Turning a 26% Medical Renewal **into a Single-Digit Increase**

Story Overview

A 150-employee organization with a fully insured medical plan came to IMA after receiving a 26% renewal increase for its 2025 medical coverage. For a group that size, the increase represented roughly $400,000 in added year-over-year cost and put real pressure on benefits budgeting and broader workforce planning. IMA's employee benefits data and insights team used its internally built FS Assist analysis to help identify what was driving the increase and where the carrier's assumptions could be challenged.

Challenge

This was not a simple pricing dispute. Fully insured renewals reflect both the carrier's broader book of business and the client's own experience, with multiple years of claims, credibility weighting, and underwriting judgment influencing the final rate. The status quo approach of simply recreating the carrier's underwriting was not enough. The client needed a faster way to isolate the factors that were actually negotiable and build a stronger case for a lower renewal.

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IMA's Strategy and Actions

IMA's employee benefits data and insights team acted to support the client by:

- Reviewing claims history, rating details, and prior experience to assess the full renewal picture, not just the headline increase.
- Using FS Assist, an internal AI-enabled analysis trained on IMA best practices, to surface the renewal factors most likely to move the outcome.
- Demonstrating that the client's more recent plan experience was stronger and should carry more weight in the renewal.
- Identifying a high-cost claim as a short-term outlier rather than an ongoing risk trend.
- Challenging credibility weighting and other rating details that overstated future risk.

Why It Worked

IMA combined analytics with practical renewal strategy. FS Assist did not replace consultant judgment. It helped the team distill a large volume of data, focus on the most meaningful levers, and apply nationally developed best practices in a faster, more consistent way. That gave the client a sharper, evidence-based negotiating position.

Key Takeaways

When a renewal comes in high, the first number is not always the right number. IMA identified where the carrier's view of risk overstated the client's forward-looking experience, then turned that insight into specific negotiation points. This is the value of pairing disciplined benefits strategy with tools that help teams see faster and act with more precision.

THE RESULT:

IMA helped reduce the proposed medical renewal from 26% to about 8% to 9%, creating an estimated $300,000 impact for the 150-life group. More importantly, it gave the client a more predictable benefits cost heading into the next plan year.