transparency with vendors are key steps to managing risk and acting in employees' best interests. For many employers, now is the time to move from informal conversations to a formal, documented approach to health plan fiduciary responsibility.

Should you have any questions regarding any of this information or want to discuss your role as health plan fiduciary, please contact your local Assurex Global adviser.

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Employer Strategies for GLP-1 Drugs

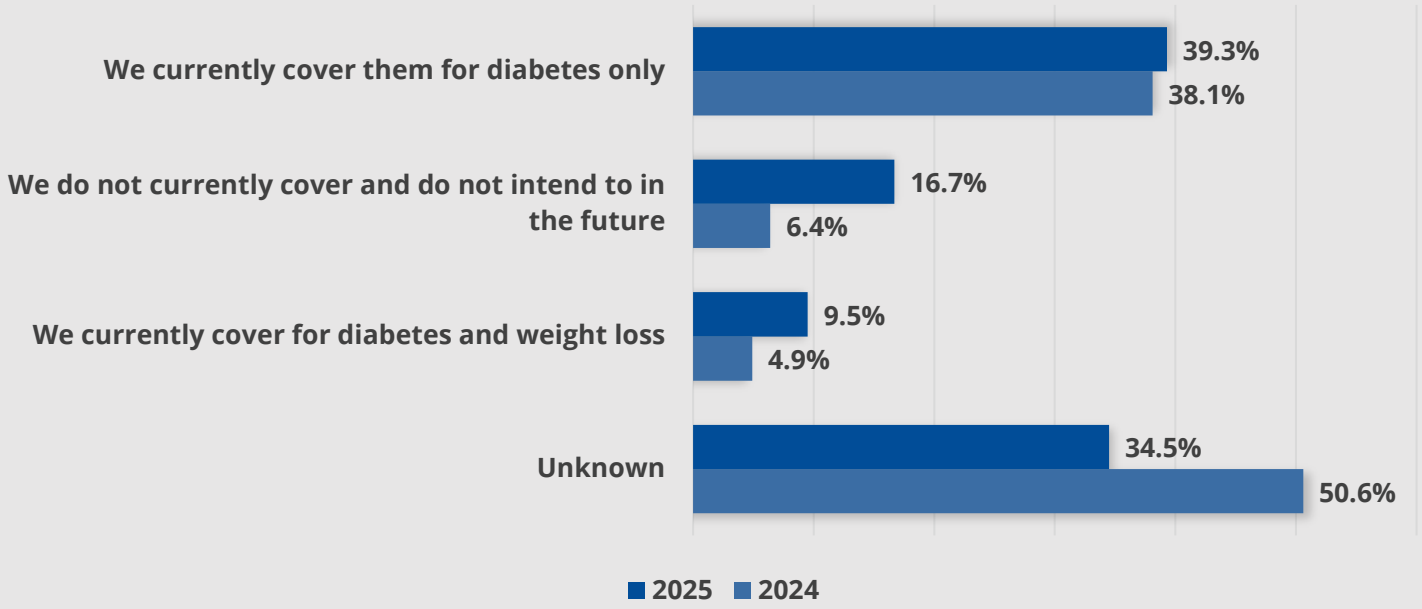
Employee Benefits Market Check Survey

May 2025

The market for GLP-1 drugs such as Wegovy or Ozempic continues to change quickly. Competition for various forms of these drugs has heated up, and other forms are being developed. Further, these drugs are becoming less invasive, which means interest and demand may be on the rise. While these medications may support improved employee health, the high cost and questions about long-term use present challenges.

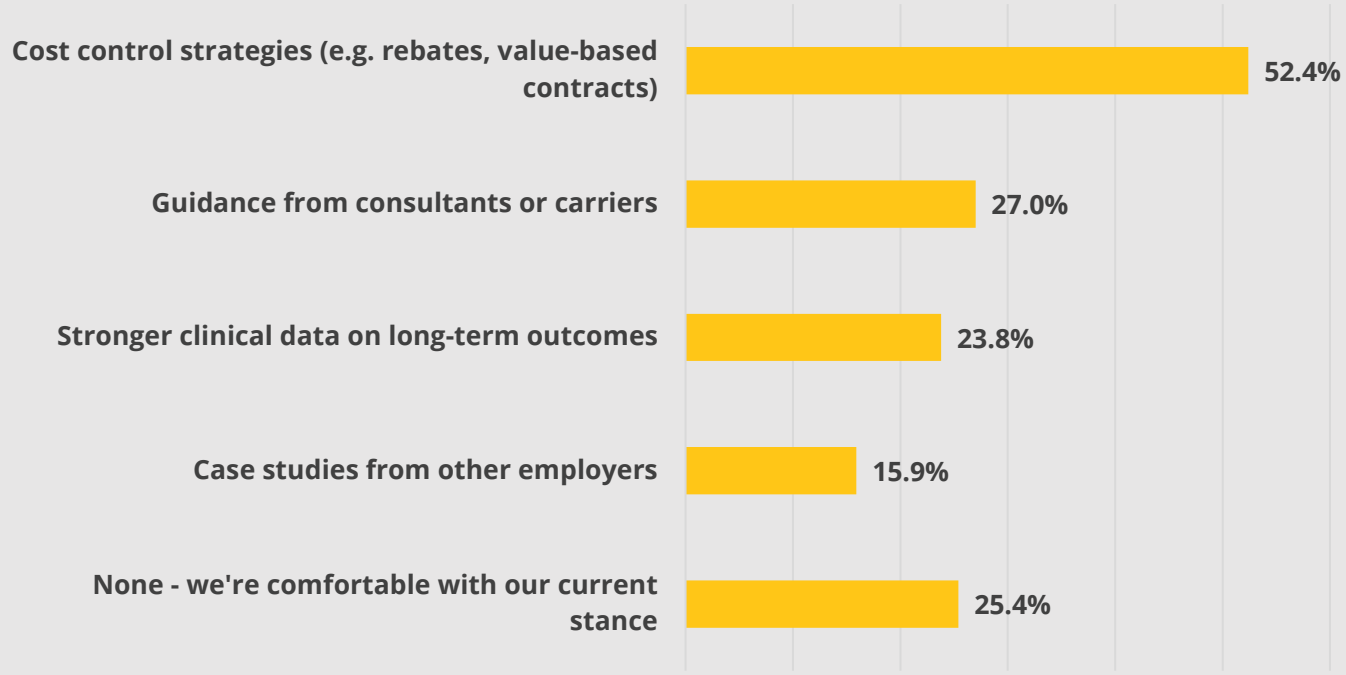
To better understand how employers are approaching GLP-1 drug coverage decisions, we conducted a survey on May 22 to explore how coverage has changed since last year and what additional factors are being considered. The results are summarized below.

How does your plan currently cover GLP-1 drugs?



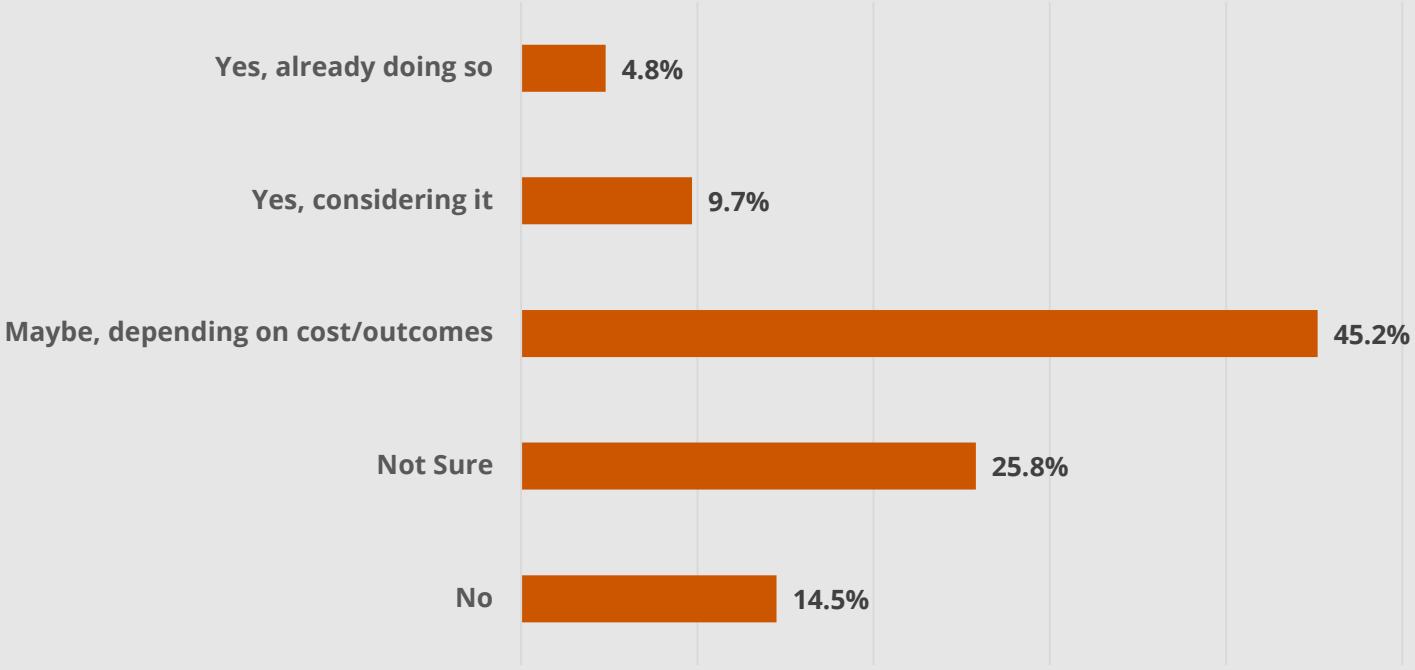
**Results based on 85 employer respondents.*

If you do not currently cover GLP-1 drugs for weight management, what support would you need to feel more comfortable doing so?



Would you consider offering GLP-1 drugs for weight management through an alternative path?

(e.g., weight management programs, virtual clinics, or centers of excellence)?



Key Findings

GLP-1 drugs continue to be a difficult subject for employers. These drugs have demonstrated a real impact on an individual's health; however, the costs continue to rise and can exert enormous pressure on benefit budgets that are already pushed to their limit. Further, the long-term impacts of these drugs have not been studied to any great extent.

While more employers are covering GLP-1 drugs for weight loss than last year, the vast majority are not, citing cost concerns and clinical uncertainty. Growing employee interest, emerging offerings from insurers and PBMs, and evolving data on long-term outcomes may prompt employers to revisit their strategies. As this landscape continues to shift, we encourage employers to consider a balanced approach. Coverage of these pharmaceuticals should be in conjunction with other wellness and disease management programs.

An established plan will be important for employers exploring coverage of these drugs. Working closely with your benefits broker can help you navigate these considerations and design a strategy that aligns with your organization's goals and budget.

Should you have any questions regarding any of this information or want to discuss your pharmacy strategy, please contact your local Assurex Global adviser.

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Taxability of Certain Employee Premiums

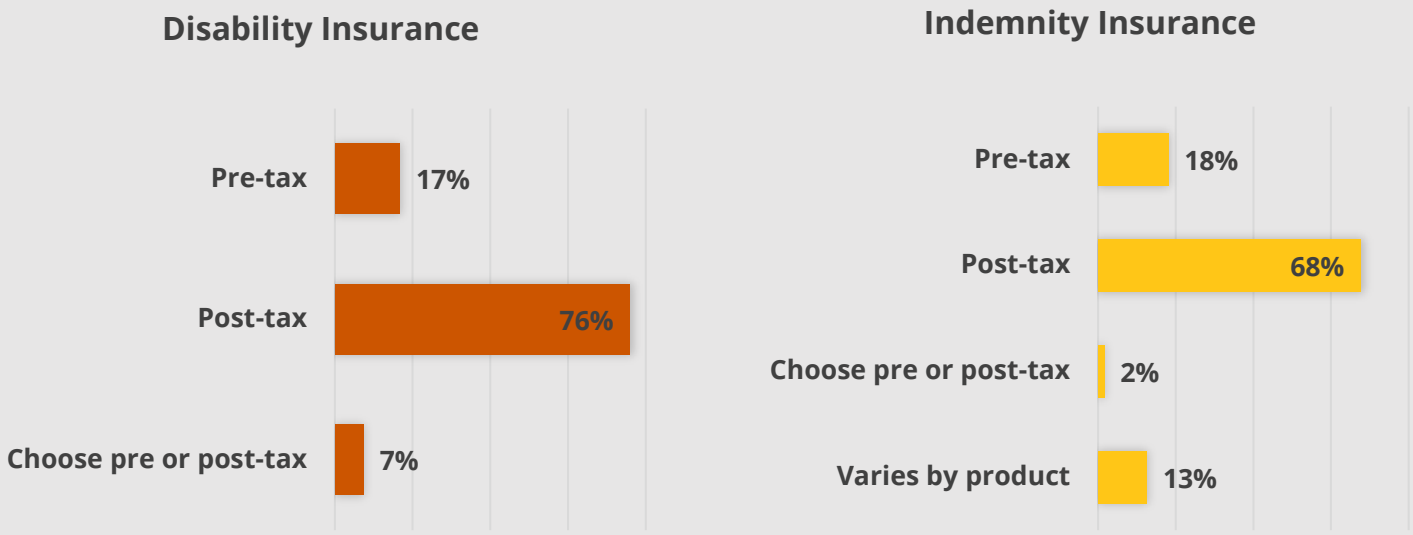
Employee Benefits Market Check Survey

April 2025

Many employers provide disability coverage and voluntary indemnity benefits (accident, hospital, cancer) to their workforce. While the benefits are important, they do not carry the same tax-advantaged treatment as health coverage. The benefits payable may be taxed to the employee depending on how the premium is paid.

On April 17, we conducted a survey to determine whether employers allow their employees to contribute for certain coverages on a pre-tax or post-tax basis. The results are in the charts below.

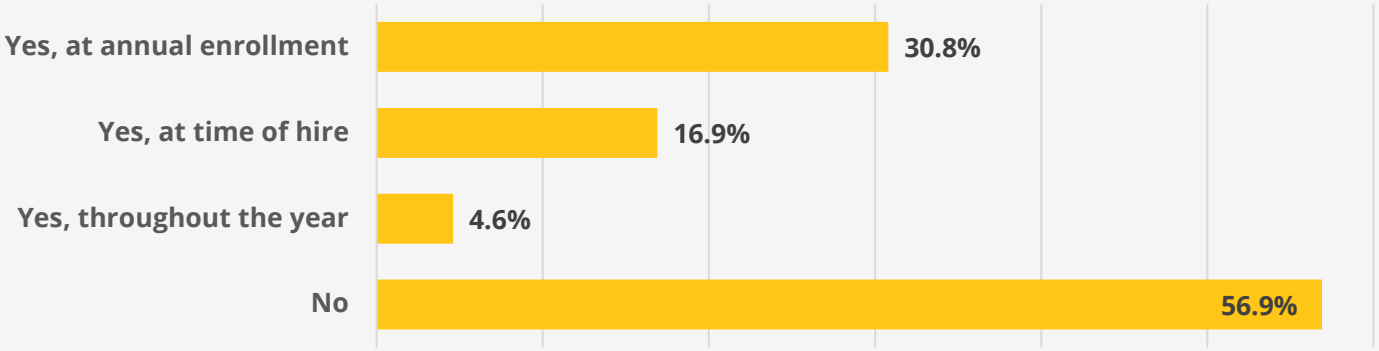
How are employee contributions handled for tax purposes in your organization?



**Results based on 127 employer respondents.*

Advantages of pre-tax contributions are immediate tax savings and higher take-home pay while the disadvantage is a future tax liability.

Do you provide education to employees around the tax implications of the contribution options?



**Results based on 130 employer respondents. Allowed to select multiple answers.*

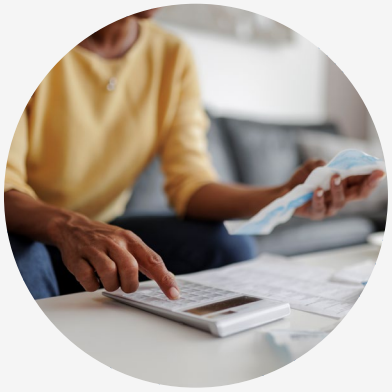
Key Findings

While employers may offer the option to contribute to these coverages on a pre-tax basis—either partially or in full—doing so is generally not recommended. Any benefits received would then be subject to taxation, significantly reducing the amount employees receive when they need it most.

For disability insurance, paying premiums on a **post-tax** basis reduces an employee's tax burden during a time when finances may already be strained. It also increases the effective percentage of income replaced during a disability. Similarly, for voluntary fixed indemnity plans, **post-tax** contributions eliminate the requirement for employees to substantiate actual medical expenses incurred.

As a result, most employers encourage or require employees to make **post-tax** contributions for these types of coverage.

Whether you allow pre-tax or post-tax contributions, providing clear education on the reasoning behind these structures helps employees better understand and appreciate the value of their benefits. Currently, just over half of employers don't offer any education on this topic throughout the employee life cycle, highlighting a valuable opportunity to foster more informed and confident benefit decisions.



Should you have any questions regarding any of this information or want to discuss your premium options, please contact your local Assurex Global adviser.

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Enhancements to Employee Benefits Offerings

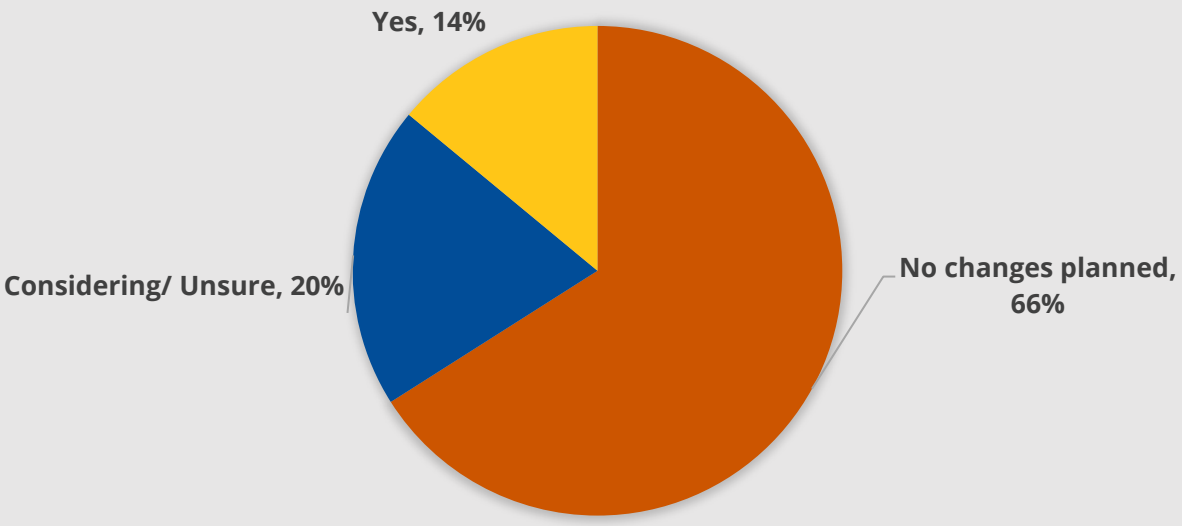
Employee Benefits Market Check Survey

April 2025

In today's uncertain economic climate, employers face growing pressure to manage costs while continuing to support employee well-being and workplace satisfaction. Since benefits play a critical role in both attracting and retaining top talent, organizations must carefully balance offering competitive packages with staying within budget.

On April 17, we conducted a survey to better understand whether employers are planning to add or enhance employee benefits. The results are summarized below.

Is your organization planning to add or enhance any employee benefits to improve attraction and retention?



**Results based on 160 employer respondents. Responses were open-ended and have been categorized into "Yes," "No changes planned," or "Considering/Unsure" for clarity and consistency in analysis..*

Key Findings

While two-thirds of employers indicated they are not currently planning changes to their benefits offerings, several noted that they regularly evaluate their packages for competitiveness or have recently implemented improvements. Several respondents expressed interest in enhancing benefits but cited budget constraints as a barrier.

Among those planning to expand offerings, ideas ranged from student loan assistance and wellness programs to pet insurance, bonus incentives, advocacy services, retirement plan enhancements, EAPs, and more.




In today's volatile economy, the importance of continuous benefits evaluation cannot be overstated. Workforce expectations, financial pressures, and market dynamics are constantly shifting. Staying attuned to benefit trends can reveal opportunities to improve employee support, often without significantly increasing costs. Low-cost or no-cost options, such as voluntary benefits, can still have a meaningful impact on recruitment, retention, and morale. Make sure you're fully leveraging all available options - including any value-adds provided by your carriers, such as an EAP or financial wellness tool. Even in lean budget years, a proactive approach ensures your benefits strategy remains aligned with employee needs and your organization's talent goals.

Should you have any questions regarding any of this information or want to discuss your employee benefits strategy, please contact your local Assurex Global adviser.

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Affordability & Alternative Provider Networks

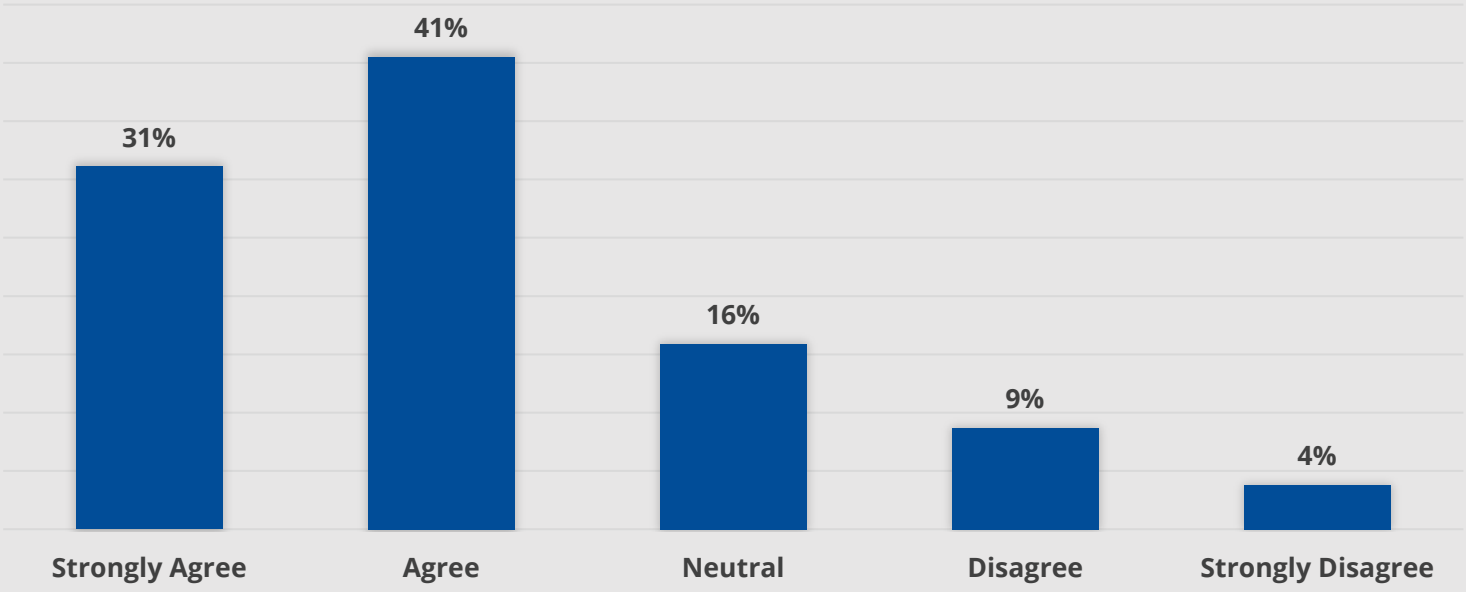
Employee Benefits Market Check Survey

March 2025

Healthcare costs continue to rise, placing significant pressure on employers and employees. The 2025 renewal cycle was the most challenging in the last four years, and companies will need to explore more aggressive strategies to make an impact.

On March 20, we conducted a survey to gain insight into whether employers believe benefits affordability is a challenge for their workforce. We also sought to understand if employers will explore different provider networks to combat the escalating costs. The results are in the charts below.

Our employees are having a more difficult time affording benefits than 2 years ago

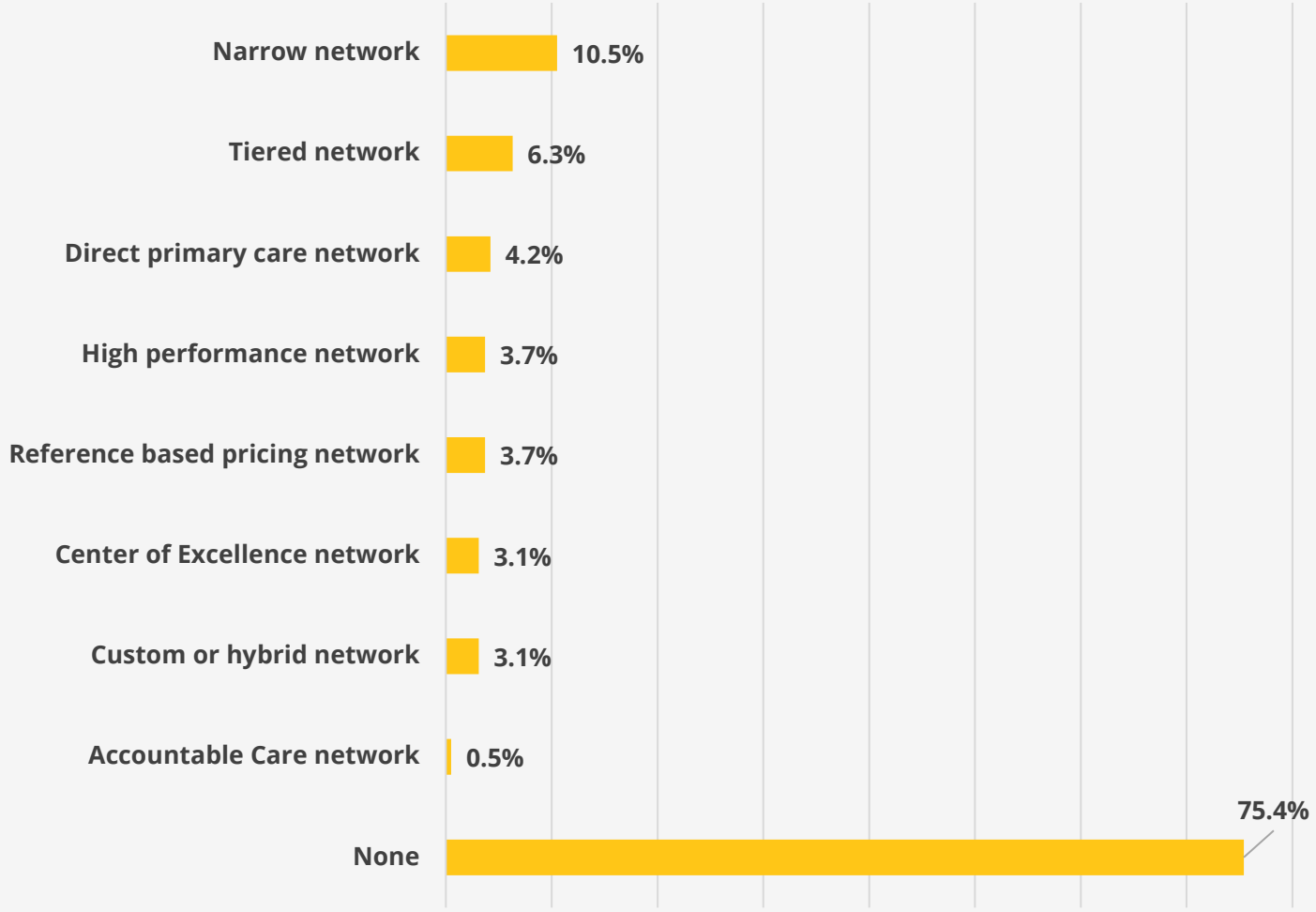


**Results based on 264 employer respondents.*

We asked the same question of employers in 2022, and 47% of respondents agreed/strongly agreed that employees were having a more difficult time affording their benefits. In three years, that has increased to 72%. Employers and employees may find themselves at a crossroads very soon.

Alternative Provider Network Options

Which of these alternative provider networks will you implement in 2026?



Industry Insights

Healthcare employers are the most likely to implement an alternative provider network, with nearly 40% adopting this approach — significantly higher than the 25% reported across all respondents. Narrow networks were the most common type, used by 17% of healthcare employers. Since healthcare employers understand care delivery, complex reimbursement models, and clinical outcomes, it is no surprise they are considering alternative networks.

In contrast, non-profit organizations were the least likely to implement alternative networks, with just 15% opting for this strategy in 2026. Some may feel that restricting provider choice misaligns with their mission or could hamper their employee retention.

Key Findings

The January 2025 renewal cycle was difficult, with 39% of employers seeing their medical costs increase by 7% or more after all changes were implemented. Further, 34% of employers changed payroll contribution amounts, and 19% changed plan design. When these changes occur, they have a direct impact on the plan's affordability for the employee. Business leaders must explore other options that can improve quality and affordability.

One lever employers can pull, which will not impact a worker's paycheck, is adjusting the type of provider network offered to the workforce. The traditional network provides access to almost all providers with discounted fees. While access is rarely an issue, these networks typically do not differentiate between cost, quality, or outcomes. Given the complexity of change and the need to balance disruption with cost control, it's not surprising that most employers aren't implementing an alternative network. However, with rising costs, now may be the time to evaluate whether narrowing networks or directing employees to the providers that can offer care at the very best level can help plan sponsors manage healthcare trends without asking employees to shoulder more of the financial burden.

Should you have any questions regarding any of this information or want to discuss affordability or network options, please contact your local Assurex Global adviser.

Alternative Network Definitions

Narrow Network – limits coverage to smaller group of providers; employees have less choice but receive savings.

Tiered network – categorize providers into tiers based on quality and cost; employees pay less (lower copays/deductibles) when choosing providers in higher tiers

High-performance network – includes providers that meet high standards for cost, efficiency and outcomes

Direct primary care network – employer contracts directly with providers for unlimited access; employees pay a flat fee

Center of Excellence network – specific procedures are done at specialized hospitals or clinics; employees receive high-quality care but may need to travel

Accountable Care Organization network – Groups of providers who coordinate care to improve quality and are incentivized via a shared savings program

Reference Based Pricing network – sets fixed provider reimbursement rate based on Medicare or similar; employees pay more if cost is above reference rate

Hybrid/Custom network – A combination of elements from other models above.

Benefit Priorities & Strategies in 2025

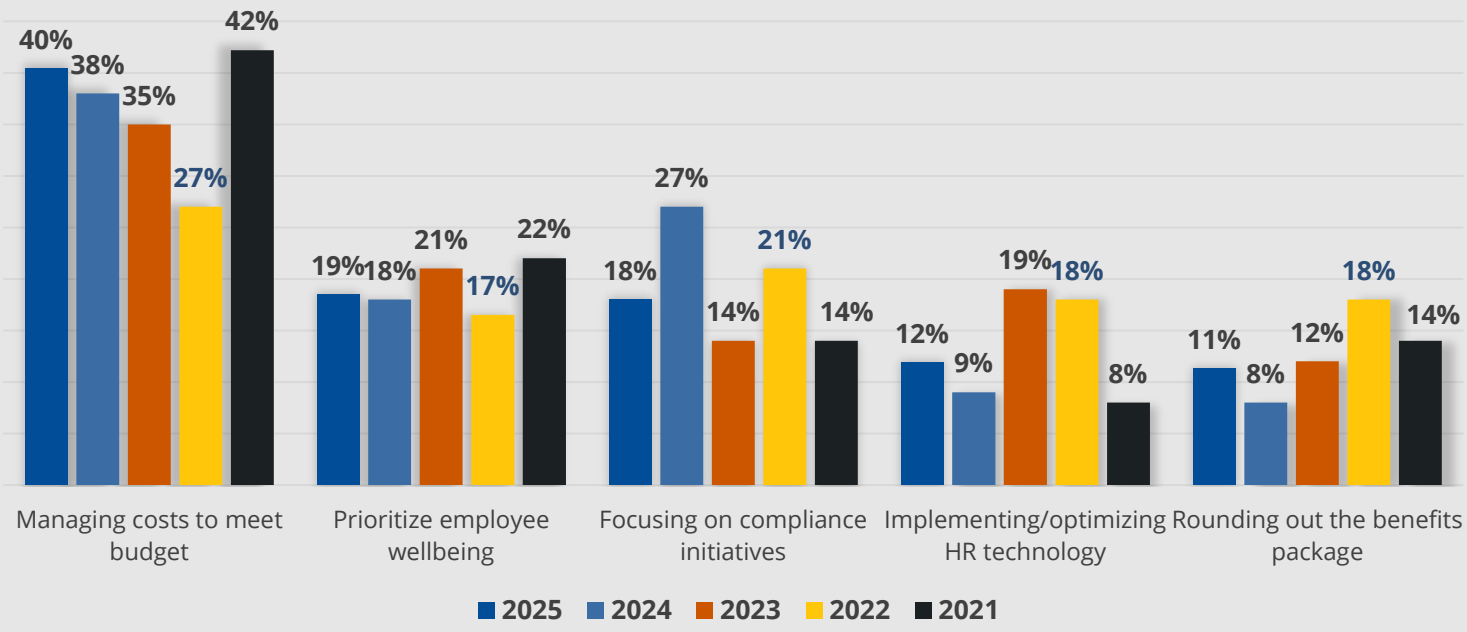
Employee Benefits Market Check Survey

February 2025

As another year has kicked off, employers have many areas of focus regarding their benefit programs. It can also be challenging to achieve all goals in a single year, so decision-makers must prioritize their efforts based on their unique circumstances.

On February 20, we conducted a survey to gain insight into employers' top priorities for 2025 and how they compare to prior years. We also sought to understand the strategy(ies) employers are deploying to manage their benefits costs. The results are in the charts below.

Top Benefit Priority By Year



*2025 results based on 344 employer respondents.

Benefit managers always have an eye on the program's finances, and with inflation, rising pharmacy spending, and continued chronic conditions, this year will be a challenging one in the cost area. As such, it is no surprise that four in ten employers say managing costs to meet their expected budget is the #1 priority this year (the highest rate since 2021).

Strategies to Manage Benefit Costs to Meet Budget

29% Add a wellness program
Compared to 14% in 2024

14% Offer direct primary care/concierge services
Compared to 2% in 2024

11% Implement disease/care management program
Compared to 6% in 2024

7% Exclude coverage for certain drugs
Compared to 6% in 2024

6% Transfer stop-loss coverage to group captive
Compared to 3% in 2024

3% Add Center of Excellence (COE)
Compared to 0% in 2024

3% Provide second opinion program
Compared to 0% in 2024

41% Are taking no specific action
Compared to 60% in 2024

Industry Insights

While employers are generally focused on managing costs, we observed variations in priorities by industry. Construction employers cited compliance initiatives as their top priority for 2025 (29%), remaining consistent with 2024. They are also the least likely to implement cost-saving strategies, with only 32% taking some type of action.

Thirty-nine percent of non-profits stated their main priority was employee well-being, a change from last year, when a focus on compliance initiatives was their lead priority.

Key Findings

The January 2025 renewal cycle was difficult, with 39% of employers seeing their medical costs increase by 7% or more after all changes were implemented. After absorbing significant premium increases, ensuring that costs do not exceed budget is even more critical. Plan sponsors cannot afford to sit idle. Almost 60% of employers are deploying strategies this year to help manage their costs – a 20% increase from last year. This effort is led by expanding opportunities for employees to improve their health, with twice as many employers investing in wellness programs as last year.

With a proactive approach, employers can work to impact their benefits spend. While nearly 40% have yet to implement specific strategies, those who do have the opportunity to improve financial stability, enhance employee well-being, and better navigate future renewal cycles. By making thoughtful adjustments, employers can balance affordability with the need to offer competitive benefits.

Should you have any questions regarding any of this information or want to review your priorities, please contact your local Assurex Global adviser.

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Annual Enrollment Opportunities

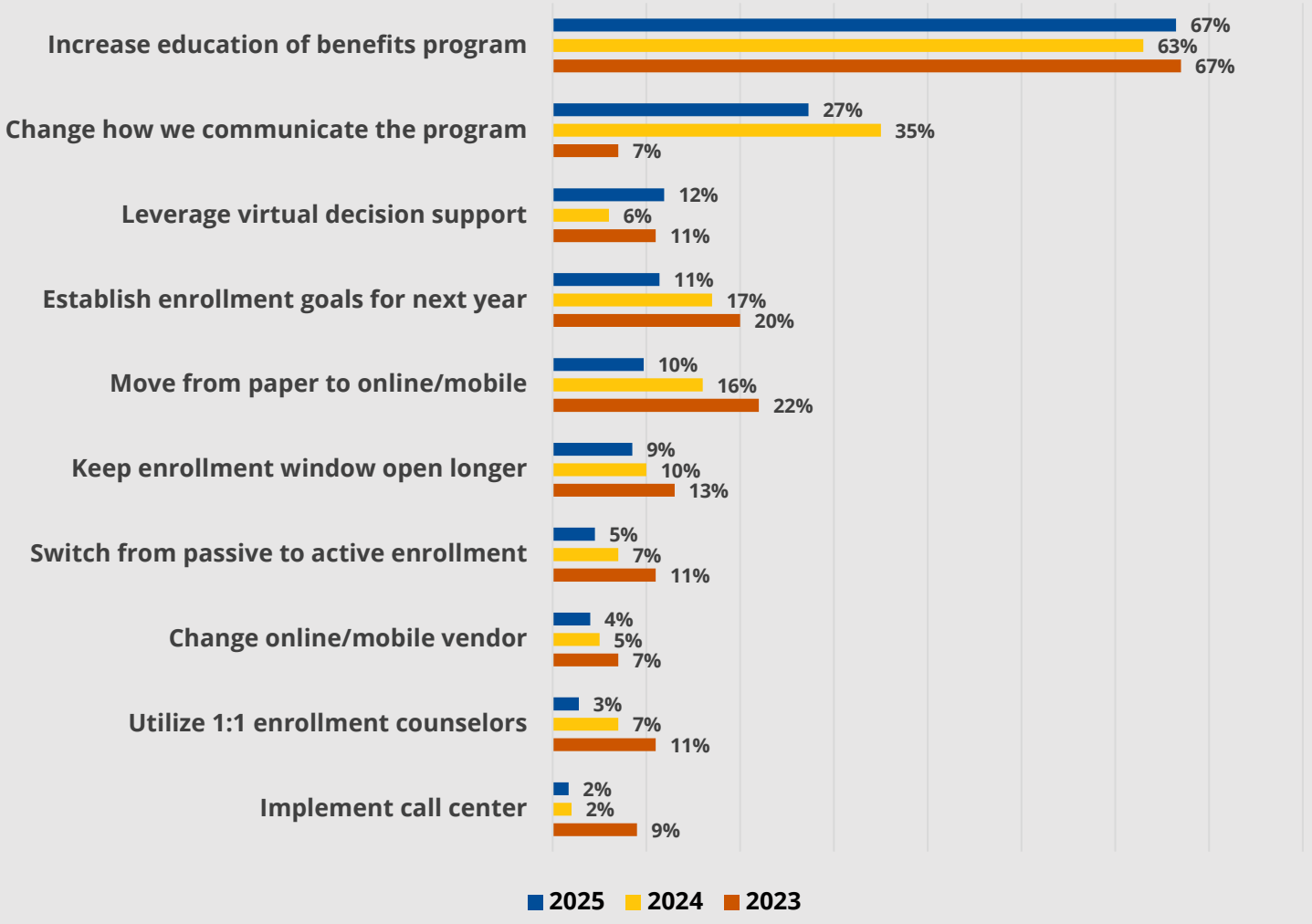
Employee Benefits Market Check Survey

January 2025

With a new benefits year underway, employers can evaluate the success of their annual enrollment process. A company's benefits package plays a vital role in an employee's overall compensation, making it essential to ensure those offerings are fully utilized. Providing a smooth and streamlined enrollment experience supports employees in making informed choices and boosts overall satisfaction and engagement.

Employers can always improve their enrollment experience. On January 16, we conducted a survey to better understand how companies feel their enrollment went. To further explore this topic, we also asked employers which employee benefit, besides medical, they highlighted the most during annual enrollment. The results are in the charts below.

As you reflect on annual enrollment, what opportunities do you have to improve in the future?



*Results based on 176 employer responses.
*2025 results compared against responses from the last two years.

Industry Spotlight

Increasing the education of benefits and improving the delivery of enrollment are the top employer priorities regardless of industry. After that, the next area of opportunity differed by industry.

Twenty-three percent of manufacturers feel they can better leverage decision support tools, while construction and education companies cited moving from paper to online solutions (25%).

What core employee benefit (besides medical) did you highlight or promote the most during annual enrollment?

Top 3

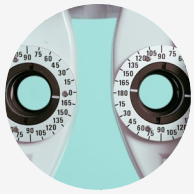
#1
Spending Accounts
43%
(HSA, FSA, HRA, etc.)

#2
Dental Insurance
24%

#3
Retirement Plan
16%

Employers also cited:

Life Insurance
6%



Vision Insurance
6%

Short Term Disability
4%

Long Term Disability
1%

Key Findings

Employers have again identified increasing education about their benefits program as the greatest opportunity to enhance the annual enrollment process, followed by improving how the benefits program is communicated. Many recognize that when employees better understand their options, they are more likely to make informed decisions that align with their personal needs. By providing clearer communication, various targeted resources, and more engaging educational tools, employers can bridge knowledge gaps and empower their workforce to utilize the benefits available to them fully. This focus on education improves the enrollment experience and helps boost employee satisfaction and appreciation for the overall benefits package.

One area that employers focused on educating their employees about was spending accounts. During annual enrollment, spending accounts such as FSAs, HSAs, and HRAs were the most widely promoted benefit, highlighted by 43% of employers. Dental benefits and retirement plans followed as the next commonly publicized benefits. These findings underscore a strong employer emphasis on financial wellness and healthcare flexibility, with spending accounts taking center stage as a key tool to help employees manage expenses and maximize their benefits.

The annual enrollment process often shapes employees' overall perception of the benefits program. By adopting a comprehensive, employee-centric approach, employers can boost engagement and ensure employees fully understand and value their benefits offerings. For more insights on enrollment, please review our Annual Enrollment infographic.

Should you have any questions regarding any of this information or want to discuss your enrollment method, please contact your local Assurex Global adviser.

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