

Welcome! We will begin at 3 p.m. ET.

There will be no sound until we begin the webinar.

Thank you to the following Assurex Global Partners for sponsoring this event:

- C3 Risk & Insurance Services
- CCIG
- Christensen Group Insurance
- Collier Insurance
- Cottingham & Butler
- Cragin & Pike, Inc.
- The Daniel & Henry Co.
- Dean & Draper Insurance Agency
- Gibson Insurance Agency
- Henderson Brothers, Inc.
- Houchens Insurance Group
- The IMA Financial Group
- INSURICA
- Kapnick Insurance Group
- The Mahoney Group
- The MJ Companies
- Oswald Companies
- The Partners Group
- The Plexus Groupe
- R&R Insurance
- RCM&D
- Scott Insurance
- Snellings Walters
- Starkweather & Shepley
- Sterling Seacrest Pritchard
- Unison Risk Advisors
- WA Group
- Watkins Insurance Group
- Wells Insurance

Assurex Global in Numbers



30K+
Employees



100+
Partner Firms



\$47B
Annual
Premium



\$5B
Annual
Revenue



730+
Partner
Offices



175
Countries

Spring Cleaning

Presented by Lumelight
April 2026

Thank you to the following Assurex Global Partners for sponsoring today's webinar

- C3 Risk & Insurance Services
- CCIG
- Christensen Group Insurance
- Collier Insurance
- Cottingham & Butler
- Cragin & Pike, Inc.
- The Daniel & Henry Co.
- Dean & Draper Insurance Agency
- Gibson Insurance Agency
- Henderson Brothers, Inc.
- Houchens Insurance Group
- The IMA Financial Group
- INSURICA
- Kapnick Insurance Group
- The Mahoney Group
- The MJ Companies
- Oswald Companies
- The Partners Group
- The Plexus Groupe
- R&R Insurance
- RCM&D
- Scott Insurance
- Snellings Walters
- Starkweather & Shepley
- Sterling Seacrest Pritchard
- Unison Risk Advisors
- WA Group
- Watkins Insurance Group
- Wells Insurance



- = Assurex Global territories
- = Non-Assurex Global agreement territories
- = Sanctioned territories (Iran, North Korea & Russia)

Assurex Global is an exclusive partnership of the most prominent independent insurance agents, brokers, and technical specialists in the world.

AGENDA

Important dates

- Reporting Tips

Compliance Reviews

- Compliance actions to take during the year

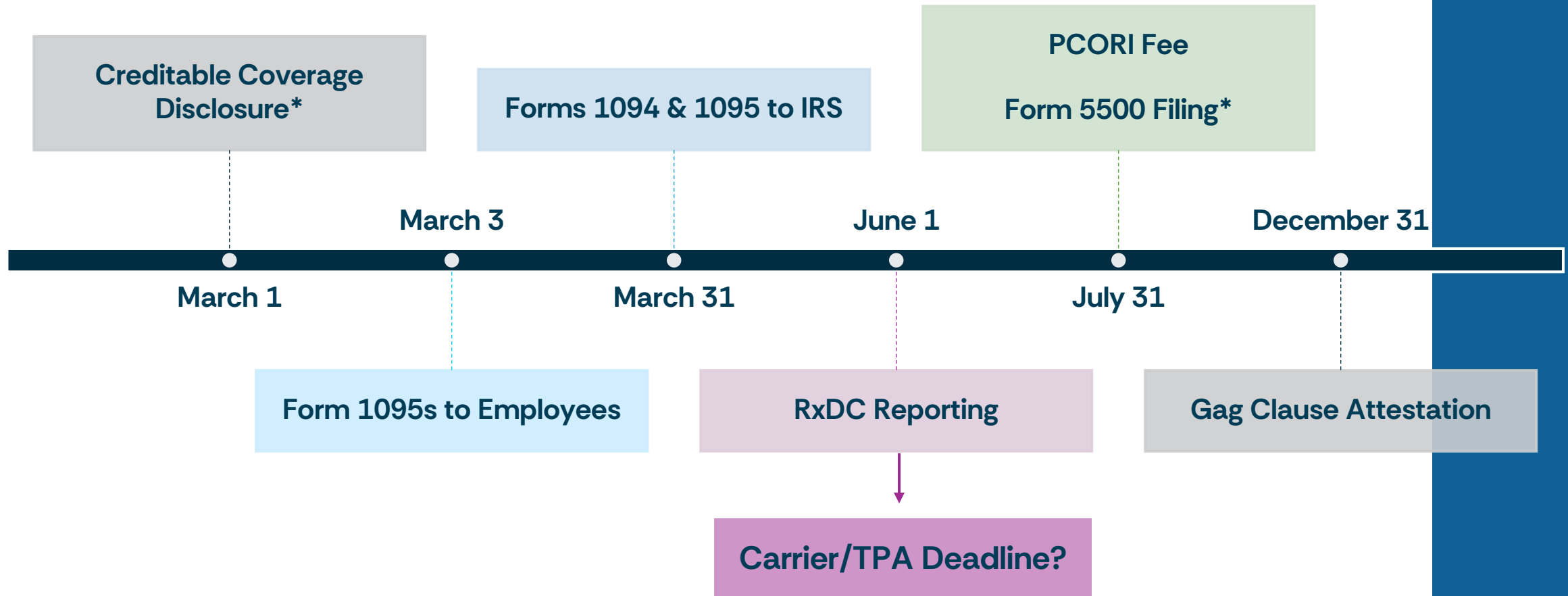
Compliance Changes

- What to keep an eye on

Upcoming Deadlines

Upcoming Deadlines

- 2026 deadlines for a calendar year plan*



Reporting Tips

Employer Reporting

Extension Available

- Automatic 30-day extension if Form 8809 is filed by March 31

Applicable Penalties

- \$340 per form not submitted + \$340 per form not distributed
- Reduced to \$60 per form if submitted within 30 days
- Reduced to \$130 per form if submitted by August 1

Notice of Availability

- Posted on a website accessible to all possible Form 1095 recipients by March 2 through October 15
- Must include email, physical address, and phone number to request Form 1095
- If Form 1095 is requested, must be provided within 30 days by hand or mail unless individual consents to electronic delivery

Reporting Tips

RxDC Reporting

Earlier
Carrier/TPA
Deadline

- Vendor may send request for plan info to complete RxDC submission with a much earlier deadline
- If an employer misses this deadline, they will have to make their own P2/D1 submission
- P2/D1 filing services available

Reference Year

- Reporting includes data from the entire reference year, which can mean multiple plan years and service providers are involved for a submission

Reporting Tips

Form 5500 Filings

Is the plan subject to ERISA?

- Consider benefit type and any applicable exemptions (e.g., voluntary plans)

Is the plan funded or unfunded?

- Funded – plan assets held separately in trust or VEBA
- Unfunded – plan costs paid from employer’s general assets

How many participants did the plan have?

- If funded, 5500 needed regardless of size
- If unfunded, 5500 only needed if plan had 100+ participants on day 1 of the plan year

Is the plan part of a wrap document?

- Benefits bundled in a wrap document are treated as single ERISA plan

Reporting Tips

PCORI Fees

Confirm Deadline

- Due on July 31 of calendar year *following* the year in which plan year ends
- I.e., PCORI fee for all plan years ending in 2025 is due July 31, 2026

Use Correct Form

- Use Second Quarter Form 720 from the submission year

Gag Clause Attestations

Attest Any Time

- Gag clause attestation can be submitted any time prior to Dec 31
- Attest to compliance during the attestation period, which is the period since the previous attestation (can be more or less than 12 months)

Compliance Reviews

Compliance Reviews – Mid-Year Housekeeping

Plan Documentation

- Wrap SPD in place to appropriately bundle benefits under ERISA
- Cafeteria plan documentation in place (if separate)
- Accuracy of these documents – vendors, benefits, eligibility

Eligibility Rules

- How to measure full-time status
- Common law spouses, domestic partners, dependents, legal guardianship

Benefits during Leaves of Absence

- Consider both federal and state protected leave requirements
- Confirm benefit eligibility for non-protected leaves, how employee contributions are handled during unpaid leaves

Compliance Reviews – Mid-Year Housekeeping

Nondiscrimination Testing

- §125, §105(h), §129, §79
- Leave time to make corrections for highly compensated or key employees if necessary

Mental Health Parity & Addiction Equity Act

- QTL review & NQTL comparative analysis
- Don't be fooled by temporary non-enforcement of 2024 MHPAEA Final Rule

Compliance Reviews

Controlled Group Status – 80% or more common ownership

- Combined for most compliance purposes
- Permitted (not required) to share a benefits plan without forming a MEWA
- Affiliated Services Groups are viewed as a single employer for many compliance purposes, but canNOT share benefits without forming a MEWA

Taxation of Benefits

- Ensure proper taxation for owners, independent contractors and domestic partners
- Review taxation of disability and fixed indemnity benefits

Compliance Changes

ERISA Fiduciary Litigation

- During 2024–2025, a wave of litigation focused on pharmacy benefit manager oversight and related fiduciary responsibilities
- In 2026, a new flavor of ERISA litigation targeting voluntary benefit arrangements (e.g., critical illness, hospital indemnity)

Primary Allegations

- Imprudent selection and monitoring of vendors
- Failure to negotiate and monitor reasonable compensation and fees
- Undisclosed or poorly managed conflicts of interest

ERISA Fiduciary Requirements



Act solely in the **best interest of participants**



Use a **prudent**, well-informed process for all decisions



Follow **plan documents**



Select and **monitor** service providers (TPAs, brokers, PBMs, etc.)



Ensure fees and compensation are **reasonable**



Provide **accurate, timely** communications to participants



Document decisions, reviews, and corrections (audit trail)

Tobacco Surcharge Lawsuits

Lawsuits continue to be filed alleging tobacco surcharge programs violate ERISA fiduciary duties and HIPAA wellness plan rules

Allegations:

- A reasonable alternative standard wasn't provided (e.g., cessation counseling or products)
- Notice of a reasonable alternative standard wasn't provided
- Full reward wasn't available (retroactively) upon satisfaction of a reasonable alternative standard



HIPAA Wellness Rules – Health-Contingent Programs

Incentive Limits

- Must be limited to 30% of the total cost of single coverage (50% for tobacco-related programs)

Reasonable Alternative Standard & Notice

- Must provide a reasonable alternative standard for those who cannot meet the standard based on health status and must disclose availability in all program materials

DOL guidance indicates surcharges incurred before completing the reasonable alternative standard must be refunded

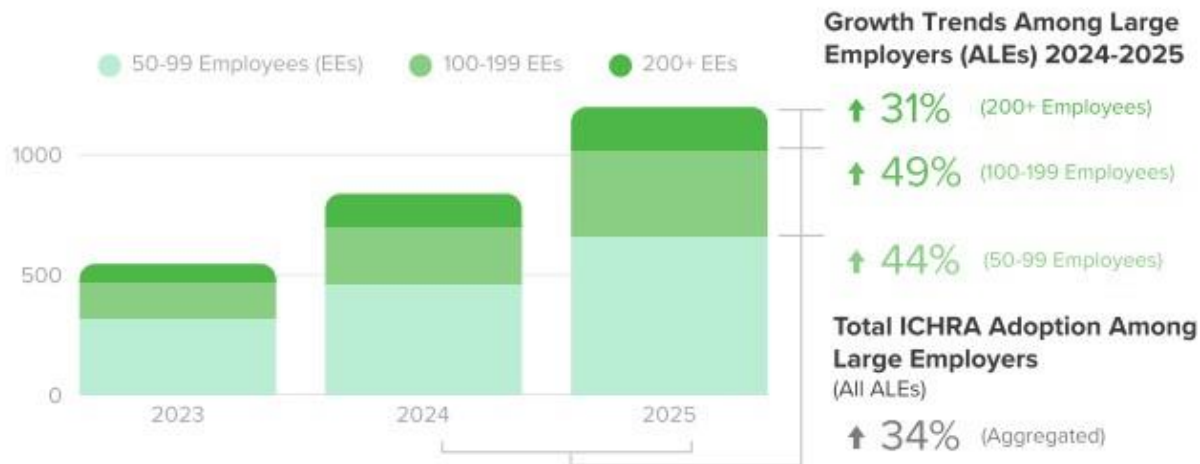
- Early cases decided in favor of employees and aligned with DOL guidance, but recent cases decided in favor of employers
- Still recommended that employers follow DOL guidance

ICHRA Trends

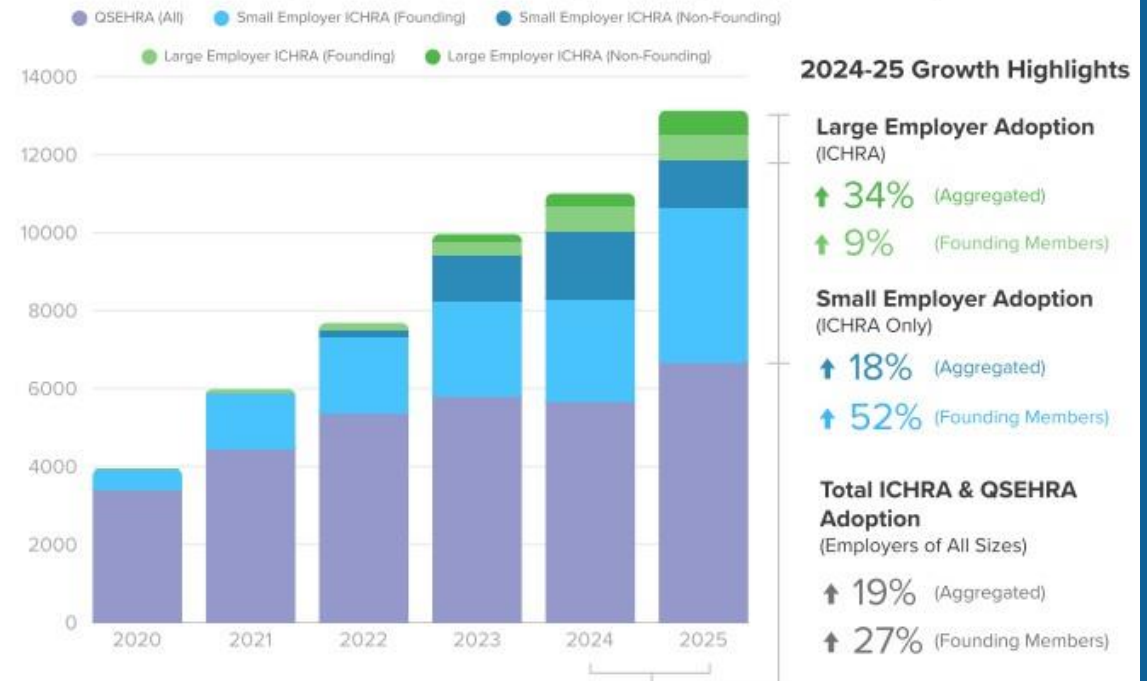
- Bi-partisan support for ICHRAs
- Growing number of ICHRA administrators

HRA Council Illustrations

Large Employer ICHRA Adoption by Number of Employees (2023-2025)



ICHRA & QSEHRA Adoption by Small & Large Employers (2020-2025)



Core ICHRA Requirements

- ICHRA cannot be offered to those offered a traditional group health plan
- ICHRA reimbursement available solely to those enrolled in individual health insurance (or Medicare)
- Funded solely by employer and must be funded uniformly for specified classes of employees (may vary by age and tier of coverage)
- Annual notice required
- Can be designed to meet §4980H(a) and (b) requirements

ICHRAs

Strategies

Meeting minimum participation requirements

High turnover or variable hour employees

Offering something to part-time employees

MEC alternative

Plans with high claims experience

Lots of Medicare-eligible employees

Diverse or geographically spread employees



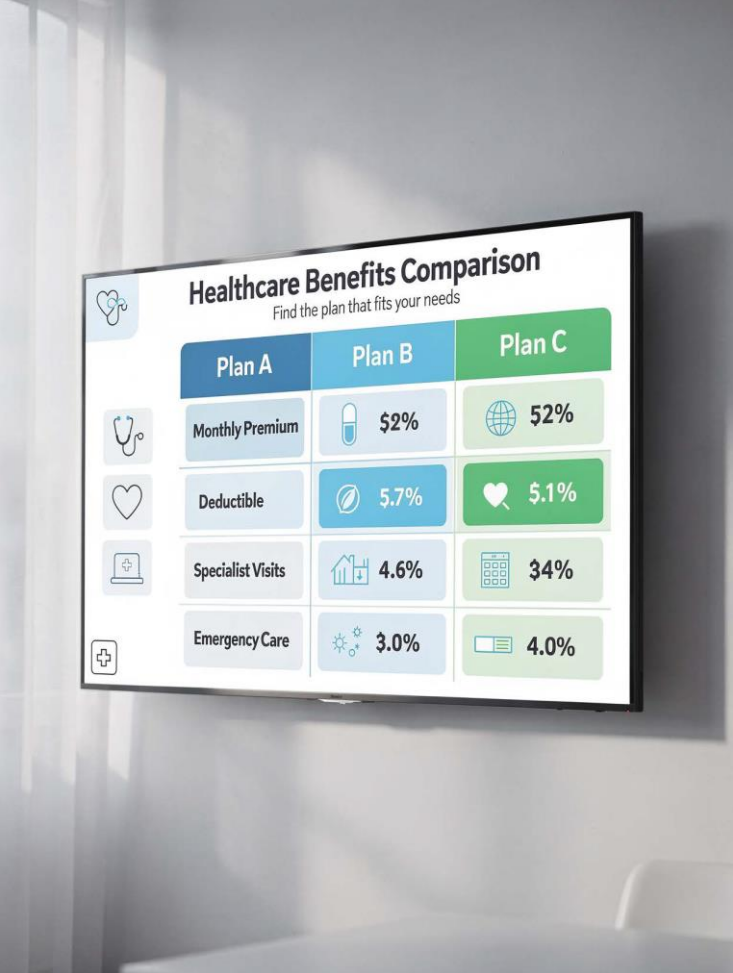
ICHRAs

Potential Benefits

- Employer
 - Not responsible for plan design
 - Predictable budget
 - Less compliance and administrative responsibility
- Employees
 - Flexibility in plan choice
 - Able to maintain plan outside of employment

Potential Issues

- Education and change for employees
- Lack of network coverage via individual plans
- Timing issues with reimbursement
- Less flexibility to timely add or terminate coverage



Healthcare Benefits Comparison
Find the plan that fits your needs

	Plan A	Plan B	Plan C
Monthly Premium		\$2%	\$2%
Deductible		5.7%	\$1%
Specialist Visits		4.6%	34%
Emergency Care		3.0%	4.0%

CAA 26

Consolidated Appropriations Act, 2026 (CAA 26)

- Signed in February 2026
- Broad changes affecting all group health plans and PBMs

PBM Requirements

- Semi-annual reporting to plans PBMs required to report to plans semi-annually
 - Failure to comply = up to \$10,000/day
- 100% rebate pass-through to plans, paid quarterly
 - Plans also have annual audit rights
- Transparency – gag clause prohibition for PBMs
- Effective for contracts and plans beginning in 2029; further guidance expected within 18 months



CAA 26

Compensation Disclosures

- Expansion of this requirement to all service providers expecting to receive \$1,000 or more; must disclose before entering into or renewing a contract:
 - Services to be provided
 - Whether service provider will be a plan fiduciary
 - All forms of direct or indirect compensation
- Effective date – seemingly immediate

Benefit/Plan Sponsor Impacts

- Increases transparency into drug pricing, spread pricing and rebate flows
- Expands fiduciary oversight and enforcement

Medicare Part D Creditable Coverage

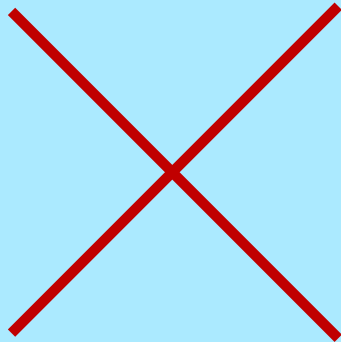


- **Group Health Plans** must make a determination as to whether their prescription drug coverage is “creditable” or “non-creditable”
- **“Creditable” coverage** has an actuarial value equal to or exceeding the standard Medicare Part D prescription drug coverage
- **Two determination methods:** actuarial analysis or simplified determination method
 - 2026 – three methods: actuarial, original simplified, and revised simplified

Medicare Part D Creditable Coverage

Final Rules Indicate Revised Method Must Be Used in 2027

Original Simplified Method (2009)



Revised Simplified Method (2027)

Plan will be creditable if:

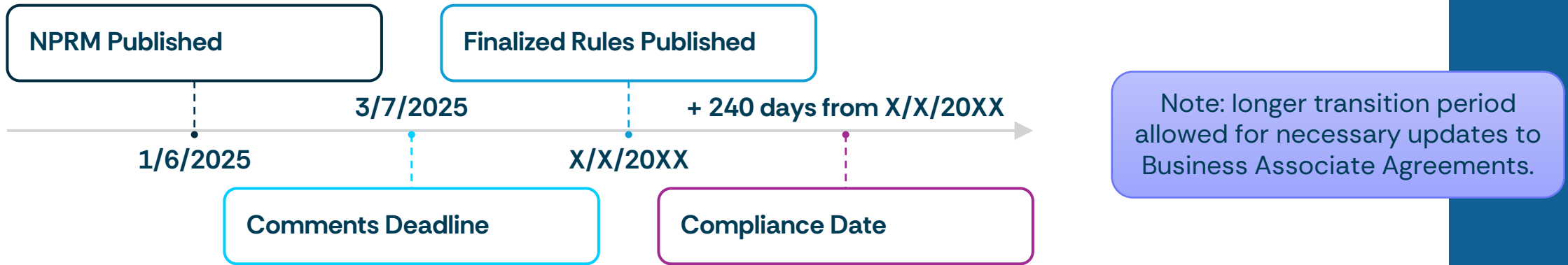
- Provides coverage for brand and generic prescriptions and biological products
- Provides reasonable access to retail pharmacies
- Designed to pay on average at least 73% of prescription drug expenses

Medicare Part D Creditable Coverage

- Employer Notice & Reporting
 - Disclosures to eligible individuals upon initial eligibility and annually
 - Reporting to CMS within 60 days after the start of each plan year

Final rules indicate the notices and reporting are NOT required anymore for HRAs (including ICHRAs), health FSAs and HSAs

HIPAA Security Rule – Proposed Changes



- Elimination of “required” vs. “addressable” items
 - Addressable ≠ Optional
- New requirements as well as more specificity and rigidity around already-existing requirements:
 - Technology asset inventory and network map
 - Encryption for all ePHI

Currently on OCR’s regulatory agenda for May 2026



Questions

Webinar Wrap-Up

Thank you to the following Assurex Global Partner Firms for sponsoring this event:

- C3 Risk & Insurance Services
- CCIG
- Christensen Group Insurance
- Collier Insurance
- Cottingham & Butler
- Cragin & Pike, Inc.
- The Daniel & Henry Co.
- Dean & Draper Insurance Agency
- Gibson Insurance Agency
- Henderson Brothers, Inc.
- Houchens Insurance Group
- The IMA Financial Group
- INSURICA
- Kapnick Insurance Group
- The Mahoney Group
- The MJ Companies
- Oswald Companies
- The Partners Group
- The Plexus Groupe
- R&R Insurance
- RCM&D
- Scott Insurance
- Snellings Walters
- Starkweather & Shepley
- Sterling Seacrest Pritchard
- Unison Risk Advisors
- WA Group
- Watkins Insurance Group
- Wells Insurance

A link to the recording of today's session will be available early next week from the Assurex Global Partner Firm who invited you to today's event.

Assurex Global in Numbers



30k+
Employees



100+
Partner Firms



\$47B
Annual
Premium



\$5B
Annual
Revenue



730+
Partner
Offices



175
Countries