

Open Enrollment – Renewal Checklist

Presented by Lumelight
September 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
- Unico Group
- Unison Risk Advisors
- WA Group
- Wells Insurance



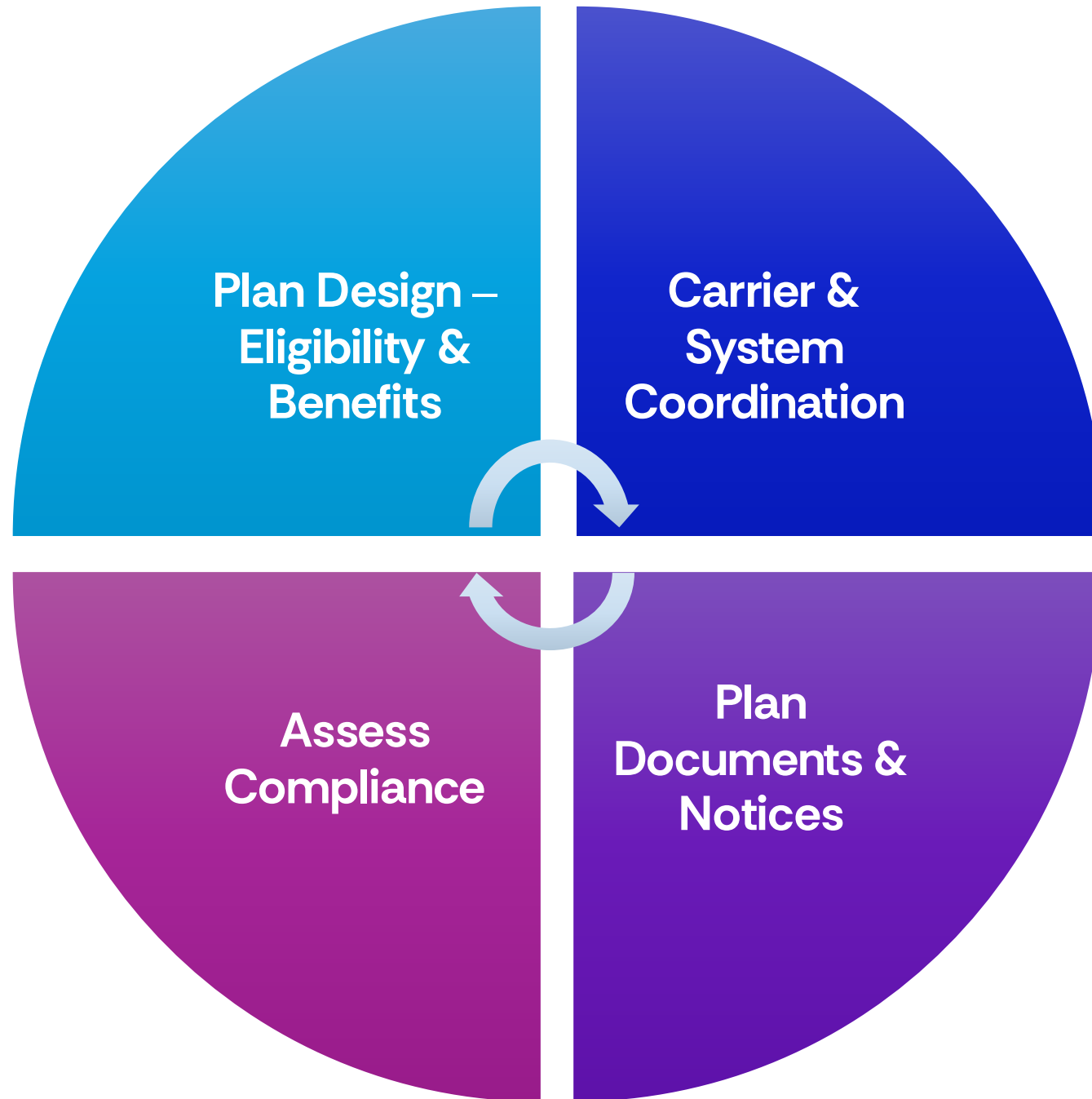
- = Assurex Global territories
- = Non-Assurex Global agreement territories
- = Sanctioned territories (Iran, North Korea & Russia)

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

AGENDA

- Open Enrollment / Renewal Checklist
 - Compliance Trends & Considerations
 - Upcoming Reporting & Disclosures
 - Annual Limits & Requirements
-

Open Enrollment / Renewal Checklist



Plan Design – Eligibility

- **Employee Eligibility**
 - Full-time measurement
 - Temporary or intern employees
 - Classes
 - Owners
- **Dependent Eligibility**
 - Spouses (carve-outs, surcharges)
 - Domestic partners
 - Dependent children
 - Parents



Plan Design – Benefits

1 Evaluate benefit changes

- Review expansions or exclusions for compliance
- For grandfathered plans, ensure changes do not cause a loss of grandfathered status

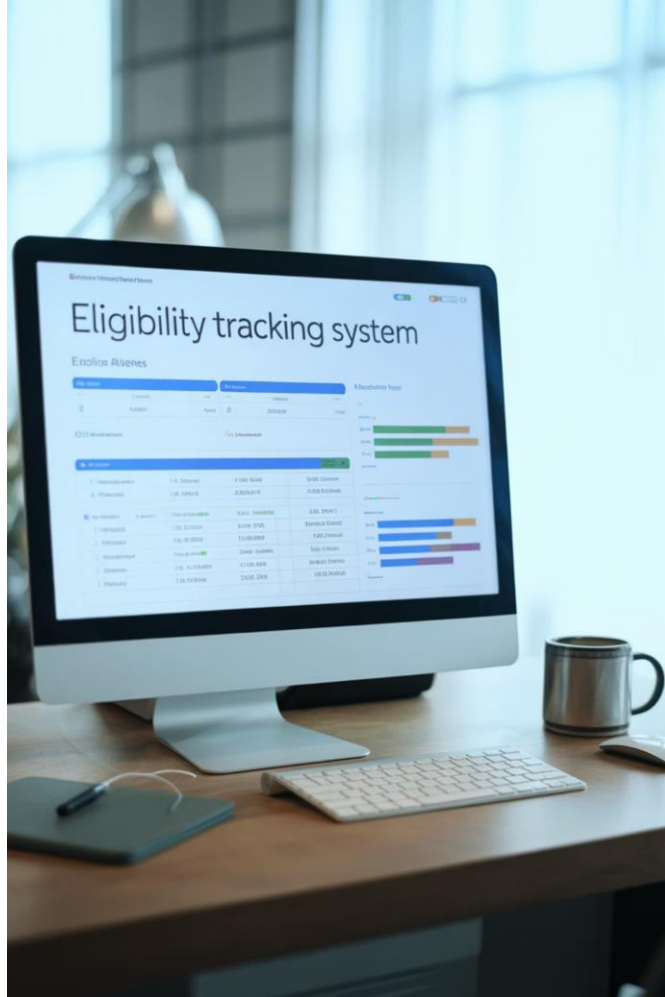
2 Update plan/benefit limits

- Review and update account-based plan limits and confirm any grace periods, carryovers, or spend-down provisions

3 Set employer/employee contributions

- Confirm carrier requirements
- Ensure employee contributions are affordable for applicable large employers

System Setup

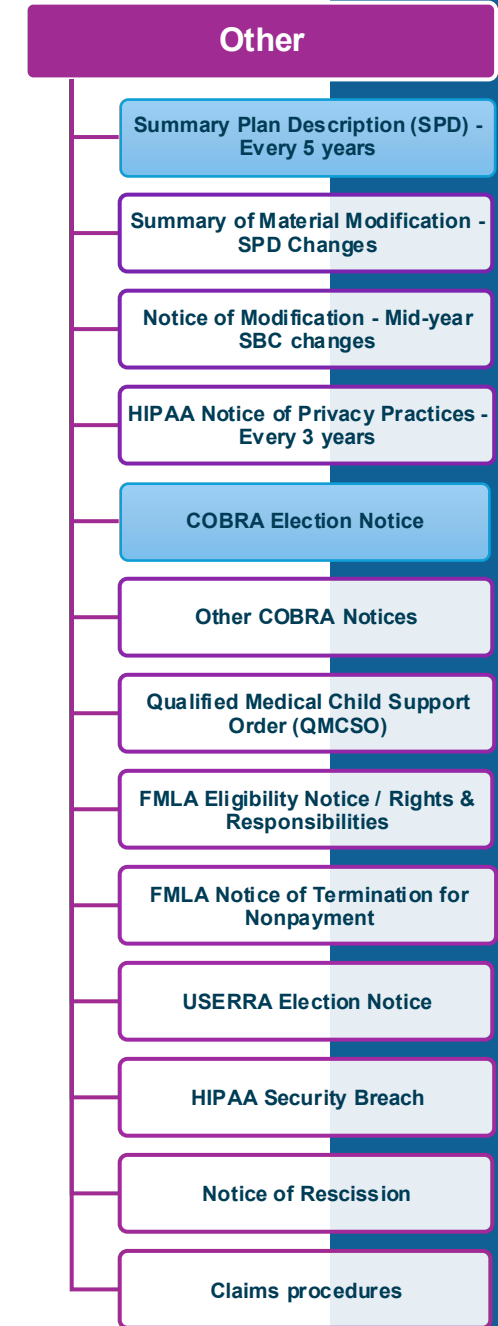
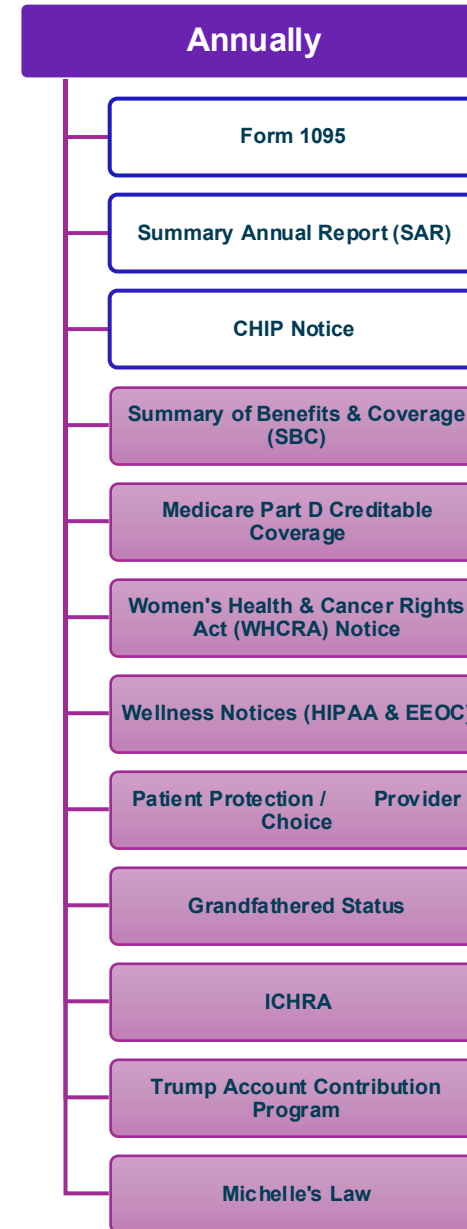
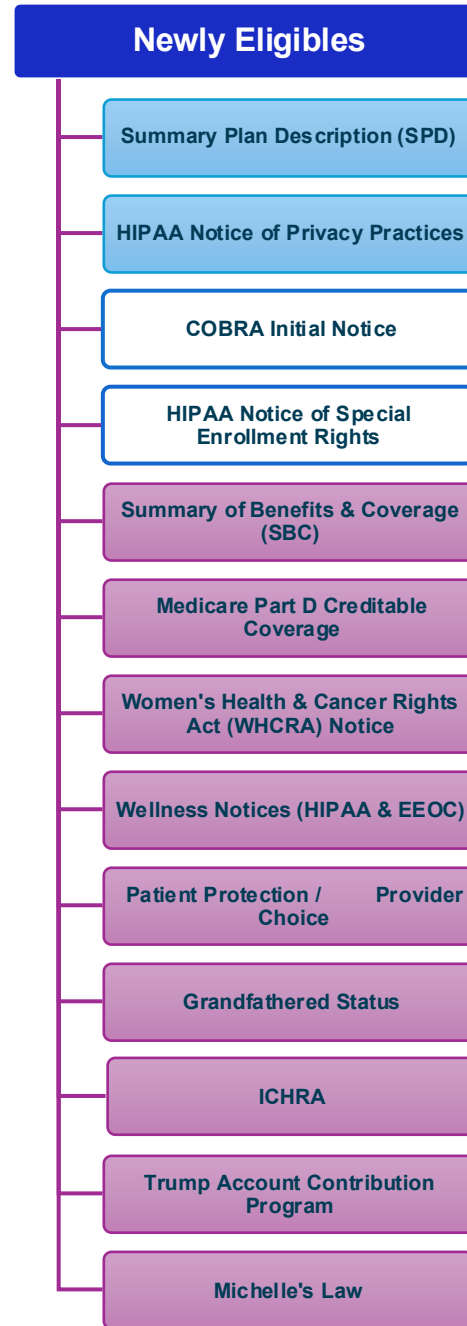
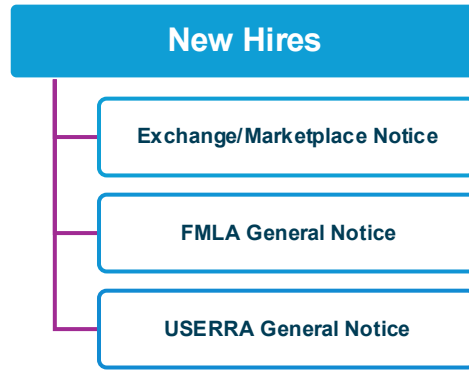


- Confirm eligibility rules, including measurement and stability periods, are properly programmed
- Verify waiting period rules, leaves of absence and break in service (or rehire) provisions
- Confirm payroll deduction amounts and taxation are set up correctly
- Update benefit levels based on income (e.g., life and disability)

Plan Documents & Notices

- **Review core plan documents**
 - Update documents to reflect current benefit offerings and service providers
 - Ensure consistency across all documentation
- **Enrollment Materials**
 - Clarify enrollment dates and whether open enrollment is active or passive
 - Provide clear description of benefits and costs
 - Remember to provide materials to COBRA participants and retirees
 - Update attestations where applicable (e.g., ICHRA, opt-out, domestic partner)
- **Annual Notices**
 - Distribute a notices packet (e.g., SBC, WCHRA, CHIP, creditable coverage)
 - Mail or provide electronically in accordance with DOL safe harbor

Annual Notices



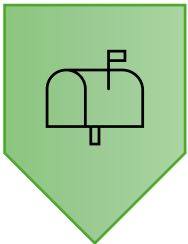
Notices required for newly eligibles AND other times

Notices required for newly eligibles AND annually

Annual Notices



Hand Delivery



Mail



Electronic Delivery

- Workplace access or affirmative consent

Annual notices can be bundled and distributed as part of a benefits summary

Posting Notices (intranet/benefits portal)

Must notify employees when notices are posted or updated with an option to request a paper copy

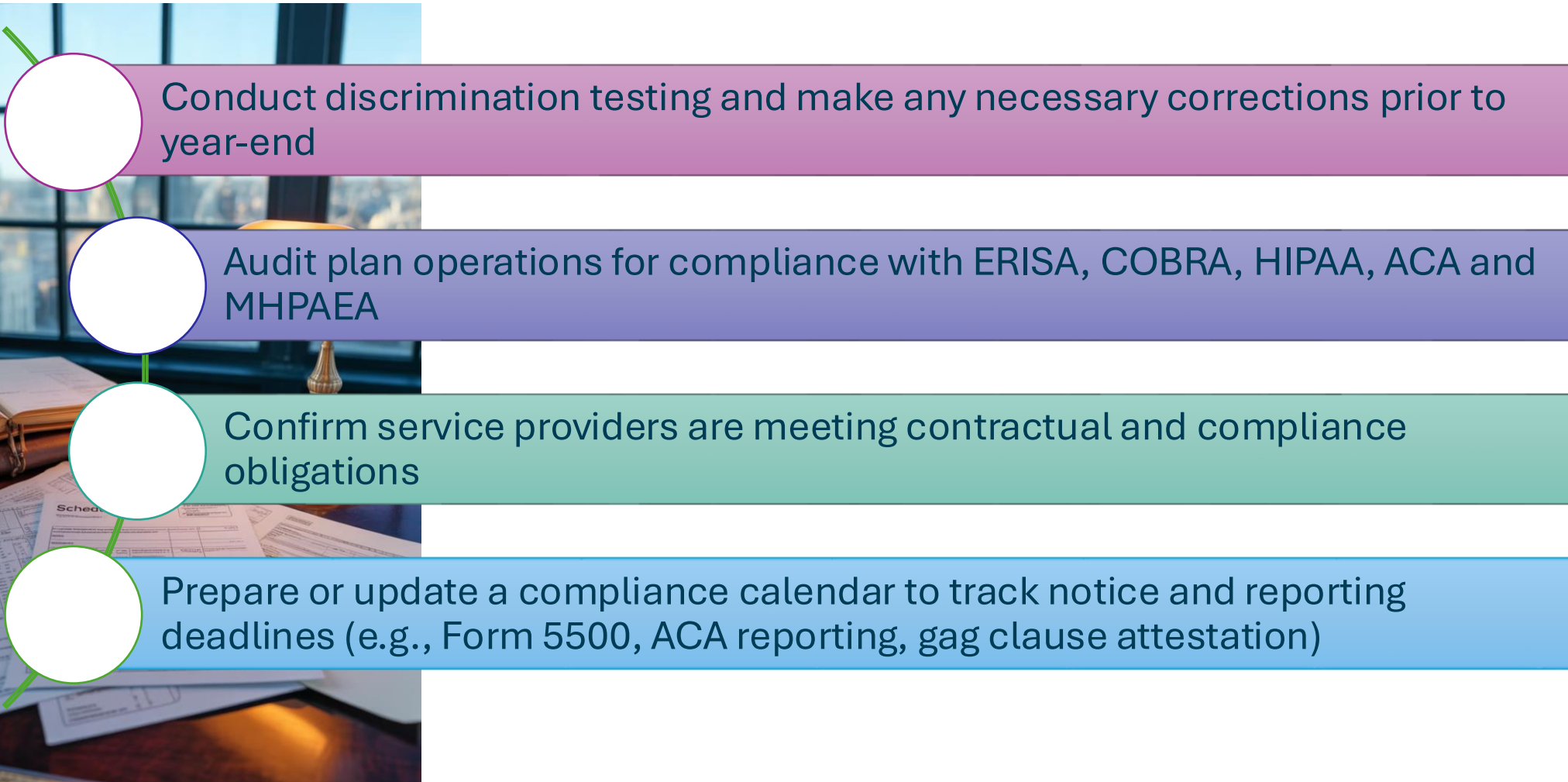
NEW PROPOSED Electronic Distribution Safe Harbor

★ Only available to group health plans, not welfare plans

Requirements:

- Maintain a website or mobile application that can be accessed outside the workplace
- Timely post documents and keep them available for at least one year, or until replace by a more current version
- Notify employees and participants
 - Must have email address or smart phone number where notification can be sent
 - Must provide initial notice of default to electronic distribution and right to opt-out

Compliance Assessment



Conduct discrimination testing and make any necessary corrections prior to year-end

Audit plan operations for compliance with ERISA, COBRA, HIPAA, ACA and MHPAEA

Confirm service providers are meeting contractual and compliance obligations

Prepare or update a compliance calendar to track notice and reporting deadlines (e.g., Form 5500, ACA reporting, gag clause attestation)

ERISA 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)

Election Changes/Mistakes

Prior to plan year

- Not obligated to allow changes outside open enrollment window
- Employer could allow changes prior to the plan year start if allowed uniformly for all participants

After plan year begins

- Mistakes: If there is truly a mistake, correct back to the beginning of the plan year
- Qualifying Life Event/Status Change: If there is a recognized life event or change in status, the change should typically only be prospective



Renewal Reminders

Review/Update Plan Documentation

- Carriers and other service providers
- Eligibility rules, including leave of absence benefit/payment policies
- Benefit plan expansions/exclusions
- Updated account-based limits (e.g., health FSAs, HSAs, HRAs, DCAPs)

Eligibility Tracking

- Make sure eligibility rules are tracked appropriately within payroll/ben admin systems

Contributions

- Ensure affordability for the upcoming plan year
- Ensure taxation is set up appropriately
- Audit to ensure contributions are correct in payroll/ben admin systems

Distribute open enrollment materials and annual notices

- Don't forget COBRA participants and retirees

Compliance Assessment

- Audit for general compliance with ERISA, COBRA, HIPAA, ACA, etc.
- Check on service provider compliance and assistance
- Prepare a compliance calendar

Compliance Trends & Considerations

Leaves of Absence

Federal (FMLA) Protected Leave

- Benefit protection available for 12 weeks
- Solely required for group health plan benefits, not life, disability, DCAP, etc.

State Protected Leave

- Varies by state, but generally requires benefit protection
- Employees subject to the state law where they physically work



Employer Leave Policies – Benefit Eligibility

If leave is not legally protected, or if protected leave has been exhausted, eligibility is generally lost unless there is an employer policy extending benefit eligibility



Tips for setting employer policy:

- Set a definite coverage end date (e.g., 3 months)
- Align with larger leave policy and coordinate with carriers
- Consider culture, employee relations, and costs
- Remember ACA look-back measurement and break in service rules

Collecting Employee Contributions During Leave

NONPAYMENT

If policy is clearly communicated and nonpayment occurs, coverage may be terminated retroactively



- **Paid Leave**
 - Employee contributions may continue to be deducted from payroll as normal
- **Unpaid Leave**
 - Advisable to have a documented process that is clearly communicated
 - Payment options – prepay, pay in during leave, or catch-up upon return
 - FMLA requires a grace period and notice before termination for nonpayment

Proposed Regulations – August 11, 2026

- **Trump Account Contribution Programs (TACPs)**
 - Guidance for implementing employer-sponsored programs allowing tax-favored contributions to an employee's or dependent's Trump Account
 - Employer contributions and/or employee salary reductions up to \$2,500 annually (indexed) per employee
- **Nondiscrimination Rules for Dependent Care Assistance Programs (DCAPs)**
 - First comprehensive guidance on §129 DCAP nondiscrimination rules
 - Creates greater clarity and flexibility for plan sponsors

Employers may rely on the proposed regulations until final rules are issued

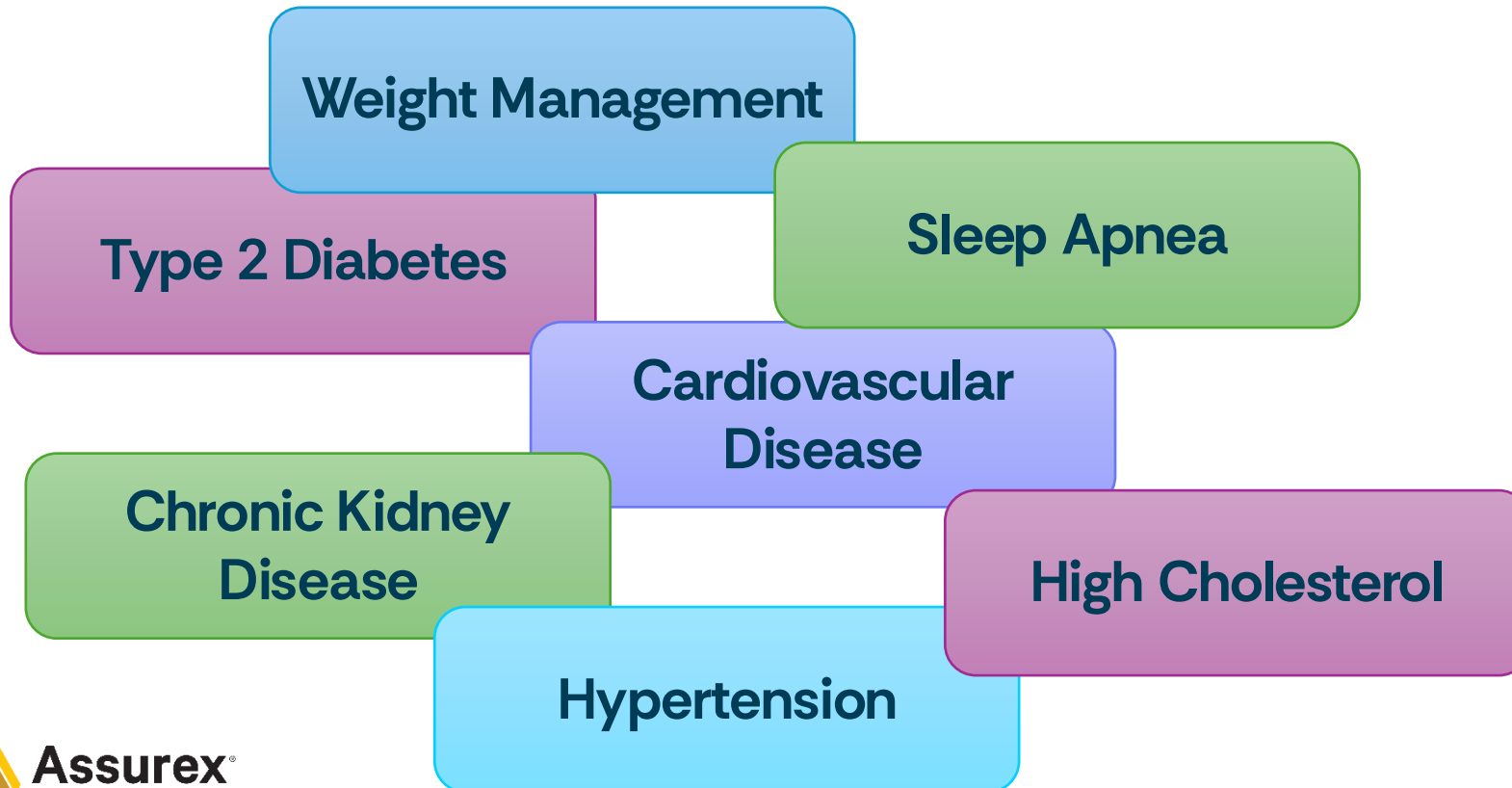
Wellness Lawsuits & Guidance

- Tobacco / non-tobacco use incentives (surcharge or discounts) are health contingent, outcome-based incentives
 - Incentive limits
 - Reasonable alternative standards and notice
- Flurry of recent lawsuits filed alleging tobacco incentives violate HIPAA wellness plan rules
- DOL guidance indicating non-enforcement if reward is providing only prospectively after reasonable alternative standard is provided



Weight-Loss Drugs

- Increasingly viewed as treatment for multiple chronic conditions, making coverage decisions more complex



Weight-Loss Group Health Plan Strategies

Exclude coverage

Cap coverage

Impose different cost-sharing or exclude from OOP max

Limit coverage to certain conditions

HRA supplement or alternative

Wellness or disease management

CAA 26

PBM Requirements - Proposed

- PBMs required to report to plans semi-annually
- 100% rebate pass-through to plans, paid quarterly
- Plans also have annual audit rights
- Effective for contracts and plans beginning in 2029; further guidance expected



Compensation Disclosures

- Expansion 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

Mental Health Parity

- Field Assistance Bulletin No. 2026-03
 - MHPAEA enforcement and the NQTL comparative analysis requirement are priorities for the agency
 - Enforcement will focus on specific areas the DOL feels have the greatest potential for harm for participants



Separate treatment limitations and exclusions affecting MH/SUD benefits

Medical necessity standards and utilization management practices

Network adequacy, provider admission standards, and reimbursement methodologies

Upcoming Reporting & Disclosures

MLR Rebates

By Sept. 30, carriers for fully-insured plans are required to distribute rebates when too much of the premiums charged in the previous year were not used toward paying claims and quality improvement Insurers

Employer Distribution Requirements

Distribution Amount

- If plan participants contributed toward the premiums, a corresponding % of the rebate is plan assets and may need to be distributed
- Example → 30% of premiums paid by plan participants, 30% of rebate

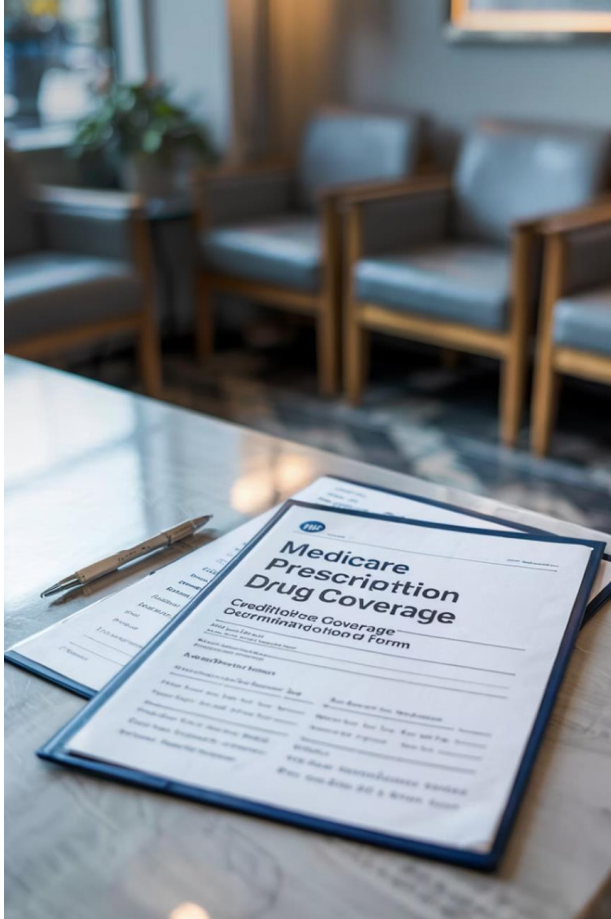
Distribution Method

- Plan assets can be used toward benefit improvements or distributed as taxable cash or a premium holiday
- Employer could keep the money if plan documentation clearly allows it

Distribution Timing

- Distribution should occur within 90 days of receipt of the rebate

Medicare Creditable Coverage



- **Group health plans** must determine whether prescription drug coverage is "creditable" or "non-creditable"
 - Report creditable status to CMS within 60 days of plan year start
 - Distribute notice of creditable status to eligible individuals upon initial eligibility and annually
- **"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

Medicare Creditable Coverage – Simplified Method

Plans must use revised method for 2027 determinations

Original Simplified Method (2009)

Plan will be creditable if:

- Provides coverage for brand and generic prescriptions
- Provides reasonable access to retail pharmacies
- Designed to pay on average at least 60% of prescription drug expenses, plus:
 - No annual maximum benefit or minimum benefits of at least \$25,000 OR
 - Expected to pay at least \$2,000 annually per Medicare-eligible individual

Revised Simplified Method

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 72% of prescription drug expenses

Gag Clause Attestation

Gag Clause



Contractual term that directly or indirectly restricts specific data and information that a plan or issuer can make available to another party

Required to attest to compliance annually by Dec. 31 of each year



Responsibility for Attestation

Fully-Insured Group Health Plans

- Carriers likely to attest on behalf of the plan

Self-Funded Group Health Plans & Other Arrangements

- TPAs and PBMs may be willing to attest, but otherwise employer must handle the attestation

Annual Limits & Requirements

Account Reimbursement

	2026	2027
Health FSA	\$3,400 (up to \$680 carryover)	Still waiting
DCAP	\$7,500 (\$3,750 single or married filing separate)	\$7,500 (\$3,750)
Transportation	\$340/month	Still waiting
Educational Assistance	\$5,250	Still waiting
Adoption Assistance	\$17,670	Still waiting
Trump Account Contribution	\$2,500	\$2,500

ACA

	2026	2027
ACA OOP Max	\$10,600 single / \$21,200 family	\$12,000 single / \$24,000 family
PCORI Fee	\$3.84 per covered life for plan years ending in January – September 2026 Still waiting for plan years ending in October – December 2026	
4980H Affordability	9.96%	10.22%

HDHP / HSA

Benefit	2026 Limits	2027 Limits
HSA Max Contribution	\$4,400 single / \$8,750 family +\$1,000 catch-up (55 or older)	\$4,500 single / \$9,000 family +\$1,000 catch-up (55 or older)
Minimum HDHP Deductible	\$1,700 single / \$3,400 family	\$1,750 single / \$3,500 family
Maximum HDHP OOP Limit	\$8,500 single / \$17,000 family	\$8,700 single / \$17,400 family



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
- Unico Group
- Unison Risk Advisors
- WA 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