

SELF-INSURED HEALTH BENEFIT PLANS 2024
Based on Filings through 2022

September 30, 2023

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SUMMARY

This document analyzes the funding mechanism of employer-sponsored health benefit plans that filed a *Form 5500 Annual Return/Report of Employee Benefit Plans* (“Form 5500”) for reporting periods that ended in 2021. It compares fully insured, self-insured, and mixed-funded (funded through a mixture of insurance and self-insurance) health plans and presents selected historical series for the years 2012 through 2021. This document also uses publicly available corporate financial data for a subset of health plan sponsors, based on the financial data that is available from Bloomberg.

The analysis separates plans with at least 100 participants at the start of the reporting period (“large plans”) from plans with fewer than 100 participants at the start of the reporting period (“small plans”). As discussed further below, this is because small plans generally are only required to file a Form 5500 if they operate a trust, which is associated with self-insurance. As a result, small plans in the analysis are a selective subset of small plans nationwide.

The primary findings for large plans are as follows:

- In 2021, 58,478 large health plans covered 82.8 million participants. The number of plans was down by 0.4% from 2020. The number of plan participants was up 5.9%.
- In 2021, almost one-half (45.7%) of large plans were self-insured or mixed-funded, and those plans covered 81.9% of large plan participants.
- At the plan level, the shares of self-insured (38.1%), mixed-funded (7.6%), and fully insured (54.3%) large plans show a slight shift toward self-insured from 2020 (37.7%).
- In 2021, self-insured large plans covered 41.8% of large plan participants, mixed-funded plans covered 40.1%, and fully insured plans covered 18.1%. These participant-level shares show a shift of about 3.5 percentage points from self-insured to mixed-funded compared to those in 2020.
- The prevalence of self-insurance among large plans generally increased with plan size. For example, 28.2% of health plans with 100–199 participants were mixed-funded or self-insured in 2021, compared with 89.7% of health plans with 5,000 or more participants. The pattern was similar in earlier years.
- Mixed funding is found primarily among very large plans. For example, 2.0% of plans with 100–199 participants were mixed-funded in 2021, compared with 43.7% of plans with 5,000 or more participants.
- As reported in Form 5500 filings, stop-loss coverage among large, self-insured plans declined 0.6 percentage points, from 21.8% in 2020 to 21.2% in 2021. Similarly, mixed-funded large plans experienced a slight decline in reported stop-loss coverage from 16.9% in 2020 to 16.4% in 2021. These figures likely understate the true prevalence of stop-loss insurance for large plans because the Form 5500 does not require reporting of stop-loss insurance for the benefit of the sponsor (as opposed to the plan).
- Self-insurance rates varied by industry for large plans, with the highest rates occurring in the retail trade, utilities or communications & information industries.
- Funding for large plans of for-profit and not-for-profit organizations differed mostly in mixed-funding and self-insurance. Weighted by participants, Mixed-funding was far more prevalent at for-profit entities than at not-for-profit

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- firms, while self-insurance was less prevalent at for-profit entities than at not-for-profits. The prevalence of fully-insured plans was approximately the same in large for-profit and not-for-profit firms.
- We found no consistent evidence that the financial health of sponsors of fully insured large plans differed from that of sponsors of large plans that were mixed-funded or self-insured.

For small plans that filed a Form 5500, the primary findings are as follows:

- The number of small plans that filed a Form 5500 rose by 46.9% from 16,809 in 2020 to 24,693 in 2021, covering about 260,000 participants. This increase in number of small plans follows even larger percentage increases over the preceding three years (2018 to 2019 and 2019 to 2020). The inflow of small plans appears to be driven by a growing number of small plans with a trust that participate in a non-plan Multiple Employer Welfare Arrangement (MEWA).
- A large majority (98.7%) of small plans that filed a Form 5500 were self-insured. External sources of information about small plans, such as the Insurance Component of the Medical Expenditure Panel Survey (MEPS-IC), document far less self-insurance among small plans nationwide, underscoring the selective nature of small plans in our analysis due to exemptions from the Form 5500 filing requirements.
- Self-insured small plans were more than twice as likely to have stop-loss coverage as self-insured large plans. Among self-insured small plans that filed a Form 5500, stop-loss coverage has shown a consistent rise over time, reaching 48.3% in 2021.
- Most self-insured small plans that filed a Form 5500 are concentrated in the services and construction sectors.

In addition to group health plans discussed above, this report briefly characterizes Group Insurance Arrangements (GIAs), which by definition are fully insured. For 2021, 49 GIAs filed a Form 5500. They covered about 356,000 participants, were generally larger than group health plans, and were disproportionately in the finance, insurance, and real estate industries.

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1. INTRODUCTION

The 2010 Patient Protection and Affordable Care Act (ACA) (§1253) mandates that the Secretary of Labor prepare annual reports with general information on self-insured group health plans (including plan type, number of participants, benefits offered, funding arrangements, and benefit arrangements), as well as data from the financial filings of self-insured employers. The U.S. Department of Labor (DOL) engaged Advanced Analytical Consulting Group, Inc. (AACG) to assist with the ACA mandate. This document serves as an appendix to the Secretary's 2024 *Report to Congress*.

As required by the ACA, the primary data source for this report is the information provided to the DOL by health plan sponsors on *Form 5500 Annual Return/Report of Employee Benefit Plans* ("Form 5500") filings. This report also uses financial data for a subset of health plan sponsors that had publicly available financial data in Bloomberg.

This report is the fourteenth installment of a series that began with the 2011 Report to Congress. While the analysis has been refined over time, no major methodological changes affected the current report relative to last year's iteration. The presentation of this report is largely the same as last year's.

The current report presents results for Form 5500 filings for plan years that ended in 2012–2021 (i.e., several years before and after the effective implementation of the ACA in 2014). For large plans, the primary findings for 2021 are similar to those for 2020. In contrast, the number of small plans that filed a Form 5500 increased sharply from 2020 to 2021, and the vast majority of those plans are self-insured.

Section 2 of this report describes Form 5500 and other data sources, including data quality, consistency issues, and the extent to which financial data were matched to health plan filings. Section 3 defines "funding mechanism" as used in this report. Section 4 presents the results of our data analysis for large health plans, and Section 5 discusses small plans. Section 6 briefly characterizes Group Insurance Arrangements (GIAs), and Section 7 concludes the report.

The views, opinions, and/or findings contained in this report should not be construed as an official Government position, policy, or decision, unless so designated by other documentation issued by the appropriate governmental authority.

2. DATA SOURCES

The quantitative analysis in this report is based on three data sources: Form 5500 group health plan filings, Internal Revenue Service (IRS) *Form 990 Return of Organization Exempt From Income Tax* (“Form 990”) filings, and Bloomberg data reflecting corporate financial records. This section discusses the data sources and the algorithms to match the three sources.

Form 5500 Filings of Health Benefit Plans

The ACA stipulates that the Secretary’s Report to Congress on self-insured group health plans be based on Form 5500 filings. The Form 5500 Series was developed to assist employee benefit plans in satisfying annual reporting requirements under Title I and Title IV of the Employee Retirement Income Security Act (ERISA) and under the Internal Revenue Code. The Form 5500, including required schedules and attachments, collects information concerning the operation, funding, assets, and investments of pensions and other employee benefit plans, including welfare benefit plans.

Welfare benefits refer to health, disability, and any other benefits that are not pension benefits. Generally, companies file separate Form 5500s for pension and welfare benefits. This report centers on health benefits only and is thus based on a subset of welfare benefit filings.¹

The Form 5500 consists of a main Form 5500, schedules and attachments, depending on the type of plan and its features. The main Form 5500 collects general information such as the name of the sponsoring employer, the type of benefits provided (pension, health, disability, life insurance, etc.), the effective date of the plan, and the number of plan participants, along with limited information on funding and benefit arrangements. If the plan sponsor provides some or all plan benefits through external insurance contracts, Form 5500 plan filings must include one or more Schedules A with details on each insurance contract (name of insurance company, type of benefit covered, number of persons covered, expenses, etc.). If the plan holds any assets in a trust, a Schedule H or Schedule I must be attached with financial information. Schedule H applies to large plans, whereas small plans may file the shorter Schedule I. Certain small plans may file a Form 5500-SF (Short Form) with less detailed information.²

¹ While this report only addresses health benefit information, the 2021 Form 5500 health plans may provide both health and other types of benefits (dental, disability, etc.).

² To be eligible to use the Form 5500-SF, the plan must generally have fewer than 100 participants at the beginning of the plan year, meet the conditions for being exempt from the requirement that the plan’s books and records be audited by an independent qualified public accountant, have 100% of its assets invested in certain secure investments with a readily determinable fair value, hold no employer securities, not be a multiemployer plan, and not be required to file a Form M-1, *Report for Multiple Employer Welfare Arrangements (MEWAs) and Certain Entities Claiming Exception (ECEs)* available at dol.gov/sites/dolgov/files/EBSA/employers-and-advisers/plan-administration-and-compliance/reporting-and-filing/forms/m1-

Non-ERISA plans, such as governmental plans and church plans, do not need to file a Form 5500 and are therefore not covered by the analysis in this report. Also, plans with fewer than 100 participants at the beginning of the plan year³ (“small plans”) are generally exempt from filing a Form 5500, unless they operate a trust or are a Multiple Employer Welfare Arrangement (MEWA) that is a single plan.⁴ As a result, an estimated 99% of small health benefit plans were not required to file a Form 5500 and so were not included in the report’s analysis.⁵ Therefore the small plans included in this report are not representative of small plans in the United States.

In contrast, we believe our analysis covers nearly all large ERISA-covered plans in the United States because plans with 100 or more participants at the beginning of the plan year (“large plans”) are generally required to file a Form 5500.

The number of small health benefit plans that filed a Form 5500 was approximately constant until 2016, but has grown substantially in recent years—see Figure 1.

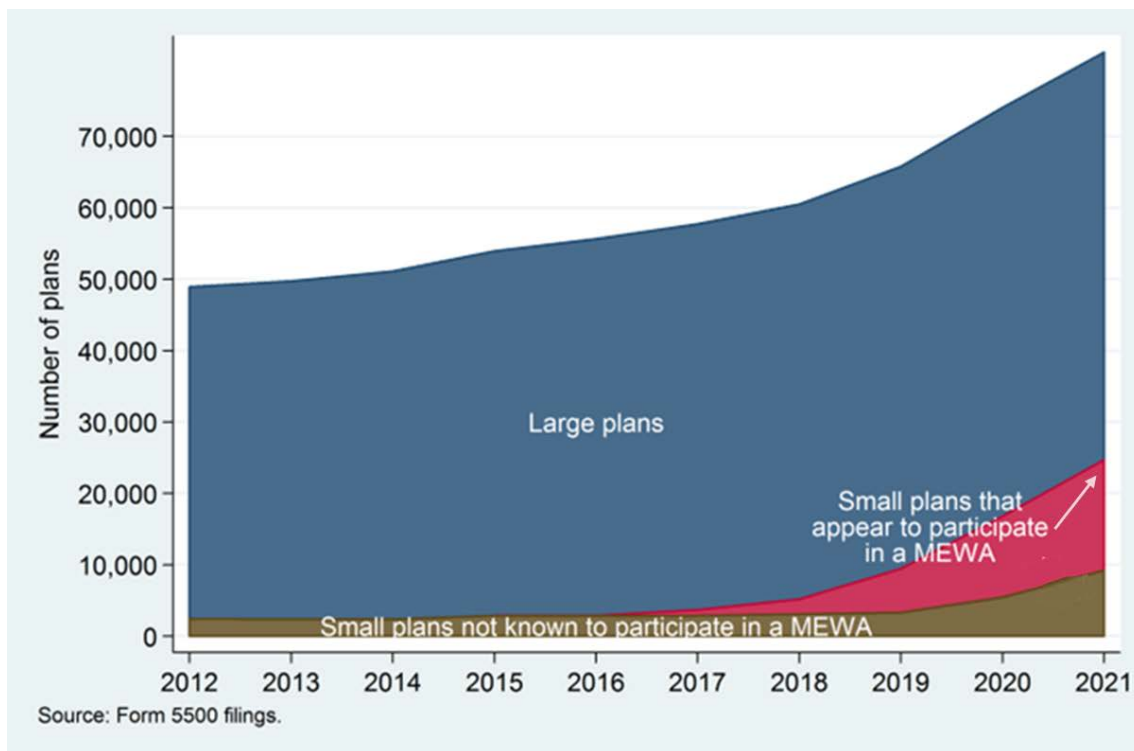
[2021.pdf \(dol.gov\)](https://www.dol.gov/sites/dolgov/files/EBSA/employers-and-advisers/plan-administration-and-compliance/reporting-and-filing/form-5500/2021-sf-instructions.pdf) for the plan year (2021 Instructions for Form 5500-SF, available at [dol.gov/sites/dolgov/files/EBSA/employers-and-advisers/plan-administration-and-compliance/reporting-and-filing/form-5500/2021-sf-instructions.pdf](https://www.dol.gov/sites/dolgov/files/EBSA/employers-and-advisers/plan-administration-and-compliance/reporting-and-filing/form-5500/2021-sf-instructions.pdf)).

³ “Large” plans are generally those with 100 or more participants as of the beginning of the plan year. Conversely, “small” plans report less than 100 participants as of the beginning of the plan year. An important exception to the definition of “large” plans exists; plans with between 80 and 120 participants at the beginning of the year are eligible to file as the same type of plan as in the prior year. Thus, a plan that filed a Form 5500-SF in the prior year can continue to file the Form 5500-SF as a “small plan” as long as the number of participants at the beginning of the year remains below 120. See section 4 of the 2021 Instruction for Form 5500, <https://www.dol.gov/sites/dolgov/files/EBSA/employers-and-advisers/plan-administration-and-compliance/reporting-and-filing/form-5500/2022-instructions.pdf>.

⁴ Small plans that are fully insured or pay benefits from the employer’s general assets, or a combination of both, are exempt from filing a Form 5500.

⁵ In 2016, the DOL estimated that 2,158,000 health plans covered fewer than 100 participants (See 81 FR47496 47502 (July 21, 2016), available at [govinfo.gov/content/pkg/FR-2016-07-21/pdf/2016-14892.pdf](https://www.govinfo.gov/content/pkg/FR-2016-07-21/pdf/2016-14892.pdf)). Based on participants at the beginning of the plan year, only 11,039 such plans (0.5%) filed a Form 5500, in 2016.

Figure 1. Number of Small and Large Health Benefit Plans That Filed a Form 5500 (2012-2021)⁶



Plans that participate in a MEWA, which is a vehicle for offering welfare benefits to the employees of two or more employers, appear to have driven the growth in small plans. A MEWA may or may not be a welfare benefit plan itself.⁷ If a MEWA is not a welfare benefit plan, Form 5500 filing requirements apply to the individual employer plans that participate in the MEWA; otherwise, the MEWA itself may file a Form 5500.⁸ Based on plan names, we identified 15,455 plans out of the total of 24,693 in our analysis that appear to participate in 10 non-plan MEWAs in 2021.^{9,10}

⁶ Plan size is based on the number of participants at the beginning of the year.

⁷ A plan MEWA that meets the ERISA definition of “employee welfare benefit plan” under section 3(1) of ERISA. A Non-Plan MEWA does not meet the ERISA definition of an “employee welfare benefit plan” under section 3(1) of ERISA. Typically, Non-Plan MEWAs cover a collection of separate employee welfare benefit plans maintained by individual employers.

⁸ A MEWA that is itself an employee benefit plan is required to file a Form 5500. In addition, MEWAs that provide medical coverage, regardless of whether they also constitute employee benefit plans under ERISA, are required to file the Form M-1 “Report for Multiple Employer Welfare Arrangements (MEWAs) and Certain Entities Claiming Exception (ECEs).”

⁹ Prior to 2016, we did not examine or report on whether small plan Form 5500 filers participated in non-plan MEWAs.

¹⁰ Form 5500 and 5500-SF filings do not contain direct information about participation in a non-plan MEWA. We infer likely participation from plan names that contain the name of a MEWA. For example, many plan names contain the string

Form 5500 filings are almost universally available for large ERISA-covered health benefit plans, while Form 5500 filings are only selectively available for small plans. Because these groups are so distinct, much of this report analyzes “large” and “small” plans separately.

Aside from amended filings, there were 58,478 filings for large plans that reported covering health benefits for the reporting period that ended in 2021 (“statistical year 2021”). Filings were excluded if (1) the filing was followed by another filing of the same plan for a later period in the same year (909 such filings in 2021), (2) the plan name suggested that it did not offer health benefits that were the subject of the ACA (415 such filings in 2021)¹¹, or (3) the filing was submitted by a GIA (41 such filings in 2021). The remaining 57,112 large plans collectively covered 82,844,428 participants.¹² Throughout this report, the term “participants” includes active and retired or separated employees, but excludes dependents of employees.¹³

Table 1 presents the distribution of large plan size, as measured by the number of participants at the end of the reporting period, for filings in statistical year 2021.

“SOCA BENEFIT PLAN,” which suggests participation in a MEWA sponsored by the Southern Ohio Chamber Alliance (<https://www.joinsoca.com/soca-benefit-plan/faqs>). Similarly, many plan names contain the names of MEWAs sponsored by the Ohio Farm Bureau, Builders Exchange of Ohio, Ohio State Medical Association, Canton Regional Chamber of Commerce, Missouri Chamber Federation, Community Bankers of West Virginia, Georgia Chamber Federation, Georgia Farm Bureau, and California Association of Realtors.

¹¹ Often these plans have names including the following terms, as well as others: “long term disability and voluntary life plan,” “associate accident program,” “group life” and “AD&D plan.”

¹² Following the Form 5500 filing requirements, the distinction between small and large plans is based on participant count at the beginning of the reporting period. For all other purposes (unless specified otherwise), we measured the number of participants at the end of the reporting period, because that count is most up-to-date. The difference between participant counts at the beginning and the end of the reporting period implies that large plans (with 100 or more participants at the *beginning* of the reporting period) may cover fewer than 100 participants at the *end* of the period (see Table 1), and that small plans may cover more than 100 participants at the end of the period.

¹³ The number of participants is based on the number reported in Form 5500 filings and may overestimate the number of plan participants who received health benefits. A single Form 5500 filing may reflect multiple welfare benefit types/options available under a single plan, and some participants may opt out of the health benefit option but participate in a different welfare benefit option. An example is a welfare plan that provides multiple types of benefits with 500 employees enrolled for long-term disability benefits and of those 500 employees, only 400 are enrolled for health benefits. In this example, the number of plan participants reported in the Form 5500 would be 500, because the welfare plan overall covers 500 participants.

Table 1. Distribution of Large Health Plans and Plan Participants, By Plan Participant Counts at the End of the Reporting Period (2021)

Participants in plan	Large Plans	Percent	Participants (millions)	Percent
0–99*	2,991	5.2%	0.1	0.2%
100–199	19,625	34.4%	2.8	3.4%
200–499	18,160	31.8%	5.6	6.8%
500–999	7,205	12.6%	5.0	6.1%
1,000–1,999	4,063	7.1%	5.7	6.9%
2,000–4,999	2,798	4.9%	8.7	10.5%
5,000+	2,270	4.0%	54.8	66.2%
Total	57,112	100.0%	82.8	100.0%

Source: Form 5500 health plan filings.

* The definition of a large plan is based on number of participants at the beginning of the reporting period; some large plans have fewer than 100 participants at the end of the period.

Numbers or percentages may not sum to total due to rounding.

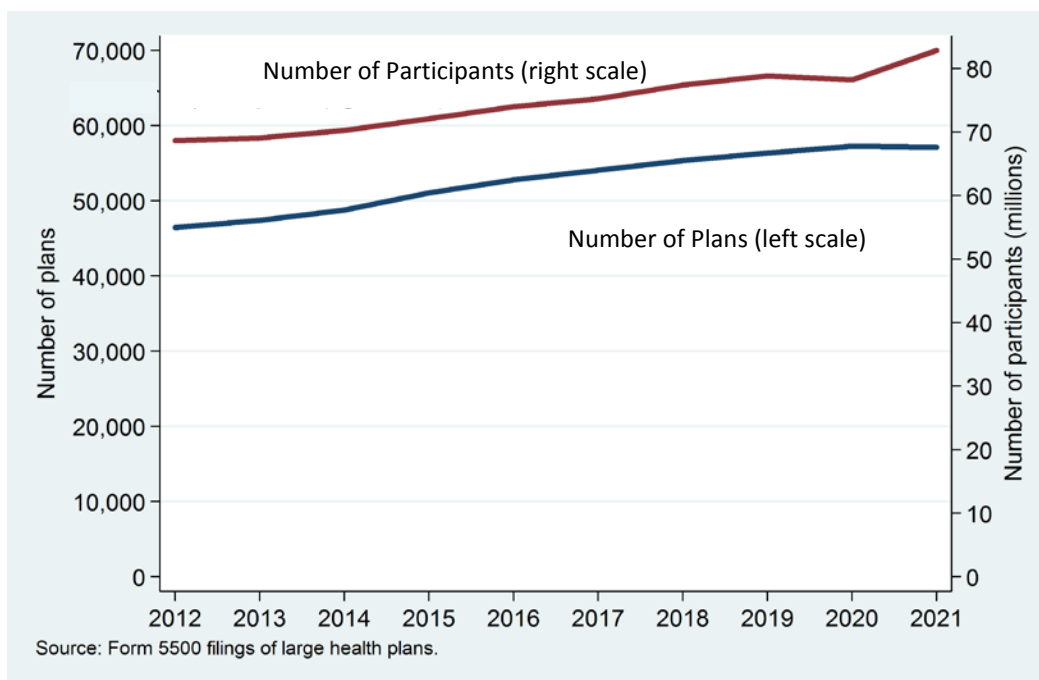
Large health plans with fewer than 100 participants at the end of the plan year account for 5.2% of plans in our large plan analysis. The majority of large plans have between 100 and 499 participants. The majority of participants, however, are in the largest plans. Plans with 5,000 or more participants make up only 4.0% of all plans in our sample, but they account for 66.2% of all participants.

For small plans there were 26,426 filings that reported covering health benefits in 2021. This number excludes amended filings. Given that they are small plans, they do not exhibit the type of size distribution observed in Table 1 for large plans. As with the large plans discussed above, filings were excluded if (1) the filing was followed by another filing of the same plan for a later period in the same year (80 such filings in 2021), (2) the plan did not hold assets in a trust and was therefore exempt from filing a Form 5500 (1,642 such filings in 2021), (3) the plan name suggested that it did not offer health benefits that were the subject of the ACA (3 such filing in 2021), or (4) the filing was submitted as a GIA (8 such filings in 2021). The remaining 24,693 small plans collectively covered 259,076 participants at the end of the year. Almost all small plan filings (99.7%) had fewer than 100 participants at both the beginning and the end of the reporting period, while 83 plans (0.2%) had grown to 100 or more participants by the end of the period.

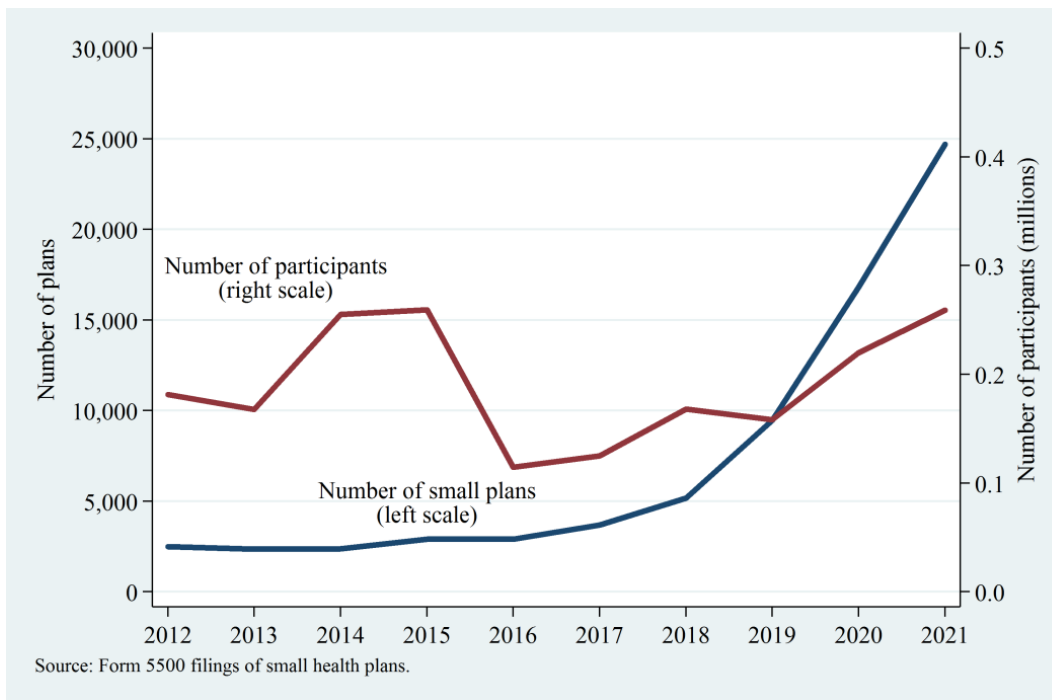
The Number of Health Benefit Plans and Their Participants

Our analysis covers statistical years 2012 through 2021. As shown in Figure 2 below and its underlying counts in Table 2, the number of large plans providing health benefits ranged from roughly 46,000 and 57,000. Between 2012 and 2021, the number of participants ranged from approximately 68 million to 82 million per year. From 2020 to 2021 the number of large health plans remained almost stable at just over 57,000, while the number of participants in large health plans increased from 78.2 to 82.8 million.

Figure 2. Large Health Plans and Participants, by Statistical Year



Similarly, Figure 3 and Table 2 show the number of small group health plans and their participants. As discussed above, the number of small plans increased more than 140 percent since 2020, to 24,693 in 2021. The number of participants has fluctuated over time, mostly because of a few small plans that covered many participants at the end of the reporting period. For example, much of the volatility in participants stems from two new health plans in 2011 and 2015 with about 239,000 and 128,000 participants at the end of the reporting period, respectively, which, by definition, had fewer than 100 participants each at the start of the year. In 2021, small plans covered approximately 259,000 participants.

Figure 3. Small Health Plans and Participants, by Statistical Year**Table 2. Health Plans and Participants, by Statistical Year**

Statistical year	Large Plans		Small Plans	
	Number	Participants (millions)	Number	Participants (millions)
2012	46,453	68.6	2,490	0.181
2013	47,387	69.1	2,358	0.168
2014	48,759	70.3	2,382	0.255
2015	51,057	72.1	2,901	0.259
2016	52,769	74.0	2,900	0.115
2017	54,071	75.2	3,679	0.125
2018	55,361	77.4	5,169	0.168
2019	56,348	78.8	9,450	0.158
2020	57,245	78.2	16,809	0.220
2021	57,112	82.8	24,693	0.259

Source: Form 5500 health plan filings.

Table 3 shows the percentage of health plan filings that were matched to their corresponding filing in the previous year. It covers both large and small plans. The match rate ranged from 81.0% in 2020 to 89.2% in 2012 when the number of small plans was about a seventh of the size. In order to gauge consistency in the reporting of the number of participants, the table illustrates to what extent participant counts of matched pairs of plan filings changed from one year to the next. At the median, plans reported approximately the same size as in the prior year, suggesting that the matches were generally accurate and that there was consistency in the reporting. The distributions were fairly stable over time and the interquartile range (the

difference between the 75th and 25th percentiles of plan sizes) was about 18 percentage points in 2021.

Table 3. Distribution of Year-on-Year Participation Increases in Plans Matched across Years

Statistical year	Number of plans in year t	Percentage matched to a plan in t-1	Year-on-year increase		
			25th pct	Median	75th pct
2012	48,943	89.2%	-5.9%	0.5%	8.1%
2013	49,745	89.0%	-6.0%	0.5%	8.2%
2014	51,141	87.9%	-5.6%	1.0%	9.2%
2015	53,958	86.0%	-5.8%	1.3%	9.8%
2016	55,669	87.1%	-6.1%	1.1%	9.6%
2017	57,750	86.7%	-5.8%	1.0%	9.2%
2018	60,530	86.3%	-5.7%	1.1%	9.6%
2019	65,798	83.3%	-6.4%	0.7%	9.2%
2020	74,054	81.0%	-10.4%	0.0%	7.0%
2021	81,805	81.6%	-9.1%	0.0%	9.0%

Source: Form 5500 health plan filings.

Match rates based on all Form 5500 health plan filings.

Participant increases based on the matched sample only.

Financial Information from IRS Form 990 and Bloomberg

Several of our research questions seek to clarify the relationship between a plan sponsor's financial health and the plan's funding mechanism. To address these questions, we matched Form 5500 health plan filings with two sources of financial information: Form 990 and Bloomberg corporate financial data. We obtained plan sponsors' not-for-profit status from the Form 990 and financial information for a subset of large plans from Bloomberg. This section describes our approach and the number of Form 5500 filers for which we achieved a statistical year 2021 match with Form 990 or Bloomberg records.

Not-for-Profit Status from Form 990

We determined whether health plan sponsors (large or small) were for-profit or not-for-profit by matching Form 5500 filings to Form 990 filings. We identified not-for-profit plan sponsors by the existence of a Form 990 filing from the plan sponsor. Tax-exempt organizations file a Form 990 annually with the IRS unless exempt from filing. On its website, the IRS makes select fields of Form 990 filings, including Employer Identification Numbers (EINs) and the organizations' names, publicly available. If the corporate sponsor listed on a Form 5500 health plan filing matched to a Form 990 filing, and the entity that filed a Form 990 was not itself a benefit plan, we identified the plan sponsor as a not-for-profit organization; otherwise, we considered it for-profit.¹⁴

¹⁴ Some welfare plans of for-profit corporations were themselves not-for-profit entities. For example, Form 5500 plan sponsor could be listed as XYZ Corporation Employee Benefits Plan, a not-for-profit entity that filed a Form 990. In such cases, we ignored the Form 990 entry for XYZ Corporation Employee Benefits Plan and

We matched entities using the EIN and organization name. To reduce mismatches due to name spelling variations, we normalized names and removed plan labels prior to matching.¹⁵ Of the 57,112 large plans in 2021, 9,459 (16.6%) had sponsors that filed a Form 990, which we classified as not-for-profit. These not-for-profits covered just over 13 million participants, or 15.8% of the total participant count of large plans under study. Of the 26,426 small plans, we identified 1,563 (6.3%) as not-for-profit. They covered approximately 21,377 participants, or 8.3% of the total participant count of small plans.

Financial Metrics from Bloomberg

Corporate financial information comes from Bloomberg, a provider of financial and other data for companies in the United States and elsewhere. Bloomberg culls Form 10-K filings and other sources to collect data on companies with public financial statements, which generally include companies with publicly traded stock or bonds.¹⁶ Our extract from its database contained information on the 2021 financial performance for over 6,500 companies with public financial information that were based in the United States or listed on a US stock exchange.

We extracted the following fields that capture company size and financial health.

- Market capitalization: Total value of outstanding common stock as of the end of the year;
- Revenue: Total revenue net of sales returns and allowances during the year;
- Profit: Amount of profit the company made after paying all of its expenses during the year;
- Cash and cash equivalents: Amount of cash in vaults, deposits in banks, and short-term investments with maturities under 90 days as of the end of the year;
- Total debt: Short-term borrowings, long-term debt, and long-term capital leases as of the end of the year;
- Altman Z-Score: An index commonly used for predicting the probability that a firm will go into bankruptcy within two years.¹⁷ The lower the score, the greater the probability of insolvency; and

looked for XYZ Corporation among Form 990 filings to determine its for-profit status. To this end, we excluded Form 990 filings by voluntary employees' beneficiary associations (VEBAs), teachers retirement fund associations, supplemental unemployment compensation trusts or plans, employee-funded pension trusts, multiemployer pension plans, and any filer with names that included such labels as *HEALTH PLAN* or *WELFARE PLAN*. For-profit status thus refers to the plan sponsor, not to the plan itself.

¹⁵ The algorithm removed punctuation, streamlined abbreviations, and removed strings that denote health plans. For example, "ABC Incorporated Employee Benefit Trust" and "ABC Inc." both normalized to "ABCINC".

¹⁶ A Form 10-K is an annual financial report filed with the U.S. Securities and Exchange Commission.

¹⁷ The Altman Z-Score in the Bloomberg data is calculated as 1.2 times the ratio of working capital to tangible assets, plus 1.4 times the ratio of retained earnings to tangible assets, plus 3.3 times the ratio of earnings before interest and taxes to

-
- Number of employees.

Matching Form 5500 Filings and Bloomberg Records

Form 5500 health plan filings and Bloomberg data both contained the names of sponsors companies. However, in part because of spelling variations, the match rate on name alone was low. Both data sources also contained EINs, but that field was available for only 5.1% of Bloomberg records.

Bloomberg records may further identify companies through their Central Index Key (CIK), a number used by the U.S. Securities and Exchange Commission (SEC) to identify corporations and individuals who have filed a disclosure with the SEC. CIKs were available for 98.5% of Bloomberg records. SEC filings, electronically available from the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system, often included both a company's CIK and its EIN. Using an automated algorithm that extracted CIK-EIN combinations from SEC filings, we located EINs from the SEC filing for 78.9% (5,121) of the Bloomberg records based on CIKs matches between Bloomberg and the SEC filings.

Next, we defined clusters of EINs, CIKs, and company names that appeared to relate to the same company. For example, a company may have used two EINs, or an EIN may have been associated with multiple (similar) names. To improve the clustering, we normalized the company names and removed plan labels.

We then mapped all related EINs, CIKs, and company names into a unique cluster. Finally, we matched Bloomberg records and Form 5500 health plan filings by cluster.

Corporate fiscal years do not need to correspond to health plan reporting periods. In an effort to accurately match a 2021 Form 5500 health plan filing with its sponsor's 2021 financial information, we required that the end date of the fiscal year captured in Bloomberg and the end date of the Form 5500 plan year differed by no more than 183 days. This allows the fiscal year we use for financials to have the greatest overlap with the filing year for the health plans. Only if the closest fiscal and plan years differed by no more than 183 days did we consider this a match. For example, a health plan sponsor could have a plan year from January 1 to December 31, but a fiscal year that ran from April 1 to March 31 of the next year. Under these circumstances, we matched the Form 5500 health plan filing ending December 31, 2021, with the Bloomberg financial information for fiscal year ending March 31, 2022.

The analysis of corporate financial health is related to large plans only.¹⁸ As summarized in Table 4, the process above results in 877 matched plans with 5,000

tangible assets, plus 0.6 times the ratio of the market value of equity to total liabilities, plus 1.0 times the ratio of sales to tangible assets (source: Bloomberg)

¹⁸ Insofar as small plans are sponsored by small companies, corporate financial information is rarely available. That said, 28 sponsors of small plans were matched to Bloomberg data. Almost all appeared to be large companies.

or more participants (38.6%) and 3,315 plans (5.8%) overall.¹⁹ The 3,315 matched plans covered 27.6 million participants, or 33.3% of all participants in the Form 5500 large health plan data.

Table 4. Form 5500 Large Health Plan Filings Matched with Financial Information, by Plan Size (2021)

Number of participants	Large Plans			Participants		
	Number	Percent	Match rate	Number (millions)	Percent	Match rate
0–99*	67	2.0%	2.2%	0.0	0.0%	1.6%
100–199	299	9.0%	1.5%	0.0	0.2%	1.5%
200–499	586	17.7%	3.2%	0.2	0.7%	3.4%
500–999	458	13.8%	6.4%	0.3	1.2%	6.6%
1,000–1,999	493	14.9%	12.1%	0.7	2.6%	12.6%
2,000–4,999	535	16.1%	19.1%	1.7	6.2%	19.9%
5,000+	877	26.5%	38.6%	24.6	89.1%	44.9%
Total	3,315	100.0%	5.8%	27.6	100.0%	33.3%

Source: Form 5500 large health plan filings and Bloomberg data.

* The definition of a large plan is based on number of participants at the beginning of the reporting period; some large plans have fewer than 100 participants at the end of the period.

Numbers may not sum to total due to rounding.

The match rate increased with plan size, presumably because larger plans were sponsored by larger companies and larger companies were more likely to be publicly traded, and therefore required to disclose financial information. However, even very large plans did not match universally. Plans that did not match included those of hospitals and universities without public financials, but also US operations of large international firms with public financials. We restricted Bloomberg records to companies that were based in the United States or listed on a US stock exchange. Mismatches could have occurred from differences between corporate names in Bloomberg (e.g., XYZ Holdings Inc.) and sponsor names on Form 5500 filings (e.g., XYZ Inc.). A more inclusive name matching algorithm could boost the matching rate, but it also increased the risk of false matches which in turn could dilute any analysis results based on the matched subset of plans. Instead, we opted for a more conservative approach, with a smaller subset of matched plans but more reliable matches.

¹⁹ While the number of matches for small plans is a relatively small number, many companies that filed a Form 5500 were not represented in Bloomberg data because they have no requirement to issue publicly available financial statements. The sponsor may be privately held and without publicly issued securities, the sponsor may be based overseas, or the plan may be a multiemployer or multiple-employer plan.

3. THE DEFINITIONS OF FUNDING MECHANISMS

The Form 5500 does not require plan sponsors to report the funding mechanism of health benefits with sufficient specificity for us to determine definitively whether we should classify plans that report using both a trust and insurance as self-insured, fully insured, or mixed-funded (also referred to as mixed, below). This section describes how we classified individual plans by funding mechanism for purposes of this report.

The Definition of Funding Mechanism Is Driven by Certain Available Data

For the purpose of the analysis in this report, funding mechanism was assigned based on information provided by Form 5500 health plan filings. We categorized plans as self-insured, fully insured, or mixed-funded. A mixed-funded plan contained both self-insured and fully insured components. For example, an employer may offer its employees a choice between a fully insured HMO option and a self-insured PPO option. If the employer reported both plan components on a single Form 5500 filing, the plan would be mixed-funded. In some cases, the data were incomplete or internally inconsistent. For example, while Schedules A were intended to report on insurance contracts, some plans attached a Schedule A for a contract that appeared to be for administrative services only (ASO) rather than for insurance. Given these limitations, the classification in this report should not be interpreted as an official or legal definition.

The classification of funding mechanism is based on data from the main Form 5500, Form 5500-SF, Schedule A, and Schedule H/I, when available. As depicted in Figure 4 below, there were multiple ways a plan may be classified as self-insured, mixed-funded, or fully insured. Two important ways were evidence of an external health insurance contract (on a Schedule A) and of a plan trust (on a Schedule H or I).

Evidence of Health Insurance. Information on insurance contracts needs to be reported on a Schedule A. Many Schedules A relate to dental, vision, disability, or other non-health benefits. Only Schedules A that specify “Health (other than dental or vision)” benefits or reflect an “HMO contract,” “PPO contract,” or “Indemnity contract” were considered evidence of health insurance. However, some Schedules A may have been filed in error and some health benefits—such as business travel insurance with limited emergency medical care benefits—may be outside the focus of the ACA. The algorithm rejected as evidence of health insurance any Schedule A with per capita annualized premiums that were less than 30% of the average cost of single health coverage in the United States, as documented by the Kaiser Family Foundation’s *Employer Health Benefits Annual Survey* (“KFF Survey”).²⁰ In 2021, the average premium for single coverage is \$7,739 per

²⁰ Kaiser Family Foundation, *Employer Health Benefits, 2021 Annual Survey*. 2021. Available at <https://files.kff.org/attachment/Report-Employer-Health-Benefits-2021-Annual-Survey.pdf>.

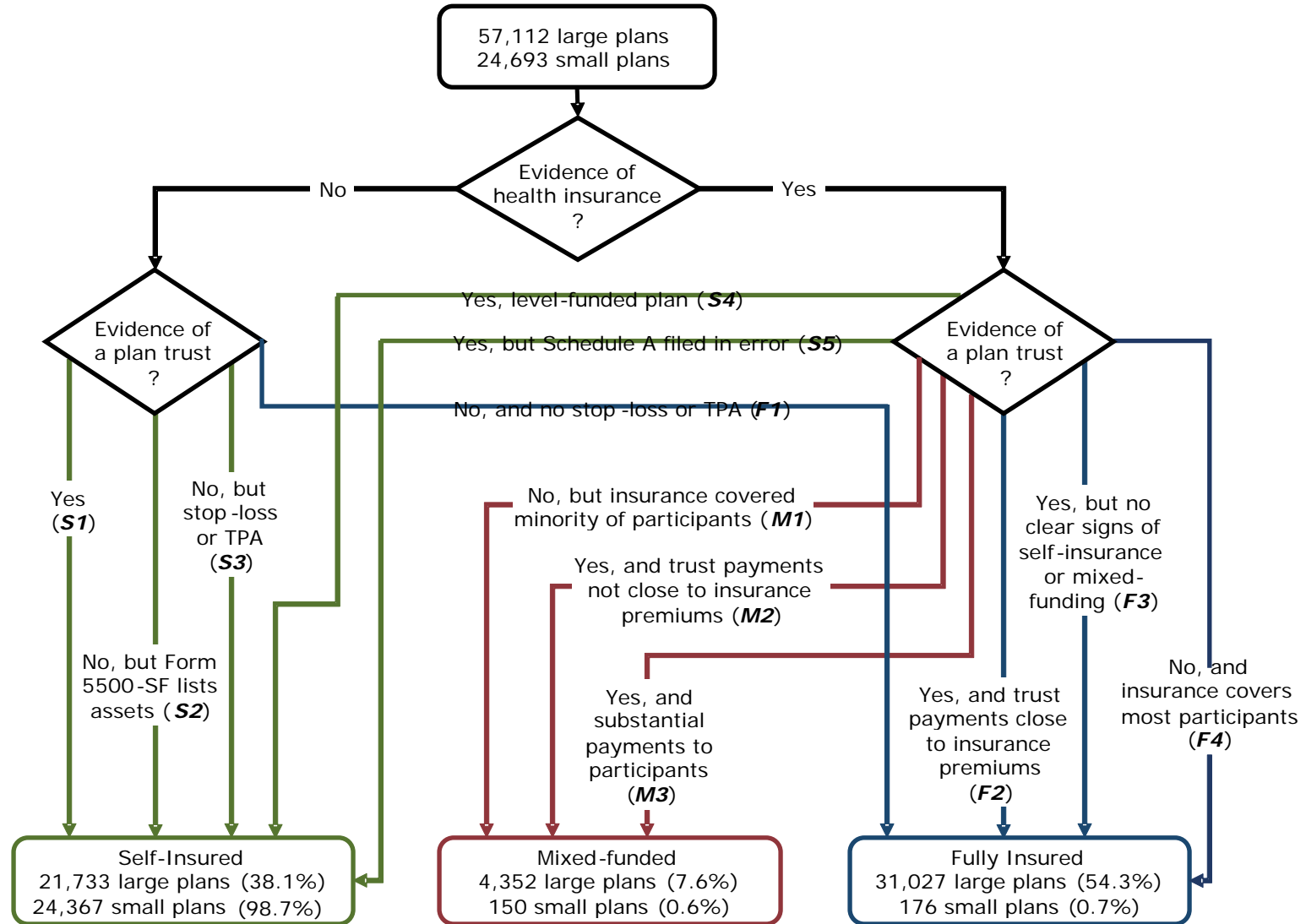
year, so the algorithm required annualized premiums to be at least $30\% \times \$7,739 = \$2,321.70$ per covered person.²¹

Evidence of a Trust. Information on a plan's trust, if any, is required to be reported on a Schedule H or I. In addition to assets and liabilities, the Schedules H and I report contributions and expenses (such as benefit payments directly to participants and payments to insurance carriers). Some plans attached a Schedule H or I that was blank (not common since the introduction of electronic filing) or reported on compliance issues only. The algorithm accepted as evidence of a trust only Schedules H/I with at least some information on assets, liabilities, income, or expenses.

Figure 4 illustrates the algorithm that classified plans by funding mechanism based on detailed information on the main Form 5500, Schedules A, and Schedules H/I, where available. The main issues were whether plans provided evidence of a health insurance contract or a plan trust. Of 57,112 large plans in the 2021 analysis file, 21,733 (38.1%) were classified as self-insured, 4,352 (7.6%) as mixed-funded, and 31,027 (54.3%) as fully insured. Of the 24,693 small plans, 24,367 (98.7%) were classified as self-insured, 150 (0.6%) as mixed-funded, and 176 (0.7%) as fully insured.

²¹ The average cost of single coverage rose from \$5,049 in 2010 to \$7,739 in 2021.

Figure 4. Classification of Plans by Funding Mechanism



The branches in Figure 4 are labeled and described in detail in the sections below. The Technical Appendix lists the data fields that the algorithm uses.

Self-Insured Plans

S1: No Evidence of Health Insurance; Evidence of a Plan Trust

All plans in the analysis reported sponsoring health benefits. If there was no evidence of health insurance, and financial information for a plan trust was provided, then the plan was classified as self-insured.

S2: Short Form Filers with Fewer Than 100 Participants or with Assets

Some plans with fewer than approximately 100 participants at the beginning of the year may file a Form 5500-SF. Such filings were not required to attach any schedules, and any financial information would be entered on the Form 5500-SF itself.²² Plans that filed a Form 5500-SF and reported fewer than 100 participants at the beginning of the year were presumed to be self-insured. Further, if they reported between 100 and 120 participants at the beginning of the year and listed plan assets, they also were classified as self-insured.

S3: No Evidence of Health Insurance or of a Plan Trust; Indicators of Self-Insurance

Some plans provided no evidence of either health insurance or a plan trust. If the funding or benefit arrangement was through a trust or from general assets, then we classified the plan as self-insured. Also, if the only Schedules A attached to the filing were for stop-loss coverage or non-health benefits, or a Schedule A indicated third party administrator services rather than insurance,²³ then we classified the plan as self-insured.

S4: Evidence of Health Insurance and of a Plan Trust; Financial Information Indicates Self-Insurance

Some plans provided evidence of health insurance and of a plan trust that listed payments both directly to participants and to insurance carriers. Depending on the magnitude of certain trust payments and insurance premiums, such plans may be self-insured, mixed-funded, or fully insured. The algorithm sequentially checked for various scenarios, including the possibility that the Schedule A reflected a level-funded plan contract.²⁴ In such cases, we classified the plans as self-insured.

²² Small plans that filed a Form 5500-SF without financial information are presumed to be exempt from filing and excluded from the analysis.

²³ Some plans attached a Schedule A for administrative services only despite directives to the contrary (2021 Instructions for Form 5500).

²⁴ A nominally self-funded option for small or mid-sized employers that incorporates stop-loss insurance with relatively low attachment points. Often, the insurer calculates an expected monthly expense for the employer, which includes a share of the estimated annual cost for benefits, premium for the stop-loss protection, and an administrative fee. The employer pays this "level premium" amount, with the potential for some reconciliation between the employer and the insurer at the end of the year, if claims differ significantly from the estimated amount. These policies were

S5: Evidence of Health Insurance, but Schedule A May Have Been Filed in Error

Some plans provided evidence of health insurance and of a plan trust that listed payments both directly to participants and to insurance carriers. In addition to the possibility discussed under branch *S4*, the Schedule A may have been filed in error. Having excluded certain other scenarios, if Schedule A reported experience-rated charges but no corresponding premiums, it presumably did not reflect an insurance contract. We then assumed that the Schedule A was filed in error and classified the plan as self-insured.

Mixed-funded Plans***M1: Evidence of Health Insurance; No Evidence of a Plan Trust; Funding through Trust or General Assets and Insurance Covered a Minority of Participants***

In principle, when a plan provided evidence of health insurance and not of a plan trust, we classified the plan as fully insured. However, the plan may additionally cover some participants in a self-insured plan component, namely from general assets or through a trust (for which no information was provided). The algorithm first accounted for funding and benefit arrangements. If both arrangements involved insurance only, we classified the plan as fully insured (discussed below under branch *F4*). However, if the funding or benefit arrangements mentioned a trust or general assets, and fewer than one-half of plan participants (indicated on the main Form 5500) were covered by health insurance (indicated on Schedule A), we classified the plan as mixed-funded.

M2: Evidence of Health Insurance and of a Plan Trust; Trust Payments not Close to Insurance Premiums

Some plans provided evidence of both health insurance and of a plan trust. The trust may serve to funnel insurance premiums to insurance carriers, in which case we generally classified the plan as fully insured (discussed below under branch *F3*). However, if trust payments to insurance carriers differed by more than 20% from insurance premiums, the trust presumably funded self-insured benefits, in which case we classified the plan as mixed-funded.

sold as self-funded plans, so they generally were not subject to state requirements for insured plans and, for those sold to employers with fewer than 50 employees, were not subject to the rating and benefit standards in the ACA for small firms. Due to the complexity of the funding (and regulatory status) of these plans, and because employers often pay a monthly amount that resembles a premium, respondents may be confused as to whether or not their health plan was self-funded or insured (Kaiser Family Foundation, *Employer Health Benefits, 2021 Annual Survey, 2021*, P.155).

M3: Evidence of Health Insurance and of a Plan Trust; Substantial Payments Directly to Participants

Some plans provided evidence of health insurance and of a plan trust that listed payments both directly to participants and to insurance carriers. We classified these plans as mixed funded if payments directly to participants were substantial enough to plausibly reflect health benefit payments. We used the same monetary criterion for determining whether a Schedule A plausibly reflected health insurance (\$2,322 per participant per year in 2021; see above).²⁵

Fully Insured Plans

F1: No Evidence of Health Insurance or of a Plan Trust; No Indicators of Self-Insurance

Some plans provided no evidence of either health insurance or a plan trust. If such plans met the criteria discussed above under branch S3, we classified them as self-insured. Otherwise, we classified them as fully insured.

F2: Evidence of Health Insurance and of a Plan Trust; Trust Payments Close to Insurance Premiums

Some fully insured plans used a trust to funnel premiums to insurance carriers. Oftentimes, this applied to plans with multiple contributing parties, such as multiple employer and multiemployer plans. If a plan provided evidence of both health insurance and a plan trust, and trust payments to insurance carriers were within 20% of insurance premiums, we classified the plan as fully insured.²⁶ An exception existed in the case of substantial trust payments directly to participants; see branch M3.

F3: Evidence of Health Insurance and of a Plan Trust; No Clear Indicators of Self-Insurance or Mixed-Funding

Consider again plans that provided evidence of health insurance and of a plan trust that listed payments both directly to participants and to insurance carriers. Trust payments and insurance premiums may indicate self-insurance (discussed above under branches S4 and S5) or mixed-funding (discussed above under branch M3). In the absence of clear indicators of self-insurance or mixed-funding, we classified such plans as fully insured.

²⁵ The per-participant payment calculation may understate the actual average payment to participants in the self-insured component of the plan because it is based on the number of participants as reported on the main Form 5500, which likely overstates the number of participants in the self-insured component of the plan.

²⁶ To accommodate scenarios in which non-health insurance premiums were paid outside of the trust, the algorithm checks all insurance premiums separately from all health insurance premiums. If trust payments were within 20% of either amount, branch F3 applies.

F4: Evidence of Health Insurance; No Evidence of a Plan Trust; Funding through Insurance Only or Insurance Covered Most Participants

In principle, when a plan provided evidence of health insurance but not of a trust, we classified it as fully insured. Branch *M1* allows for the possibility that the plan additionally covered some participants in a self-insured plan component. If the plan did not meet the criteria specified under branch *M1*, we classified the plan as fully insured.

While this approach was subject to some data quality issues (further discussed below), we believe it resulted in a meaningful characterization of health plans' funding mechanism.

Issues in Defining Funding Mechanism

The information on the Form 5500 may be incomplete, ambiguous, or inconsistent for some plans with respect to the funding mechanism. Some of the issues affecting the funding mechanism definition were as follows:

- An employer may set up a subsidiary that acts as an in-house or "captive" insurance company or rent an outside "captive" to offer health insurance. These "captive" insurance companies were subject to state regulations regarding insurance companies. Plans purchasing health insurance from a captive insurance company should file a Schedule A, which does not require disclosing that the insurance company is captive. In the classification, such plans would thus be considered fully insured, even though the employer group to which they belong may incur a risk substantially similar to that of a self-insured plan. Since nothing on the Form 5500 permitted the identification of captive insurance companies, we were not able to quantify how frequently this issue arises.
- As explained above, 7.6% of large group health plans contained both externally insured and self-insured health components in 2021. While the distinction may be clear conceptually, Form 5500 data limitations implied that the health plan as a whole must be categorized as mixed-funded. The issue arises in part because Forms 5500 were required for each plan, not for each type of benefit offered under a plan. Where a plan provided multiple types of welfare benefits or multiple types of health benefit options, it was not always possible to attribute responses to the health benefit component(s) of the filer's welfare plan. Also, a plan may indicate funding benefits through insurance contracts and from general assets without specifying which plan components were funded in either way. Separately, Form 5500 data limitations arise from the fact that the Form 5500 does not ask for details about self-insured plan components. At the participant/policy level, however, a benefit is either self-insured or fully insured.
- As noted above, plans may offer self-insured health benefits to some participants and fully insured benefits to others, but the Form 5500 provided little insight about the number of participants in the self-insured component. Reflecting such scenarios, plans may also be classified as mixed-funded if fewer than one-half of plan participants were covered by health insurance

contracts. The comparison is less than perfect. First, the number of “persons covered” by insurance contracts, as reported on Schedule A, was inclusive of dependents,²⁷ whereas the definition of “participant” for Form 5500 explicitly excluded dependents (See 2021 Instructions for Form 5500, available at <https://www.dol.gov/sites/dolgov/files/ebsa/employers-and-advisers/plan-administration-and-compliance/reporting-and-filing/form-5500/2020-instructions.pdf>). Second, because the total number of persons whose benefits were provided through the insurance policy or contract were reported on the Schedule A, where plans that provide multiple types of benefits and participants select some, but not all of the insured benefits offered, not all reported participants may in fact be participants in the health benefits component of the plan.

- The classification may not recognize mixed-funding where only “carve-out services” were covered by insurance. For example, a plan may have purchased insurance coverage for mental health benefits and self-insured other health benefits. Its Form 5500 filing would include a Schedule A with details of the mental health carve-out but might list the benefits provided under the contract as “Health (other than dental or vision)” because there is no separate category for “mental health” benefits on Schedule A, as there is for “Dental,” “Vision,” and “Prescription drugs.”
- Among large plans that reported a funding or benefit arrangement through insurance, 0.1% did not file a Schedule A with insurance contract details. Another 0.6% filed no Schedule A for health benefits but one or more Schedules A without listing the type of benefit that the insurance contract covered. In such cases, we assumed that the insurance contract provided health benefits.

For more details on data anomalies that stood in the way of unambiguous funding mechanism classifications, see the report on *Strengths and Limitations of Form 5500 Filings for Determining the Funding Mechanism of Employer-Provided Group Health Plans*.²⁸

Stop-Loss Insurance

While sponsors of self-insured plans generally bear the financial risks of health benefits and claims, some self-insured group health plans purchased insurance against particularly large losses (catastrophic or “stop-loss” insurance). Stop-loss coverage generally mitigates financial risks. However, we considered a health plan that has no insurance for health benefits other than stop-loss insurance self-insured.

²⁷ Although the Schedule A specifically called for filers to enter the approximate number of persons covered, it is our understanding that there were some filers who entered only the number of participants, even if there were more covered persons, such as beneficiaries.

²⁸ Available at <https://www.dol.gov/sites/default/files/ebsa/researchers/analysis/health-and-welfare/strengths-and-limitations-of-form-5500-filings-for-determining-the-funding-mechanism-of-employer-provided-group-health-plans.pdf>.

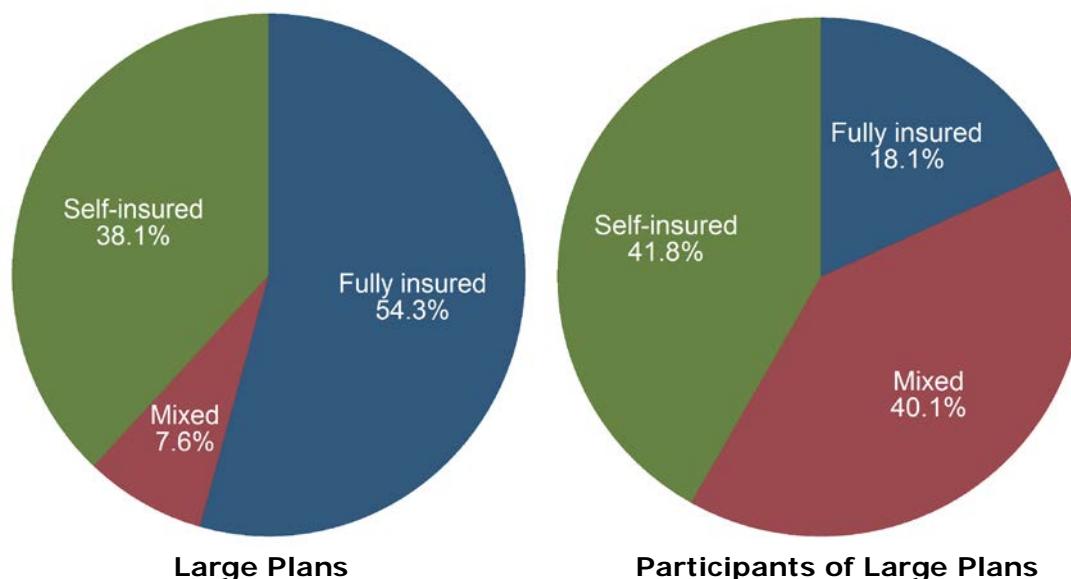
4. LARGE PLAN ANALYSIS

This section documents the findings of our analyses of large group health plans, defined as plans with 100 or more participants at the beginning of the year. (See Section 5 for small plans and Section 6 for GIAs.) We first present the Form 5500 distribution of funding mechanism by plan and plan sponsor characteristics. Next, we follow plan filings over time and document the rates at which plans have switched funding mechanisms. Next, we discuss stop-loss coverage of self-insured and mixed-funded plans. Finally, we turn to health plan sponsors for which external financial information was available and present summary statistics for these sponsors by plan funding mechanism.

Funding Mechanisms for Large Plans and Their Participants

For statistical year 2021, Figure 5 shows the overall distribution of funding mechanisms among the 57,112 large health plans: 54.3% of plans were fully insured, 38.1% were self-insured, and 7.6% were mixed-funded. As shown further below, funding varies by plan size, so the funding distribution across participants is quite different than it is across plans: 18.1% of the 82.8 million participants were in fully insured plans, 41.8% were in self-insured plans, and 40.1% were in mixed-funded plans.

Figure 5. Distribution of Funding Mechanism (2021)



To put our analysis in context, consider recent findings on self-insurance according to an external source: the Insurance Component of the Medical Expenditure Panel Survey (MEPS-IC), an annual survey of employers about their health benefit plans.²⁹

²⁹ Agency for Healthcare Research and Quality, *Medical Expenditure Panel Survey Insurance Component Chartbook 2021*. Rockville, MD, October 2021. AHRQ

The findings were not strictly comparable, in part because the unit of observation was an establishment in the MEPS-IC and a plan in the Form 5500 data and in part because size was measured in covered employees in the MEPS-IC and plan participants in the Form 5500. That said, the results were similar. According to MEPS-IC estimates, 38.0% of establishments with 100–999 employees self-insured at least one plan in 2021, whereas we found that 39.1% of plans with 100–999 participants were self-insured or mixed-funded in 2021 (calculated from the numbers underlying Table 5 below). Weighted by employees (MEPS-IC) or participants (Form 5500), the shares were 41.4% and 47.5%, respectively. For larger establishments with 1,000 employees or more, 78.1% self-insured at least one plan, in 2021 according to the MEPS-IC, while 82.5% of plans with 1,000 or more participants were self-insured or mixed-funded according to Form 5500 filings. Weighted by employees (MEPS-IC estimates) or participants (Form 5500), the shares were 79.0% and 88.7%, respectively.

Funding Mechanisms by Plan Size

Figure 6 shows the distribution of funding mechanism by plan size for large health plans in 2021. The likelihood that a plan has self-insured elements generally increased with plan size.³⁰ The pattern was particularly pronounced for mixed-funded plans, presumably because larger plans may offer multiple plan options, some of which were fully insured and some of which were self-insured. The share of plans with 5,000 or more participants that were self-insured or mixed-funded was 89.8%, compared with 28.2% among plans with 100–199 participants.

Figure 6. Distribution of Funding Mechanism for Large Plans, by Plan Size (2021)

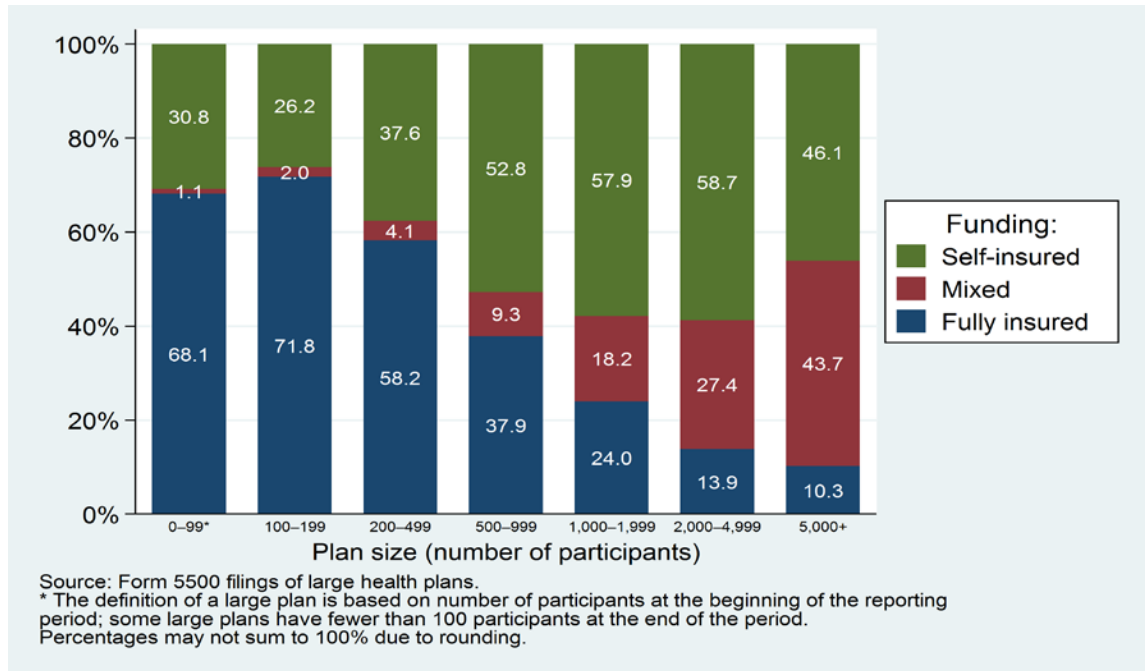


Table 5 shows the numbers underlying Figure 6. It also shows the participant-weighted distribution of funding mechanism by plan size, which was similar to the plan-weighted distribution.

Table 5. Distribution of Funding Mechanism for Large Plans, by Plan Size (2021)

Participants in plan	Large Plans			Participants		
	Fully insured	Mixed	Self-insured	Fully insured	Mixed	Self-insured
0-99*	68.1%	1.1%	30.8%	74.9%	1.4%	23.6%
100-199	71.8%	2.0%	26.2%	71.5%	2.1%	26.4%
200-499	58.2%	4.1%	37.6%	56.8%	4.4%	38.9%
500-999	37.9%	9.3%	52.8%	37.0%	9.7%	53.4%
1,000-1,999	24.0%	18.2%	57.9%	23.5%	18.7%	57.8%
2,000-4,999	13.9%	27.4%	58.7%	13.4%	28.2%	58.3%
5,000+	10.3%	43.7%	46.1%	9.7%	52.7%	37.6%
All	54.3%	7.6%	38.1%	18.1%	40.1%	41.8%

Source: Form 5500 large health plan filings.

* The definition of a large plan is based on number of participants at the beginning of the reporting period; some large plans have fewer than 100 participants at the end of the period.

Percentages may not sum to 100% due to rounding.

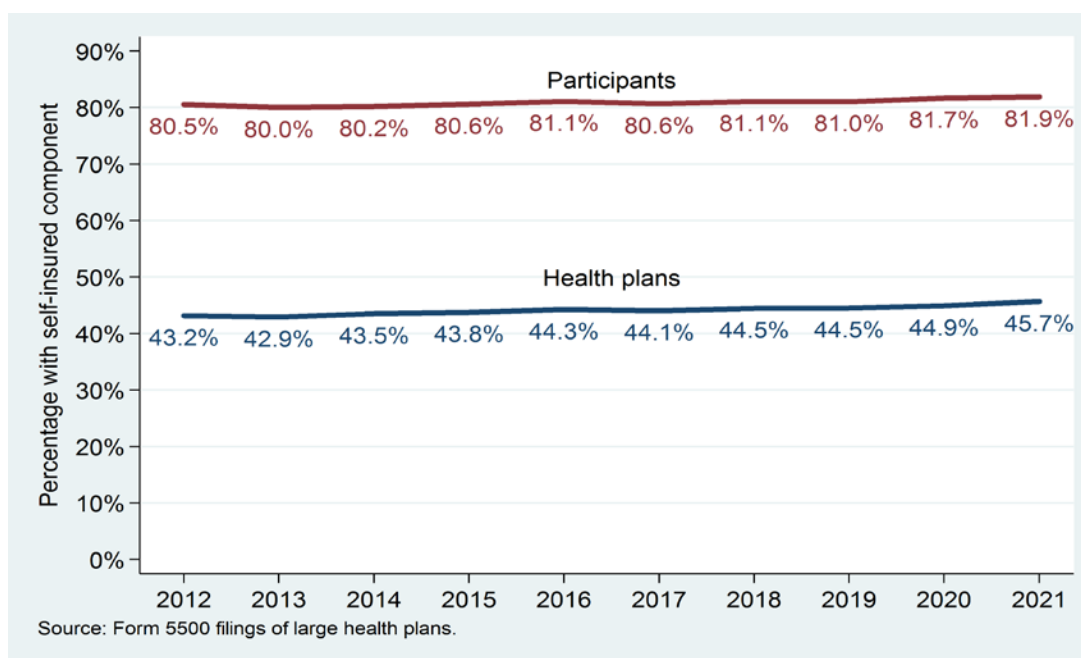
The finding that larger plans were more likely to adopt mixed-funding or self-insurance was consistent with the 2021 KFF Survey.³¹ That study found that 21% of covered workers at firms with 3–199 employees enrolled in self-insured plans in 2021, compared with 87% of covered workers at firms with 1,000 or more employees.

Funding Mechanisms by Year

Figure 7 shows the funding mechanism distribution for large health plans by statistical year for 2012–2021; see Tables 6 and 7 for the underlying percentages, plan counts, and participant counts. The percentage of large plans that were self-insured or mixed-funded (i.e., plans with a self-insured component) generally increased slowly from 43.2% in 2012 to 45.7% in 2021. Between 2020 and 2021, the fraction of large plans with a self-insured component increased slightly.

The share of participants in large health plans that self-insured or were mixed-funded increased from 80.5% in 2012 to 81.9% in 2021. The KFF Survey documented a similar, relatively slight increase over the same time period. Thus, the overall trend toward self-insurance among participants—which began well before 2010—appears to have flattened out, based on findings from both this study and the KFF study.

Figure 7. Distribution of Funding Mechanism for Large Plans, by Statistical Year



³¹ Kaiser Family Foundation, *Employer Health Benefits, 2021 Annual Survey*. Available at <https://kff.org/health-costs/report/2021-employer-health-benefits-survey>. Available at <https://www.kff.org/report-section/ehbs-2021-section-10-plan-funding/>.

Table 6. Distribution of Funding Mechanism for Large Plans, by Statistical Year

Statistical year	Large Plans			Participants		
	Fully insured	Mixed	Self-insured	Fully	Mixed	Self-insured
2012	56.8%	6.9%	36.3%	19.5%	34.9%	45.7%
2013	57.1%	7.0%	35.9%	20.0%	35.2%	44.8%
2014	56.5%	6.8%	36.7%	19.8%	33.6%	46.5%
2015	56.2%	6.7%	37.1%	19.4%	33.9%	46.7%
2016	55.7%	6.8%	37.5%	18.9%	34.9%	46.2%
2017	55.9%	6.7%	37.4%	19.4%	35.0%	45.6%
2018	55.5%	7.0%	37.5%	18.9%	35.9%	45.2%
2019	55.5%	7.0%	37.5%	19.0%	36.0%	45.1%
2020	55.1%	7.2%	37.7%	18.3%	36.8%	44.9%
2021	54.3%	7.6%	38.1%	18.1%	40.1%	41.8%

Source: Form 5500 large health plan filings.

Percentages may not sum to 100% due to rounding.

Table 7. Number of Large Plans and Their Participants, by Funding Mechanism and Statistical Year

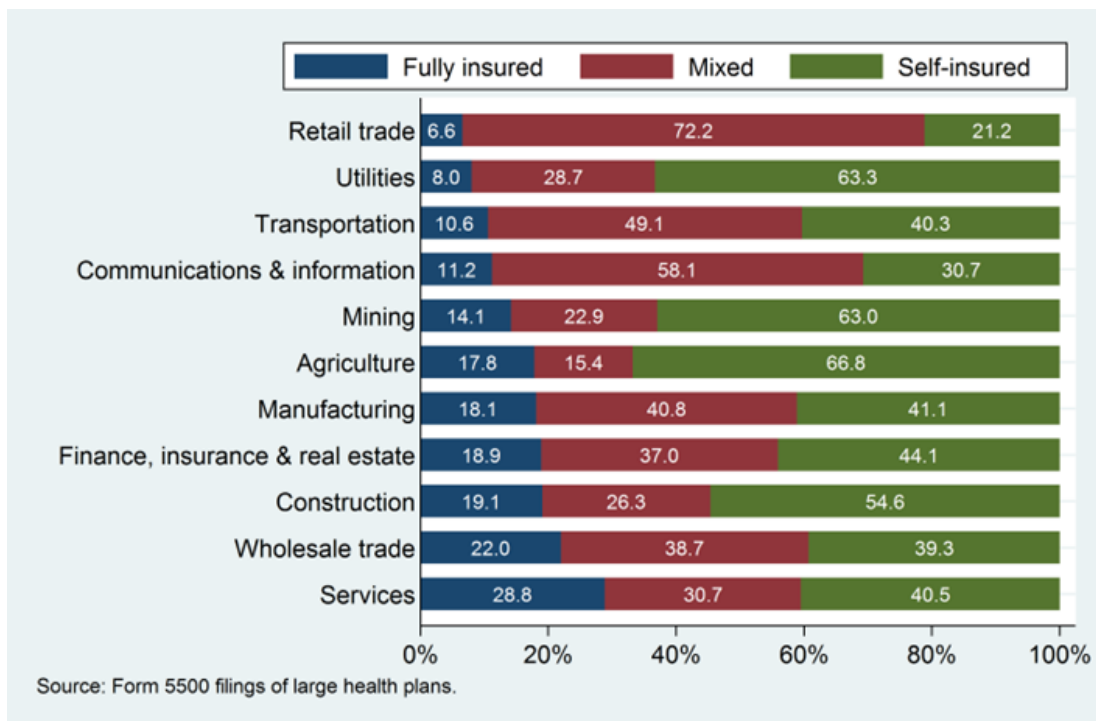
Statistical year	Plans			Participants (millions)		
	Fully insured	Mixed	Self-insured	Fully	Mixed	Self-insured
2012	26,406	3,207	16,840	13.4	23.9	31.3
2013	27,042	3,311	17,034	13.8	24.3	31.0
2014	27,549	3,330	17,880	13.9	23.6	32.7
2015	28,706	3,423	18,928	14.0	24.4	33.7
2016	29,409	3,597	19,763	14.0	25.8	34.2
2017	30,246	3,601	20,224	14.6	26.3	34.3
2018	30,740	3,877	20,744	14.6	27.8	35.0
2019	31,261	3,929	21,158	15.0	28.4	35.5
2020	31,527	4,128	21,590	14.3	28.8	35.1
2021	31,027	4,352	21,733	15.0	33.2	34.6

Source: Form 5500 large health plan filings.

Funding Mechanisms by Industry

Figure 8 shows the participant-weighted distribution of funding mechanism by industry for large plans, as identified by the business code provided on Form 5500 filings. Participants in the retail trade, utilities, and communications & information sectors were the most likely to be in a mixed-funded or self-insured large plan, whereas those in the services and wholesale trade industries were the most likely to be in a fully insured large plan. Some of the relationship between funding mechanism and industry may be due to variation across industries in health plan sizes, but differences across sectors remained after controlling for plan size.

Figure 8. Participant-Weighted Distribution of Funding Mechanism, by Industry for Large Plans (2021)



Funding Mechanisms over the Life Cycle of Plans

Figure 7, above, shows the aggregate trends in self-funding for large group health plans at the plan and participant levels over time. It does not show the switching patterns of individual plans. Next, we turn to the switching behavior of large plans between funding mechanisms.³²

We distinguished between plans at the beginning of their life, at the end of their life, and during the years in between. For example, it was unclear whether the observed trends in self-funding were due to the funding mix of new plans, the funding mix of terminating plans, net switches among established plans, or a combination of factors. The analysis was somewhat hampered by the fact that some Form 5500 filings contained incomplete information about the beginning and end of plans' lives. Plans were categorized as follows:

- *New*—We identified the beginning of a plan's life cycle based on the Form 5500's "first return/report" check box and the plan's effective date. We considered a plan new if it checked the "first return/report" box and the start

³² For the life cycle perspective in this section, we follow filings of individual plans over time. Plans' life cycle status is based on all filings, including voluntary filings and prior filings in the same year. A plan is uniquely identified by the EIN of its sponsor and a plan number (PN). Some EIN/PN combinations appear to have been used for more than one plan. Unlike in prior reports, the analysis excludes all filings of such EIN/PN combinations.

-
- of the reporting period differed by no more than two years from the plan's effective date.³³ In 2021, 2,433 large plans were new.
- *Cease filing*—We attempted to capture the end of a plan's life cycle in two ways. First, a plan may have indicated on its Form 5500 that it was terminating, namely by checking the "final return/report" box, by reporting a resolution to terminate the plan, or by documenting that all assets were transferred out of the plan.³⁴ Second, a plan may stop filing a Form 5500 without the required prior indication. Doing so does not necessarily imply that the plan terminated; it may be non-compliant or it may have shrunk and become exempt but incorrectly neglected to note this by writing "4R" on Line 8b of the Form 5500. To mitigate this issue, we ignored gaps in filings. Recognizing that some plans in this category have in fact not reached the end of their life cycle, we labeled them as plans that "ceased filing."³⁵ In 2021, 5,343 large plans fell into this category (including plans that last filed in 2020 without indicating that it was their final filing).
 - *Established*—This category captured the middle of a plan's life cycle. Plans that were neither "new" nor "ceased filing" were labeled "established" plans. In 2021, 52,237 large plans fell into this category (including plans that first filed in 2021 but reported a plan effective date more than two years before the start of the reporting period).

Table 8 shows the funding distribution of new large plans in 2021. Of the 2,433 new plans, 72.6% were fully insured, 4.4% were mixed-funded, and 22.9% were self-insured. The new plans covered 1.1 million participants, of whom 59.0% were in a fully insured plan, 11.1% in a mixed-funded plan, and 29.9% in a self-insured plan. In 2021, the new plan with the most participants had 237,958 participants at the beginning of the year while in 2020 the new plan with the most participants had 77,044 participants. This plan was fully-insured. And it has caused the percentage change of covered participants in a fully-insured plan from 2020 (38.1%) to 2021 (59.0%).

³³ Some plans never checked the "first return/report" box, or not until later in their life cycle. If the box was not checked until, say, the fourth filing, we excluded the earlier filings from the analysis. This is consistent with the plan becoming effective when the "first return/report" box was checked, which we think is the companies indication that the plan became active. If the box was checked multiple times, we identified the plan as "new" only the first time.

³⁴ Some plans repeatedly indicated filing of a final return, but continued submitting filings. We ignored indications of plan termination if the plan continued filing in subsequent years. Separately, plans that reported termination on their initial filing were included in both the "new" and "ceased filing" categories (See Figure 9, below).

³⁵ In terms of timing, if a plan indicated on its 2013 filing that it was terminating, we considered it as having ceased filing in 2013. If a plan submitted filings through 2013 but not in any later year, we considered it as having ceased filing in 2014.

Table 8. Funding Distribution of New Large Plans (2021)

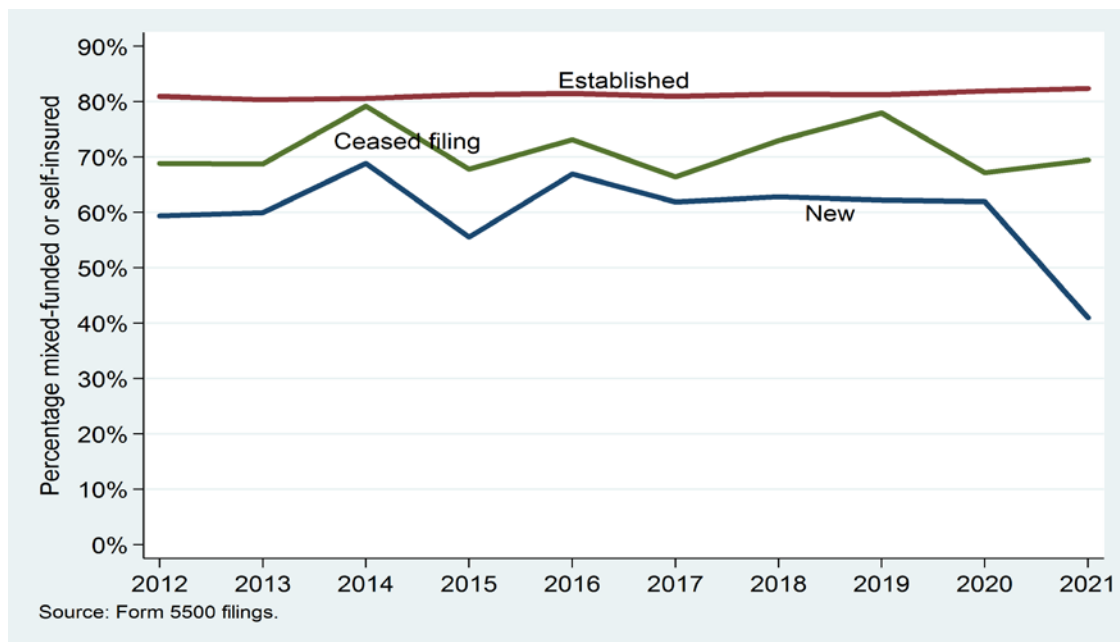
	Large Plans		Participants	
	Number	Percent	Number (millions)	Percent
Fully insured	1,767	72.6%	0.664	59.0%
Mixed	108	4.4%	0.125	11.1%
Self-insured	558	22.9%	0.336	29.9%
Total	2,433	100.0%	1.125	100.0%

Source: Form 5500 large health plan filings.

Percentages may not sum to 100% due to rounding.

Figure 9 shows the percentage of participants who were covered by a mixed-funded or self-insured large plan, by plan life cycle stage from 2012 to 2021. Participants in new large plans were generally less likely to be in mixed-funded or self-insured large plans than those in established large plans or large plans that ceased filing. If large plans never switched funding mechanisms, this should drive down the overall fraction of participants in large plans with a self-insured component. However, self-insurance among participants generally increased until 2016 and remained approximately level thereafter, pointing to a switch in funding mechanism as the main cause of the observed pattern.

Figure 9. Participant-Weighted Percentage Mixed-Funded or Self-Insured among Large New Plans, Established Plans, and Plans That Ceased Filing, by Statistical Year



Before turning to switching patterns, consider that most participants were covered by very large health plans (Table 1 and Table 9). As Table 9 shows, among the new plans starting in 2017 through 2021, only 1.0% covered 5,000 or more participants, but those plans covering 5000 or more participants accounted for 36.7% of

participants in all new large plans.³⁶ Among established plans, 65.4% of participants were in plans with 5,000 or more participants. The behavior of plans with more than 5,000 participants is therefore key to understanding participant-weighted trends in funding.

Table 9. Distribution of Large Health Plans and Plan Participants, by Plan Participant Counts (2017-2021)

Participants in plan	New Plans		Established Plans		Plans That Ceased Filing	
	Plans	Participants	Plans	Participants	Plans	Participants
0-99*	8.8%	1.0%	2.6%	0.1%	44.1%	2.7%
100-199	56.2%	17.2%	34.4%	3.4%	27.1%	9.1%
200-499	23.7%	15.6%	33.1%	6.9%	17.6%	13.0%
500-999	5.6%	8.6%	12.9%	6.1%	5.4%	8.9%
1,000-1,999	3.0%	9.4%	7.5%	7.1%	2.9%	9.7%
2,000-4,999	1.7%	11.6%	5.3%	11.0%	1.7%	12.5%
5,000+	1.0%	36.7%	4.2%	65.4%	1.2%	44.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Form 5500 large health plan filings.

* The definition of a large plan is based on number of participants at the beginning of the reporting period; some large plans have fewer than 100 participants at the end of the period.

Percentages may not sum to 100% due to rounding.

Table 10 shows the annual rate of funding mechanism switching among the subset of new and established large plans between 2017 and 2021. Overall, 6.2% of plans that started as fully insured switched to mixed-funded or self-insured during their second reporting period, but very large plans were much more likely to make that switch than smaller large plans. For example, 25.0% of fully insured new plans with 5,000 or more participants changed funding mechanism, compared with much lower fractions among plans with between 100 and 500 participants. Conversely, large plans with fewer than 500 participants that started life between 2017 and 2021 as mixed-funded or self-insured were more likely to switch to fully insured than their larger counterparts in their second year. A similar pattern existed among established large plans. Because most participants were in very large plans, the implication was that, on net, participants in both new and established large plans migrated to mixed-funding or self-insurance.

³⁶ A manual review indicated that such plans commonly were successor plans to prior plans that were replaced or consolidated, for instance after a corporate merger. Likewise, plans that ceased filing may have been replaced with other plans and secured continuing health benefit coverage for their participants.

Table 10. Annual Rates of Funding Switching among New and Established Large Plans, by Plan Size (2017-2021)

Plan participants	New Plans		Established Plans	
	Switch to mixed or self-insured	Switch to fully insured	Switch to mixed or self-insured	Switch to fully insured
0-99*	4.3%	15.9%	6.1%	12.1%
100-199	4.9%	13.8%	4.5%	7.8%
200-499	7.2%	9.1%	6.1%	5.1%
500-999	12.0%	4.4%	10.0%	2.9%
1,000-1,999	18.8%	3.6%	12.8%	1.8%
2,000-4,999	9.7%	4.0%	16.0%	1.3%
5,000+	25.0%	2.2%	14.9%	1.3%
Total	6.2%	9.6%	6.3%	4.4%

Source: Form 5500 large health plan filings.

* The definition of a large plan is based on number of participants at the beginning of the reporting period; some large plans have fewer than 100 participants at the end of the period.

Rates are conditional on the appropriate universe. For example, the denominator for the first column is fully insured new plans.

Rates at which plans ceased filing also varied by plan size (Table 11), with very large plans generally less likely to stop filing in 2017-2021 than smaller plans.³⁷ Among plans with 5,000 or more participants, fully insured new plans ceased filing at a higher rate than mixed-funded or self-insured plans. But for established plans with over 5,000 participants, the rate at which plans ceased filing was the same for fully insured and those with some self-insurance.

Table 11. Annual rates at which New and Established Large Plans Ceased Filing, by Plan Size (2017-2021)

BOY plan participants	New Plans		Established Plans	
	Mixed or self-insured	Fully insured	Mixed or self-insured	Fully insured
100-199	20.2%	17.7%	11.0%	10.6%
200-499	13.2%	10.9%	7.0%	6.8%
500-999	10.8%	13.9%	5.7%	5.4%
1,000-1,999	8.0%	11.9%	5.4%	5.5%
2,000-4,999	8.7%	18.6%	4.4%	4.8%
5,000+	11.0%	16.7%	3.7%	3.7%
Total	15.3%	15.9%	6.9%	8.4%

Source: Form 5500 large health plan filings.

³⁷ Given the focus on the end of the life cycle, Table 11 lists plans by the number of participants at the beginning (rather than the end) of the reporting period. The majority of large plans that covered fewer than 100 participants at the end of the reporting period ceased filing (not shown), which likely was reverse causality (i.e., plans tend to shrink as they prepare to close).

In conclusion, large plans that existed between 2017 and 2021 on net switched away from fully insured funding, thereby increasing the fraction of participants in mixed-funded or self-insured plans. Large fully insured plans were equally likely to cease filing as large mixed-funded or self-insured plans. While the overall result was to increase the share of participants with some element of self-insurance, the result was modest with only 0.3 percentage point more participants in large plans with a self-insured component in 2021 than in 2017.

Stop-Loss Coverage of Large Plans

Table 12 examines the presence of stop-loss insurance for large plans. These figures must be interpreted with caution. First, stop-loss insurance only needed to be reported on the Form 5500 Schedule A if the health plan was the beneficiary and/or the insurance was purchased with plan assets.³⁸ However, if the employer/sponsor purchased stop-loss insurance with itself as the beneficiary (rather than the plan), then it need not be reported on the Form 5500. Second, Table 12 is based on the “Stop loss (large deductible)” benefit type reported on Schedule A, but that benefit type may reflect a health insurance contract with a high deductible rather than stop-loss insurance. External studies indicate that Table 12 understates the prevalence of stop-loss insurance.³⁹

³⁸ The analysis of stop-loss coverage excludes Form 5500-SF filings because Schedule A was not required to be attached to the Form 5500-SF.

³⁹ AACG, *Anomalies in Form 5500 Filings: Lessons from Supplemental Data for Group Health Plan Funding*, 2012. AACG’s report shows that as many as four out of five self-insured or mixed-funded plans and roughly 55% of participants in such plans were covered by stop-loss insurance, possibly purchased for the benefit of the plan sponsor. These stop-loss coverage levels are consistent with those in the 2013 KFF/HRET study. More recent KFF studies (2021 Employer Health Benefits Survey) documented that, in larger firms, 59% of participants in self-funded plans were in a plan that had purchased stop-loss insurance in 2018 and that figure was 61% in 2020. We note that stop-loss insurance reported on a Form 5500 filing does not necessarily relate to health benefits but could protect other self-insured benefits, such as disability benefits.

Table 12. Percentage of Large Health Plans Reporting Stop-Loss Insurance by Funding Mechanism and Statistical Year

Statistical year	Large Plans		Participants	
	Mixed	Self-insured	Mixed	Self-insured
2012	20.1%	26.2%	14.0%	13.5%
2013	19.1%	25.7%	14.2%	13.4%
2014	18.2%	26.2%	14.7%	19.5%
2015	18.8%	25.4%	15.5%	19.4%
2016	18.9%	24.7%	15.5%	19.1%
2017	18.6%	23.2%	15.7%	18.6%
2018	17.3%	22.6%	13.8%	18.9%
2019	17.3%	22.2%	14.4%	18.5%
2020	16.9%	21.8%	8.7%	17.8%
2021	16.4%	21.2%	14.8%	17.7%

Source: Form 5500 large health plan filings.

Reflects stop-loss coverage as reported on Form 5500.

In 2021, 16.4% of mixed-funded and 21.2% of self-insured large plans reported stop-loss coverage on a Schedule A, down from 2012 rates of 20.1% and 26.2%, respectively. Weighted by the number of participants, 14.8% of mixed-funded and 17.7% of self-insured large plans reported stop-loss coverage for 2021.^{40,41}

Table 13 shows the annual per-person cost for large plans of stop-loss coverage, calculated as the ratio of premiums to “number of persons covered” by the stop-loss policy on Schedule A—both the premium and the number of people covered thus refer to the stop-loss policy only and not to the overall plan. The numbers are not adjusted for inflation. These results should also be interpreted with caution because the Form 5500 filing contained no information on attachment points or other stop-loss policy features that may reflect the amount of coverage provided by the policies.⁴²

⁴⁰ The annual KFF Survey collects information about stop-loss coverage, including for the benefit of the plan sponsor. From KFF 2021 Employer Health Benefits Survey, weighted by workers covered by self-insured health plans, for large firms, stop-loss coverage was 62% in 2021. For smaller firms in that group (200-999 workers), stop-loss coverage was 86% in 2021.

⁴¹ Between 2019 and 2020 a single large mixed plan with more than 1.5 million participants no longer listed stop-loss coverage, contributing to the fall of the mixed group to 8.7%. The participant-weighted figures are historically more volatile than unweighted figures, mostly because a single very large, self-insured plan reported stop-loss insurance in 2014–2021, but not in prior years.

⁴² Per-person premiums were calculated from Schedules A that specified stop-loss coverage only or in combination with health benefits. Approximately 15% of such Schedules A specified additional benefits (e.g., prescription drugs in addition to stop-loss and health). The per-person premium may thus reflect stop-loss coverage for benefits in addition to health benefits. Separately, since the analysis is based on “Stop loss (large deductible)” benefits reported on Schedule A, it may include high-deductible health contracts rather than just stop-loss policies. However, even at the 75th percentile, the average premium, \$1,383 per person per year in 2021, was well

Table 13. Per Person Annual Premiums for Stop-Loss Insurance (Large Plans)

Year	Mixed-funded			Self-insured		
	25th pct	Median	75th pct	25th pct	Median	75th pct
2012	\$173	\$369	\$755	\$267	\$611	\$1,084
2013	\$189	\$427	\$893	\$283	\$647	\$1,167
2014	\$186	\$444	\$921	\$302	\$685	\$1,234
2015	\$227	\$470	\$930	\$334	\$730	\$1,301
2016	\$219	\$524	\$993	\$337	\$774	\$1,408
2017	\$235	\$529	\$982	\$370	\$836	\$1,503
2018	\$246	\$548	\$1,103	\$414	\$897	\$1,601
2019	\$300	\$611	\$1,191	\$437	\$989	\$1,736
2020	\$300	\$641	\$1,331	\$493	\$1,077	\$1,901
2021	\$314	\$702	\$1,383	\$523	\$1,133	\$1,980

Source: Form 5500 large health plan filings.

Reflects stop-loss coverage as reported on Form 5500.

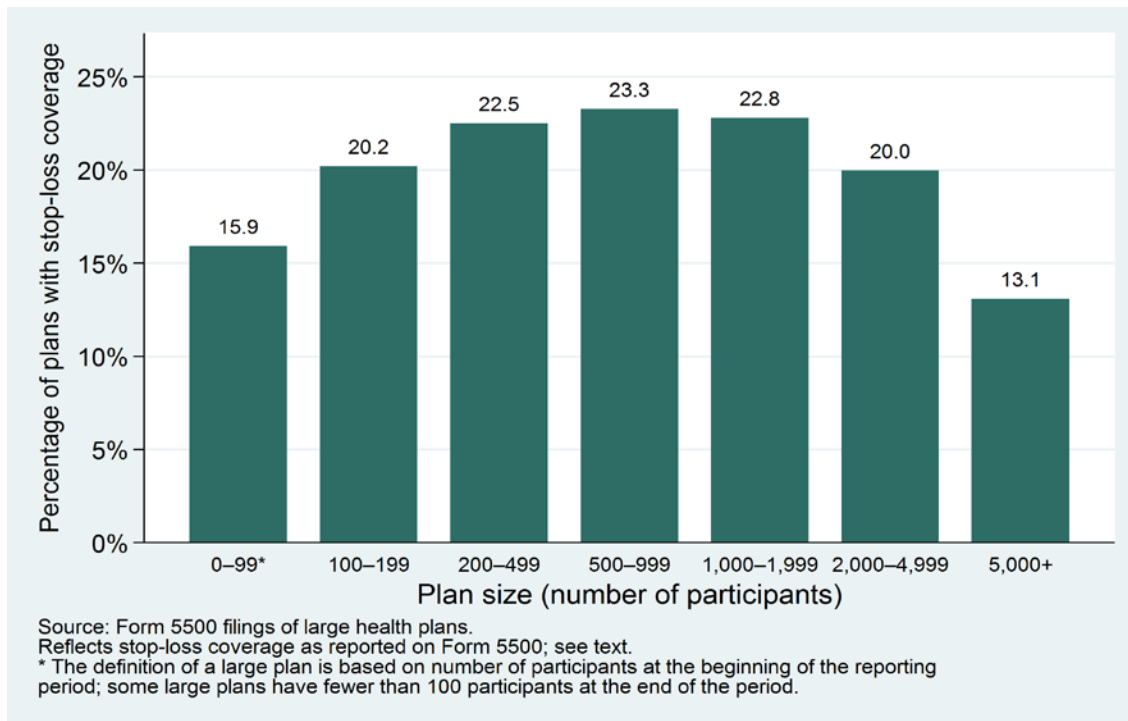
Figure 10 shows the rate of stop-loss coverage among large, self-insured plans by plan size at the end of the year.⁴³ Stop-loss coverage increased with plan size, measured at end of year, up to 500–999 participants and decreased with plan size among larger plans. Lower stop-loss coverage for smaller plans was not consistent with the notion that smaller plans faced greater financial risks and should thus be more likely to purchase stop-loss coverage. Part of the explanation may relate to the fact that stop-loss coverage with the sponsor (rather than the plan) as beneficiary need not be reported on Form 5500; smaller employers may be more likely to designate the firm as the beneficiary than larger employers. The lower prevalence of stop-loss insurance among smaller large plans may also reflect market realities: insurance companies may not offer stop-loss insurance to small employers, or offer it only at very high prices. The 2021 KFF Survey also documented lower stop-loss coverage rates among very large plans than among mid-sized plans.⁴⁴

below market rates for high-deductible health plans, suggesting this potential issue does not substantially affect the results. According to the 2021 KFF Survey, the average premium for single coverage on high-deductible health plans was \$7,739 in 2021.

⁴³ The corporate determination of whether to purchase stop-loss coverage may be influenced by both the company's knowledge of what the plan size is likely to be by the end of the year and the participant counts at the beginning of year.

⁴⁴ Kaiser Family Foundation, 2021 Employer Health Benefits Survey, 2021, Figure 10.8. <https://files.kff.org/attachment/Report-Employer-Health-Benefits-2022-Annual-Survey.pdf>

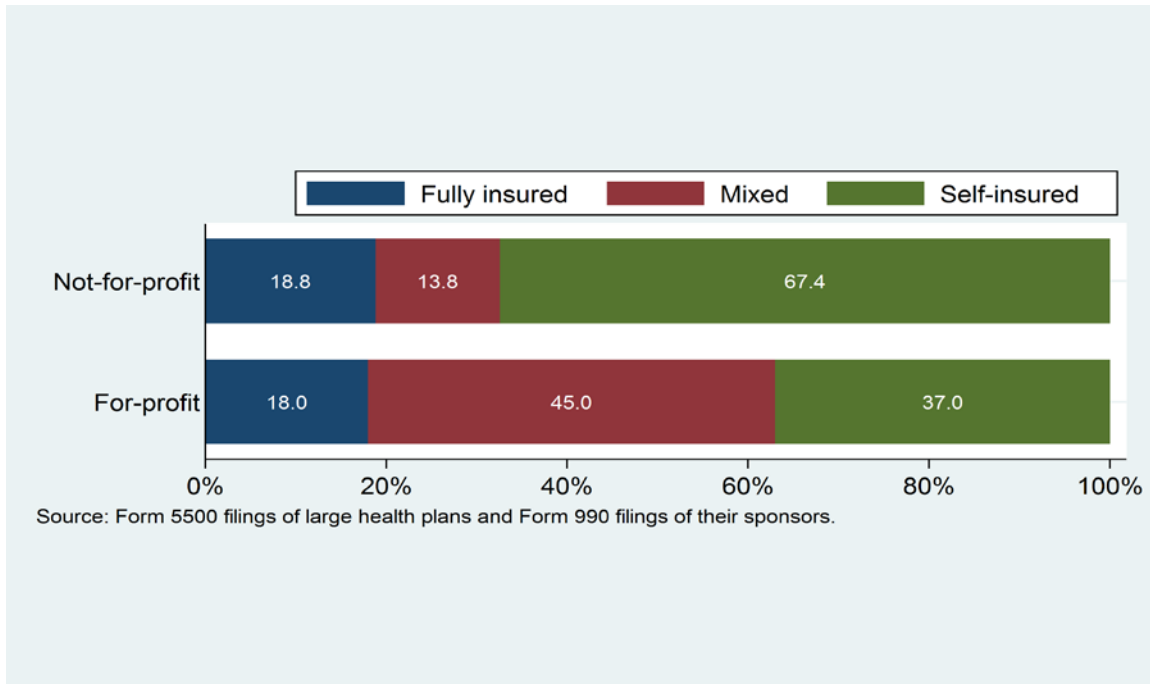
Figure 10. Self-Insured Large Health Plans' Rate of Stop-Loss Coverage, by Plan Size (2021)



Funding Mechanisms and Financial Metrics

As described above, we matched the Form 5500 health plan data to Form 990 filings to identify whether a health plan sponsor was a for-profit or a not-for-profit entity. We found about one in six large plans (16.6%) were sponsored by a not-for-profit entity. These not-for-profit plans also covered approximately one in six of all participants. Figure 11 presents the participant-weighted breakdown in funding status for for-profit and not-for-profit firms. The two groups both had 18% of participants in fully insured plans. They differed mostly in mixed-funding and self-insurance: 67.4% of participants in not-for-profit entity plans were covered by a self-insured plan, compared with 37.0% of participants in for-profit firms' plans. Conversely, mixed funding was far less prevalent at not-for-profit entities than at for-profit firms.

Figure 11. Participant-Weighted Distribution of Funding Mechanism, by For-Profit and Not-for-Profit Sponsors of Large Plans (2021)



Focusing on the subset of Form 5500 large health plan filers that were matched to financial information in Bloomberg, Table 14 presents 2021 information about company size as measured by revenue, market capitalization, profit, and number of employees (and the number of observations on which each calculation is based). The table shows that, among these large firms that tend to be publicly traded, companies offering fully insured health plans tended to be smaller than companies with self-insured or mixed-funded health plans. Companies offering mixed-funded health plans tended to be the largest.

Table 14. Characteristics of Companies Matched to Form 5500 Health Plan Filings, by Funding Mechanism (2021)

		All	Fully insured	Mixed	Self-insured
Revenue (\$ millions)	25 pct	517	150	1,740	789
	Median	2,260	476	5,120	2,850
	75 pct	12,400	2,310	17,000	14,000
	# Obs	3,283	906	964	1,413
Market capitalization (\$ millions)	25 pct	1,150	559	3,060	1,330
	Median	4,960	1,820	10,100	5,350
	75 pct	25,000	7,090	41,300	26,300
	# Obs	3,210	892	940	1,378
Profit (\$ millions)	25 pct	1	-41	37	19
	Median	149	15	365	208
	75 pct	1,000	229	1,650	1,380
	# Obs	3,312	920	968	1,424
Number of employees	25 pct	1,372	360	4,500	1,925
	Median	6,300	1,135	13,616	6,813
	75 pct	27,000	8,071	45,000	27,176
	# Obs	3,082	815	922	1,345

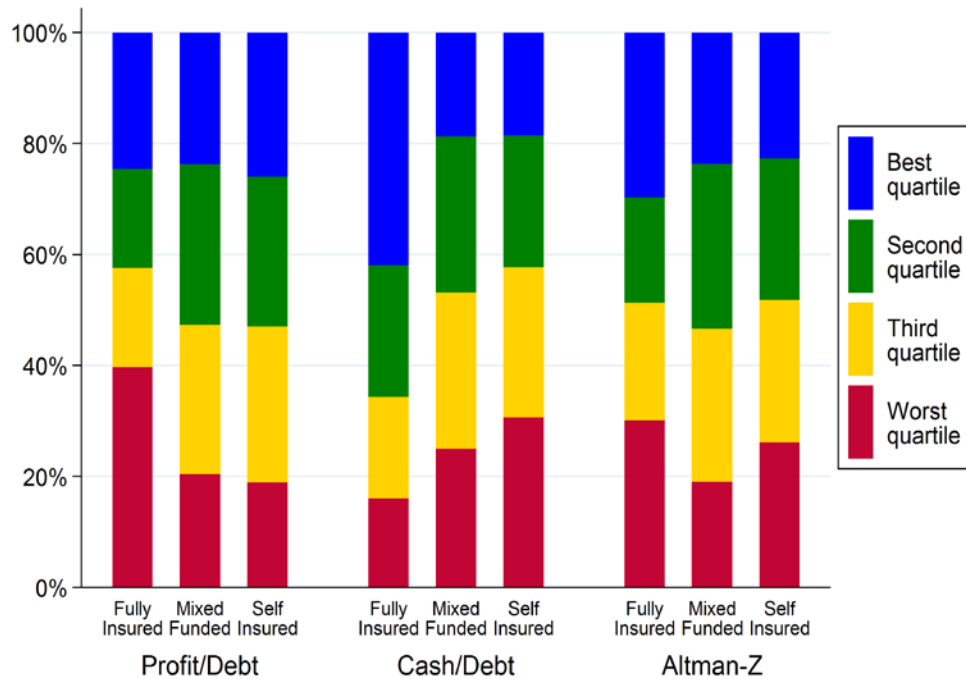
Source: Form 5500 large health plan filings and Bloomberg data.

Figure 12 presents three metrics of the financial health of matched companies: the ratio of profit to total debt, the ratio of cash and cash equivalent holdings to total debt, and the Altman Z-Score.⁴⁵ Across the three metrics and based on the approximately 5.7% of the health plans for which we could match financial data the results are mixed. For all three, higher values are often considered an indicator of better financial health.

We grouped all matched plans into quartiles; Figure 12 shows the share of fully insured, mixed-funded, and self-insured large plans in each quartile. The three financial metrics provide a mixed picture. Consider first the ratio of profit to total debt. If financial health was unrelated to funding mechanisms, all bars would be approximately equal-sized. Instead, 39.7% of fully insured sponsors were in the bottom quartile, compared with 20.4% of mixed-funded and 18.9% of self-insured sponsors; see the red bars in the bottom-left portion of Figure 12. Based on how frequently their ratios of profit to total debt were in the bottom quartile, mixed-funded and self-insured companies may appear to be in better financial health than fully insured companies by this metric alone. However, the other two financial metrics present a different picture.

⁴⁵ The Altman Z-Score is an index summarizing five financial measures that are used to predict bankruptcy risk; see footnote 17 on page 10. A Z-Score greater than 2.99 is considered the "safe" zone, between 1.80 and 2.99 is the "grey" zone, and less than 1.80 is the "distress" zone. The 25th percentile of Altman Z-Scores of plan sponsors in our analysis was 1.53, i.e., all companies in the bottom quartile and some in the third quartile were considered to be in the "distress" zone. For details, see E.I. Altman, "Financial Ratios, Discriminant Analysis and the Prediction of Corporate Bankruptcy." *Journal of Finance* 23(4) (1968), Pp. 589–609.

Figure 12. Financial Health of Companies Matched to Form 5500 Health Plan Filings, by Funding Mechanism (2021)



Source: Form 5500 filings of large health plans, Bloomberg

The ratio of cash holdings to total debt suggests that sponsors of fully insured plans were in better financial health than sponsors of mixed-funded and self-insured plans, while the Altman Z-Score ranks sponsors of fully insured and self-insured plans lower than sponsors of mixed-funded plans. In short, there is no consistent evidence that mixed-funded or self-insured sponsors were in better or worse financial health than fully insured sponsors in this set of 6% of the plan sponsors whose financial data we have obtained. These findings are generally consistent with those in prior reports. Finally, as in prior years, fully insured plans showed a wider dispersion of financial health (as measured by the share of plans in the bottom and top quartiles combined) than mixed-funded and self-insured plans.

Table 15 shows the percentages and sample sizes corresponding to Figure 12.

Table 15. Financial Health of Companies Matched to Form 5500 Health Large Plan Filings, by Funding Mechanism (2021)

		All	Fully insured	Mixed	Self-insured
Profit over total debt	Best quartile	25.0%	24.7%	23.7%	26.0%
	Second quartile	25.0%	17.7%	29.0%	27.0%
	Third quartile	25.0%	18.0%	26.9%	28.1%
	Worst quartile	25.0%	39.7%	20.4%	18.9%
	# Obs	3,226	880	956	1,390
Cash (equivalent) holdings over total debt	Best quartile	25.0%	42.0%	18.7%	18.6%
	Second quartile	25.0%	23.7%	28.1%	23.7%
	Third quartile	25.0%	18.3%	28.1%	27.1%
	Worst quartile	25.0%	16.0%	25.0%	30.7%
	# Obs	3,224	879	956	1,389
Altman Z-Score	Best quartile	24.9%	29.7%	23.7%	22.7%
	Second quartile	25.1%	19.0%	29.7%	25.5%
	Third quartile	25.0%	21.1%	27.6%	25.6%
	Worst quartile	25.0%	30.1%	19.1%	26.2%
	# Obs	2,696	720	849	1,127

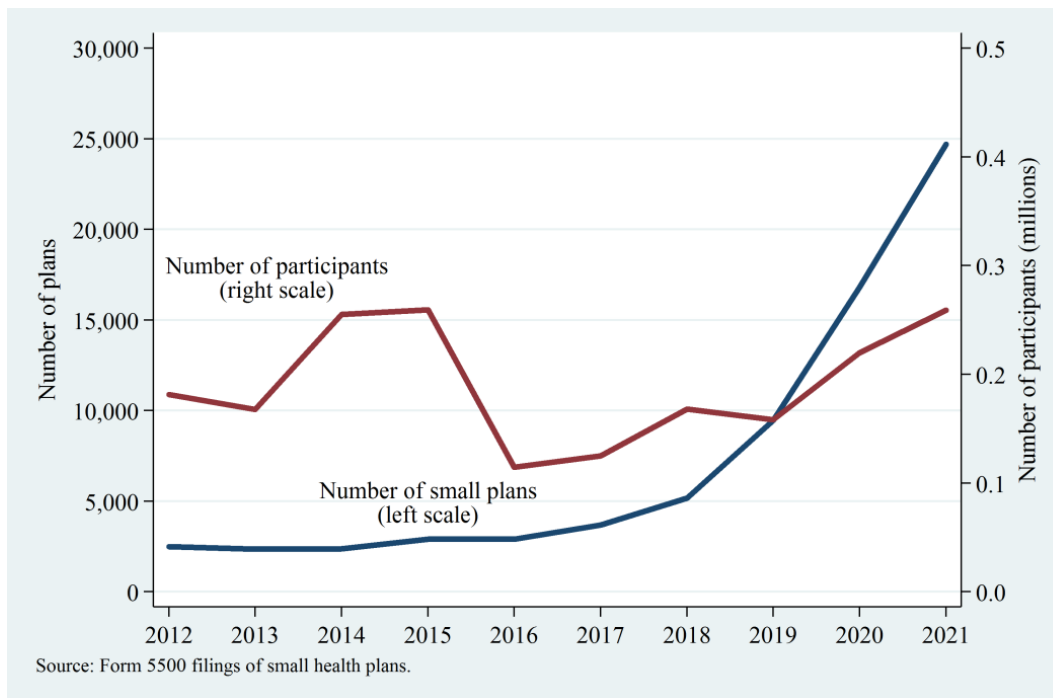
Source: Form 5500 large health plan filings and Bloomberg data.
Percentages may not sum to 100% due to rounding.

5. SMALL GROUP HEALTH PLANS

As discussed above, small group health plans (those with fewer than 100 participants at the beginning of the year) that filed a Form 5500 or 5500-SF were a select subset of all small group health plans in the United States because group health plans with fewer than 100 participants that were not MEWAs generally were required to file a Form 5500 only if they used a trust or a separately maintained fund to hold plan assets (or act as a conduit for the transfer of plan assets), which is often associated with self-insurance.

Aside from amended filings and filings with zero participants at both the beginning and the end of the reporting period, there were 26,426 filings of small plans that reported covering health benefits in 2021. Filings were excluded if (1) the filing was followed by another filing of the same plan for a later period in the same year (80 filings in 2021), (2) a Form 5500 was filed even though the plan was exempt from filing (1,642 filings in 2021), (3) the plan name suggested that it did not offer health benefits that were the subject of the ACA (3 filings in 2021), or (4) the filing was submitted as a GIA (8 filings in 2021). This section focuses on the remaining 24,693 small plans. These remaining small plans covered about 259,000 participants at the end of the plan year. As noted before, most small plans in the United States were not required to file a Form 5500 and, therefore, were not included in this analysis. Figure 3 (on page 7), reproduced below as Figure 13, documents the number of small plans and their participants for 2012–2021.

Figure 13. Small Health Plans and Participants, by Statistical Year



The blue line in Figure 13 shows the acceleration in number of small plans over time. The rate of increase in the number of plans has been faster than that of the number of participants, indicating that the average size of these small plans is decreasing.

Most (92.7%) of the 24,693 small plans filed a Form 5500-SF rather than the Form 5500.

Funding Mechanism

As expected, based on Form 5500 filing requirements, only 0.7% of small plans were classified as fully insured (Table 16). Presumably, these plans used their trust as a conduit for premium payments. A large majority (98.7%) was self-insured, and 0.6% were mixed-funded.

Table 16. Distribution of Funding Mechanism for Small Plans (2021)

	Small Plans		Participants	
	Number	Percent	Number	Percent
Fully insured	176	0.7%	6,747	2.6%
Mixed	150	0.6%	30,879	11.9%
Self-insured	24,367	98.7%	221,450	85.5%
Total	24,693	100.0%	259,076	100.0%

Source: Form 5500 small health plan filings.

Weighted by plan participants at the end of the plan year, 2.6% of small-plan participants were in a fully insured plan, 85.5% in a self-insured plan, and 11.9% in a mixed-funded plan.

The MEPS-IC survey estimated that between 12.0% and 18.9% of private-sector establishments with fewer than 100 employees self-insured at least one plan in 2021, compared with 98.7% of small plans that filed a Form 5500 or Form 5500-SF. This large discrepancy underscores the selective nature of small plans that filed a Form 5500.

Figure 14 shows the funding mechanism distribution for small health plans by statistical year for 2012–2021; see Table 17 and Table 18 for the underlying percentages, plan counts, and participant counts. The fraction of small plans with a self-insured component (self-insured or mixed-funded) generally increased from 89.6% in 2012 to 99.3% in 2021. Weighted by participants, the trend was subject to volatility over time because the definition of a small plan is based on having less than 100 employees at the beginning of the year, while counts of participants are at the end of the year, when some plans may have grown significantly.

Figure 14. Distribution of Funding Mechanism among Small Plans, by Statistical Year

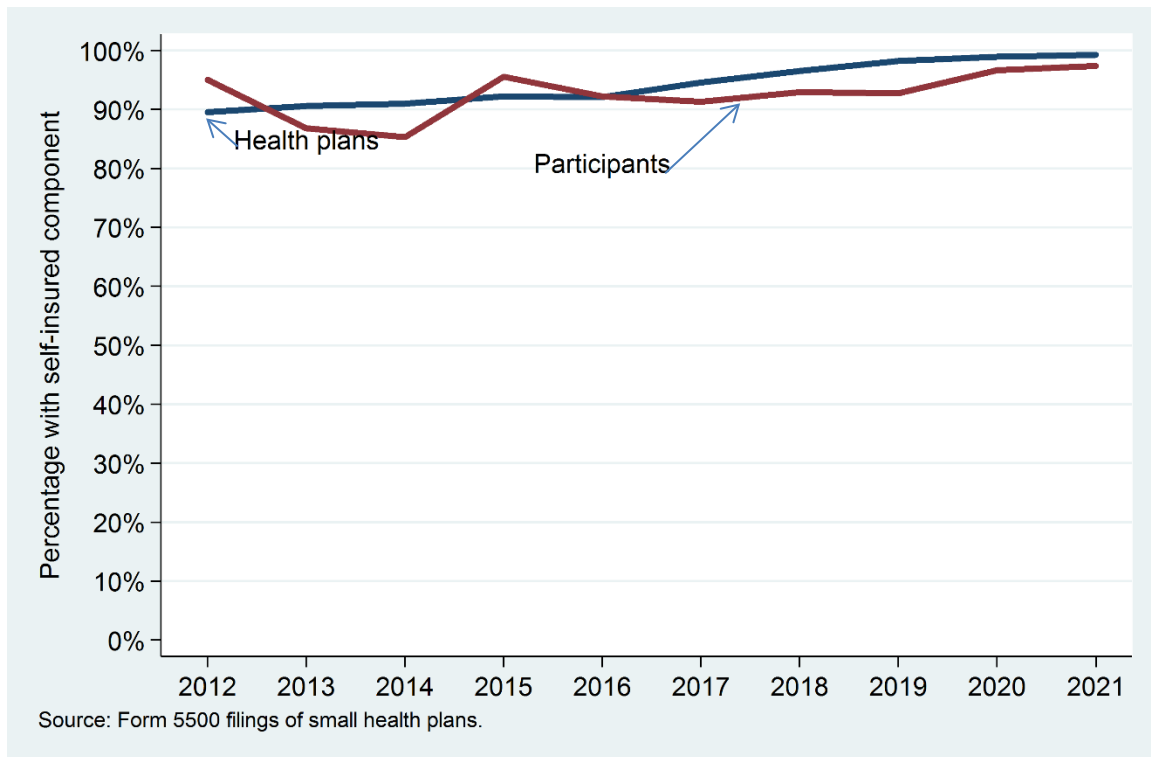


Table 17. Distribution of Funding Mechanism for Small Plans, by Statistical Year

Statistical year	Small Plans			Participants		
	Fully insured	Mixed	Self-insured	Fully insured	Mixed	Self-insured
2012	10.4%	7.3%	82.3%	5.0%	14.8%	80.3%
2013	9.4%	8.0%	82.6%	13.2%	32.8%	54.0%
2014	9.0%	7.6%	83.5%	14.7%	10.8%	74.5%
2015	7.8%	12.1%	80.1%	4.4%	60.7%	34.8%
2016	7.9%	5.7%	86.4%	7.7%	9.8%	82.5%
2017	5.4%	4.5%	90.1%	8.7%	7.3%	84.1%
2018	3.5%	4.1%	92.4%	7.0%	10.4%	82.6%
2019	1.8%	2.8%	95.5%	7.2%	5.3%	87.5%
2020	1.0%	1.7%	97.2%	3.3%	5.4%	91.2%
2021	0.7%	0.6%	98.7%	2.6%	11.9%	85.5%

Source: Form 5500 small health plan filings.

Percentages may not sum to 100% due to rounding.

Table 18. Number of Small Plans and Their Participants, by Funding Mechanism and Statistical Year

Statistical year	Small Plans			Participants		
	Fully insured	Mixed	Self-insured	Fully insured	Mixed	Self-insured
2012	259	182	2,049	9,016	26,746	145,496
2013	221	189	1,948	22,157	55,053	90,660
2014	214	180	1,988	37,488	27,572	189,934
2015	225	351	2,325	11,476	157,612	90,408
2016	229	164	2,507	8,852	11,209	94,447
2017	198	166	3,315	10,841	9,104	105,108
2018	180	213	4,776	11,821	17,435	138,643
2019	167	260	9,023	11,445	8,401	138,399
2020	171	294	16,344	7,358	11,902	200,691
2021	176	150	24,367	6,747	30,879	221,450

Source: Form 5500 small health plan filings.

We reiterate that the *distribution* of funding mechanism among small plans that filed a Form 5500 does not reflect that of small plans nationwide because the analysis generally included small plans only if they operated a trust. If small plans complied with Form 5500 filing requirements, the data does provide information about the *numbers* of small self-insured and mixed-funded plans that operated a trust (Table 18). While there are important trends toward increasing self insurance in the small health plans overtime within the form 5500 data, it is difficult to say whether similar trends are occurring in the general population of small health plans due to the selectivity created by the filing requirements, mentioned above. As a result, small plans in the analysis are a selective subset of small plans nationwide

Under the assumption that the fraction of self-insured small plans that operated a trust was approximately constant throughout the time period we analyze, the plan counts may be compared over time, across industries, et cetera. In that light, the main conclusion of this section is that the number of self-insured small plans was roughly constant from 2011 to 2014, and has increased rapidly between 2014 and 2021. The number of small plans that are self-insured increased by almost 80 percent in both 2019 and 2020, and by nearly 50 percent in 2021, see Table 18. This increase appears to be driven by small plans participating in non-plan MEWAs. The trend in mixed-funded small plans has been more volatile.

The numbers of participants covered by self-insured or mixed-funded small plans need to be interpreted subject to the caveat that participants are counted as of the end of the reporting period, and small plans may cover many participants at the end of the reporting period. Specifically, some new plans reported zero participants at the beginning of the reporting period and many at the end. The resulting aggregate participant counts are volatile, as illustrated in Figure 3 and Table 18.

Funding Mechanisms by Industry

Table 19 shows the number of small plans and the participants they covered by funding mechanism and industry, as identified by the business code provided on Form 5500 filings. More than half of small self-insured plans and participants were in the services and construction sectors, with manufacturing and finance/insurance/real estate the next largest industries based on plan counts and participants.

Table 19. Number of Small Plans and Their Participants, by Funding Mechanism and Industry (2021)

	Small plans			Participants		
	Fully insured	Mixed-funded	Self-insured	Fully insured	Mixed-funded	Self-insured
Agriculture	2	2	717	291	76	2,596
Mining	1	1	86	35	6	1,089
Construction	42	16	3,380	1,325	683	34,627
Manufacturing	15	31	2,401	681	2,484	27,974
Transportation	8	4	670	338	24,166	7,779
Communications & information	5	2	692	348	38	6,409
Utilities	5	3	149	299	174	3,000
Wholesale trade	2	5	1,374	12	215	13,686
Retail trade	5	10	2,022	111	386	17,990
Finance, insurance, real estate	23	18	1,916	1,224	866	17,781
Services	56	55	9,956	1,566	1,607	79,903
Misc. organizations	12	3	1,002	517	178	8,612
Industry not reported	0	0	2	0	0	4
Total	176	150	24,367	6,747	30,879	221,450

Small Plans by Life Cycle Stage

Unlike large plans, small plans that were (or switched to) fully insured tended to not file a Form 5500. Typically, only those small plans that have trusts or MEWAs would file. The data therefore does not support an analysis of small plans' funding mechanisms over the life cycle. Instead, Table 20 presents the number of plans that were new, established, or ceased filing in each year from 2011 to 2020.⁴⁶

⁴⁶ As many as 5,473 small plans were considered to have ceased filing in 2021, far more than in previous years. This is due to an apparent filing error by plans that participated in a certain MEWA. For 2020, almost all their filings responded affirmatively to Form 5500-SF, line 13b ("Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?"). This pattern appears to be the case in 2021.

Table 20. Number of Small Plans, by Lifecycle Stage and Statistical Year

Statistical year	New		Ceased filing*	Total
	New	Established		
2012	140	2,164	344	2,648
2013	186	1,973	306	2,465
2014	300	1,926	225	2,451
2015	594	1,981	477	3,052
2016	515	2,133	431	3,079
2017	1,066	2,382	389	3,837
2018	1,804	3,085	489	5,378
2019	4,778	4,246	705	9,729
2020	7,856	8,300	1,026	17,182
2021	9,152	13,553	5,473	28,178

* Includes plans that last filed the previous year; see text.

Source: Form 5500 small health plan filings.

The total number of small plans in Table 20 exceeds the number of small plan filings because plans were considered to have ceased filing in year t if they filed a Form 5500 in year $t-1$ without indicating that it would be their final filing, and they did not file in year t .

Table 21 shows the funding distribution of new small plans in 2021. Of the 9,152 new plans, only 0.1% were fully insured, 0.1% were mixed-funded, and 99.7% were self-insured. The new small plans covered about 80,344 participants of whom 1.0% were in a fully insured plan, 30.2% in a mixed-funded plan, and 68.8% in a self-insured plan.

Table 21. Funding Distribution of New Small Plans (2021)

	Small Plans		Participants	
	Number	Percent	Number	Percent
Fully insured	11	0.1%	807	1.0%
Mixed	13	0.1%	24,244	30.2%
Self-insured	9,128	99.7%	55,293	68.8%
Total	9,152	100.0%	80,344	100.0%

Source: Form 5500 small health plan filings.

Percentages may not sum to 100% due to rounding.

Stop-Loss Coverage of Small Plans

Table 22 shows the fraction of mixed-funded or self-insured small plans that reported stop-loss coverage. The table is based on the subset of small plans that filed a Form 5500 rather than a Form 5500-SF, because Form 5500-SF does not ask about stop-loss insurance.

Table 22. Fraction of Small Health Plans Reporting Stop-Loss Insurance, by Funding Mechanism and Statistical Year

Statistical year	Small Plans		Participants	
	Mixed	Self-insured	Mixed	Self-insured
2012	45.6%	19.7%	17.1%	9.8%
2013	47.1%	18.9%	9.3%	14.7%
2014	53.3%	23.4%	27.1%	8.8%
2015	70.1%	29.0%	3.7%	27.0%
2016	45.7%	30.7%	32.9%	33.3%
2017	48.8%	33.0%	52.2%	35.7%
2018	37.1%	34.4%	70.8%	28.0%
2019	32.7%	38.6%	45.3%	42.7%
2020	33.0%	41.9%	53.4%	46.0%
2021	69.3%	48.3%	89.9%	60.0%

Source: Form 5500 small health plan filings.

Reflects stop-loss coverage as reported on Form 5500.

It is important to keep in mind that in 2021, only 150 mixed-funded small plans and 1,476 self-insured small plans filed a Form 5500, requiring provision of stop-loss information, rather than a Form 5500-SF, which does not.⁴⁷ Furthermore, stop-loss information only needs to be included in Form 5500 filings if the plan is the beneficiary. The small number of mixed-funded plans may explain the volatility in the percentage of mixed-funded plans reporting stop-loss coverage in Table 22. Subject to the caveat that stop-loss coverage was underreported on Form 5500 filings (see pages 30-31), 69.3% of the 150 small mixed-funded plans and 48.3% of 1,467 small self-insured plans that filed a form 5500 indicated having purchased stop-loss insurance in 2021. Small mixed-funded plans have generally become less likely over time to report stop-loss coverage, whereas small self-insured plans have become more likely.

Table 22 also reports participant-weighted rates of stop-loss coverage. Because the determination that a firm is “small” (less than 100 participants) is based on the number of participants at the beginning of the year (“BOY”), but the number of participants for the participant-weighted figures in Table 22 are based on the number of participants at the end of the year (“EOY”), the insuring decisions of a firm that has grown rapidly within a year will receive a heavy weighting in the participant-weighted figure in Table 22. This may explain some of the rapid change over time in the participant-weighted figures in Table 22.

Table 23 shows the annual per-person cost of stop-loss coverage for small plans, calculated in the same way and subject to the same caveats as for large plans (see e.g. pages 30-31).⁴⁸ The median per-person stop-loss premiums for small plans

⁴⁷ The corresponding numbers in prior were at least 294 for mixed-funded small plans and 1,426 self-insured small plans.

⁴⁸ The distributions are calculated over small mixed-funded and self-insured plans that filed a Form 5500 (as opposed to a Form 5500-SF) and reported stop-loss coverage. In 2021, there were 150 and 1,476 such plans, respectively. In other

were substantially higher than those for large plans (Table 13), presumably because the volatility of medical expenses is greater for small plans than for large plans. Of course, overall stop-loss premiums and costs may interact with the amounts at which deductibles and copays (“attachment points”) are set within plans and how they change over time. These attachment points may be evolving differently for small plans than large plans.

Table 23. Per-Person Annual Premiums for Stop-Loss Insurance (Small Plans)

Year	Mixed-funded			Self-insured		
	25th pct	Median	75th pct	25th pct	Median	75th pct
2012	\$2,239	\$2,811	\$3,602	\$642	\$1,335	\$2,030
2013	\$1,952	\$2,745	\$3,626	\$853	\$1,469	\$2,192
2014	\$1,972	\$2,831	\$3,715	\$1,075	\$1,733	\$2,439
2015	\$1,509	\$2,610	\$3,715	\$900	\$1,526	\$2,450
2016	\$2,556	\$3,337	\$4,652	\$1,108	\$2,038	\$3,039
2017	\$2,328	\$3,158	\$4,407	\$1,198	\$2,302	\$3,154
2018	\$2,441	\$3,440	\$4,312	\$1,394	\$2,636	\$3,486
2019	\$2,509	\$3,875	\$4,601	\$1,622	\$2,849	\$3,700
2020	\$2,387	\$3,297	\$4,919	\$1,718	\$2,940	\$4,038
2021	\$2,657	\$3,443	\$4,645	\$1,575	\$2,794	\$3,952

Source: Form 5500 small health plan filings.

Reflects stop-loss coverage as reported on Form 5500.

Funding Mechanisms and Financial Metrics

As described above, we matched the Form 5500 health plan data to Form 990 filings to identify whether a group health plan sponsor was a for-profit or a not-for-profit entity. Among the sponsors of small plans, 6.3% were found to be not-for-profit entities. These plans covered 8.3% of participants. Table 24 shows the number of small plans and the participants they covered in for-profit and not-for-profit entities.

Table 24. Number of Small Plans and Their Participants, by Funding Mechanism and For-Profit Status (2021)

	Small plans			Participants		
	Fully insured	Mixed	Self-insured	Fully insured	Mixed	Self-insured
For-profit	152	140	22,838	5,393	30,324	201,982
Not-for-profit	24	10	1,529	1,354	555	19,468
Total	176	150	24,367	6,747	30,879	221,450

Source: Form 5500 large health plan filings, Form 990 filings

As noted on page 11 only 28 sponsors of small plans were matched to Bloomberg data. Almost all plan sponsors appeared to be large companies that sponsored multiple health plans, including a small plan. We did not compare financial health of fully insured, mixed-funded, and self-insured small plans because of the low number

years, the distributions were calculated based on at least 75 and 152 plans, respectively.

and unusual nature of small-plan sponsors for which financial information was available.

6. GROUP INSURANCE ARRANGEMENTS

The analysis above excludes GIAs because GIAs are not group health plans. However, they may be of interest for their role in securing employer-sponsored health benefits. A GIA provides benefits to the employees of two or more unaffiliated employers (not in connection with a multiemployer plan or a collectively bargained multiple-employer plan), fully insures one or more welfare plans of each participating employer, uses a trust or other entity as the holder of the insurance contracts, and uses a trust as the conduit for payment of premiums to the insurance company (See 2021 Instructions for Form 5500, available at [dol.gov/sites/dolgov/files/ebsa/employers-and-advisers/plan-administration-and-compliance/reporting-and-filing/form-5500/2021-instructions.pdf](https://www.dol.gov/sites/dolgov/files/ebsa/employers-and-advisers/plan-administration-and-compliance/reporting-and-filing/form-5500/2021-instructions.pdf)). Welfare plans that use a GIA to provide benefits do not have to file a Form 5500 as long as the GIA files. By definition, GIAs are fully insured.

For 2021, 49 arrangements covering about 356,000 participants filed a Form 5500 as a GIA, compared with 57,112 large group health plans that covered 82.8 million participants. GIAs (which are generally comprised of multiple plans) tend to be larger than group health plans. For example, 87.8% of GIAs covered 500 or more participants, compared with 28.6% of large group health plans.

GIAs further differ from group health plans in their distribution of industry sectors. Perhaps due to the diversity of their contributing employers, as many as 42.9% of GIAs reported a "Miscellaneous" industry or none at all. Also 28.6% were active in the finance, insurance, and real estate sector, and their participants accounted for 63.3% of all GIA participants, compared with just 10.3% of large group health plans and 10.3% of participants in such plans.

7. CONCLUSION

The ACA was enacted in 2010 and has brought about far-reaching changes to health care financing and coverage. This report and its counterparts from prior years aim to monitor any changes in employer-sponsored health benefit coverage and its funding mechanism that employers have made in the first few years since the ACA became law. While we identified several time trends, with the exception of the increase in self-funding by small plans, the changes tended to be moderate, generally started prior to 2010, and largely flattened out in recent years.

The number of health plans that filed a Form 5500 and the number of participants they covered grew between 2020 and 2021. We note that most small health benefit plans were exempt from filing a Form 5500, so no conclusions should be drawn based on this report with respect to the number of small employers that offered health benefits or the number of participants they covered.

Among large plans, the overall distribution of funding mechanism was largely unchanged from 2020, with a slight increase in mixed-funding plan participants. At the plan level, self-insurance or mixed-funding increased by 0.8 percentage points to 45.7%. At the participant level, self-insurance or mixed-funding increased slightly from 81.7% in 2020 to 81.9% in 2021. The data offer little insight into the funding distribution among small plans as most small plans are exempt from filing a Form 5500. However, the number of self-insured or mixed-funded small plans that filed a Form 5500 increased substantially between 2020 and 2021. Most of that increase is due to small plans that appear to participate in a non-plan MEWA.

For large plans, the observed trend in reported Form 5500 data toward less stop-loss coverage may be flattening. Among mixed-funded large plans, stop-loss coverage declined slightly at 16.4% in 2021, while among self-insured large plans there was a slight decrease to 21.2% in 2021 from 21.82% in 2020. It is unclear whether these findings reflect trends in overall stop-loss coverage—Form 5500 filings are known to be an incomplete source of information about stop-loss coverage. Insofar as reported, stop-loss coverage was much greater for small plans than for large plans, and has increased significantly. Among mixed-funded small plans, stop-loss coverage increased from 33.0% in 2020 to 69.3% in 2021. Among self-insured small plans, stop-loss coverage continued an upward trend, from 41.9% in 2020 to 48.3% in 2021.

Small plans filing Form 5500 increased by about 45% from 16,809 in 2020 to 24,426 in 2021, covering about 259,000 participants. This increase follows an even larger percentage increase (78%) in the number of small plans filing between 2019 and 2020.

Overall, the Form 5500, despite some known limitations, continues to be a useful data source to better understand the type and range of health benefits that employers provide to American workers. The relatively long history of these data can help inform important policy debates surrounding these benefits. It can be anticipated that future versions of this report will continue to document these important trends.

TECHNICAL APPENDIX

The definitions of funding mechanism rely upon the fields of Form 5500 and its Schedules as outlined in Table 1.

Table 1. Data Fields Used to Determine Plan Funding Type

Source	Description
Form 5500, Line 5; Form 5500-SF, Line 5a	Total number of participants at the beginning of the plan year
Form 5500, Line 6d; Form 5500-SF, Line 5b	Number of participants at the end of the plan year who are active, retired, separated, or retired/separated and entitled to future benefits
Form 5500, Line 9a	The “funding arrangement” is the method for the receipt, holding, investment, and transmittal of plan assets prior to the time the plan actually provides benefits. Plan funding arrangement (check all that apply) <ol style="list-style-type: none"> 1. Insurance 2. Section 412(e)(3) insurance contracts 3. Trust 4. General assets of the sponsor
Form 5500, Line 9b	The “benefit arrangement” is the method by which the plan provides benefits to participants. Plan benefit arrangement (check all that apply) <ol style="list-style-type: none"> 1. Insurance 2. Section 412(e)(3) insurance contracts 3. Trust 4. General assets of the sponsor
Schedule A, Line 1e	Approximate number of persons covered at the end of the plan year
Schedule A, Line 2a	Total amount of commissions paid
Schedule A, Line 2b	Total fees paid
Schedule A, Line 3e	Organization code of agents, brokers, or other persons to whom commissions or fees were paid: <ol style="list-style-type: none"> 1. Banking, Savings & Loan Association, etc. 2. Trust Company 3. Insurance Agent or Broker 4. Agent or Broker other than insurance 5. Third party administrator 6. Investment Company/Mutual Fund 7. Investment Manager/Adviser 8. Labor Union 9. Foreign entity 0. Other
Schedule A, Line 6b	Premiums paid to carrier

Source	Description
Schedule A, Line 8	Type of benefit and contract types: A. Health (other than dental or vision), I. Stop loss (large deductible), J. HMO contract, K. PPO contract, L. Indemnity contract, M. Other and other codes for dental, vision, life, disability, etc. More than one code may be checked
Schedule A, Line 8m	Description of "Other" benefit and contract type
Schedule A, Line 9a(4)	Total earned premium amount for experience-rated contracts
Schedule A, Line 9b(3)	Incurred claims
Schedule A, Line 9b(4)	Claims charged
Schedule A, Line 9e	Dividends or retroactive rate refunds due
Schedule A, Line 10a	Total premiums or subscription charges paid to carrier for nonexperience-rated contracts
Schedule H, Line 2e	Benefit payment and payments to provide benefits: 2e(1) Directly to participants or beneficiaries, including direct rollovers 2e(2) To insurance carriers for the provision of benefits 2e(3) Other 2e(4) Total benefit payments
Schedule I, Line 2e; Form 5500-SF, Line 8d	Benefits paid (including direct rollovers)

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