Turning a 30% renewal shock **into a smarter funding strategy**

Story Overview

A Denver-area commercial general contracting firm with roughly 50 employees faced a steep medical renewal in a market where fully insured increases have become much more volatile for small employers. The issue was not just cost. The client needed a practical path forward that protected the budget without forcing a major disruption to benefits.

Challenge

The client was staring at a 30.21% fully insured increase, equal to about $156,000 in added annual benefits cost. For a small business, that kind of jump creates immediate budget pressure and leaves little room for error. The status quo was not viable, but moving away from fully insured coverage also required confidence that the group's claims profile could support another funding approach.

> Rethinking funding without rethinking benefits.

IMA's Strategy and Actions

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

+ Analyzing the limited claims data available in a fully insured arrangement to assess whether level funding was realistic
+ Preparing the client early for a difficult renewal while making clear the initial increase was not the final answer
+ Marketing the case aggressively to carrier and vendor partners in Colorado to create competitive tension
+ Sharing consistent claims information across carriers so quotes were evaluated on the same facts
+ Continuing to negotiate through the final day, which produced the winning bid just before the renewal meeting

Why It Worked

IMA combined small-group market knowledge, disciplined claims analysis, and persistent carrier negotiation. Just as important, the team guided the client through a high-pressure decision without defaulting to benefit cuts or simply accepting the renewal.

Key Takeaways

When a small employer gets hit with a sharp fully insured increase, the answer is not always to absorb the cost or redesign the plan. IMA recognized that the client's claims profile created an opening for level funding and pushed the market until that opportunity translated into real savings.

THE RESULT:

The client moved from a 30.21% renewal increase to costs about 4% below current levels by switching to a level funded platform. They also kept their existing network and nearly identical plan designs, turning a panic scenario into a manageable renewal.

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