

## 5 THINGS TO KNOW ABOUT SMALL BUSINESS



# HEALTH INSURANCE

Business owners, especially those with employees, should know their health insurance options. Here's five things to know about health insurance, including the regulations to keep up with, what coverage to consider, how to work with a broker, and how to know what you need to offer to stay competitive.

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## 1. WHEN TO OFFER HEALTH INSURANCE, AND WHY

To start, business owners employing more than 50 full-time employees should determine what, if any, health insurance they should offer based on business size, type, and which state they're located in.

**The Affordable Care Act's small business website** offers frequently updated rules and guidelines for owners as well as for employees.

Businesses can offer health insurance as well as other benefits to attract and retain high-quality employees. An owner may also consider providing insurance based on market and industry trends to stay competitive. In a 2021 Robert Half International survey of more than 1,000 job candidates in the U.S., **76% of respondents** ranked health insurance as an "essential benefit."<sup>1</sup>

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If owners need or want to offer insurance, Synchrony experts recommend starting with a broker who will help navigate the entire process. Owners should also do research on their insurance options, understand the fundamentals of how insurance works, and be familiar with what their employees want.

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## 2. HOW TO RESEARCH HEALTH INSURANCE

To start researching, small business owners can look to the **Small Business Health Options Program (SHOP)**, which helps businesses with between one and 50 employees provide health coverage to their employees. Businesses with fewer than 25 employees that buy SHOP insurance also might qualify for the **Small Business Health Care Tax Credit** as a way of offsetting or lowering costs.

Economic assistance for small businesses and general information about how Coronavirus (COVID-19) affected insurance and retirement plans in the short- and long-term are also available through the **Covid-19 Economic Relief** website.

**Offering insurance often comes down to cost:** how much the owner will pay and how much employees would need to pay. Health insurance can often be complicated (and expensive), so the most efficient option is to work with a knowledgeable broker. Brokers will consult on the plan and the



components in it, working with owners on an annual basis to make changes. Before engaging a broker **or buying a plan**, owners should know what their needs are first, and how much they are able and willing to contribute financially.

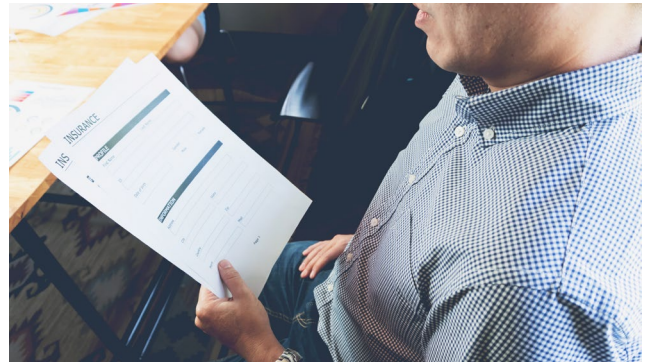
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### 3. HOW TO EVALUATE A BROKER

Given the complexity of health insurance, brokers can offer clarity. When reviewing a broker, look for one that has a deep knowledge base across a team or across different divisions, giving insight into different types of benefits like dental, vision, and life insurance in addition to offering plans priced for small businesses.

**Look for a broker who gives owners access to their relationships with carriers and other vendors, and who gives recommendations and pricing based on business needs.**

Qualified brokers also know what other companies of a similar size are being charged for annual renewal increases, providing valuable insights to owners to accurately judge what they're being charged.



**The cost of renewals is a key catalyst** for a small business to make any change to their health insurance strategy, so adding expert advice in the form of a broker can help save money.

### 4. HOW TO REVIEW ANNUAL PLAN CHANGES

Insurance carrier renewals drive much of the process, timing and impact of the renewal cycle. Double-digit increases means it might be time to start shopping for a new carrier, but a broker can be invaluable to help an owner negotiate a cost-effective plan.

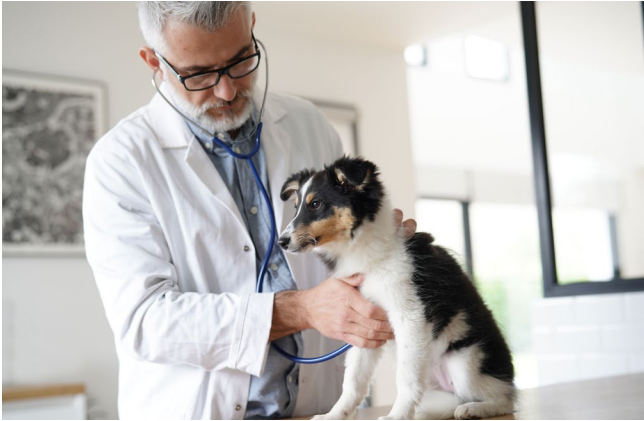
**Synchrony experts recommend at least an annual review of an insurance plan and related costs, uncovering areas of opportunity to save money and fixing any causes for concern.**

Owners should be an active participant in their coverage, especially during renewals, making decisions based on their understanding of what the business needs and what employees want. Looking at the type and frequency of claims is one way of understanding how to adapt to a plan that's financially viable as well as desirable for employees.

Before meeting with a broker during renewals, owners should also gather their documents, review claim and pricing data, and do initial research on any changes to rules and regulations.

As another important step in the renewals process, employees can be surveyed during employee-manager check-ins, team meetings, or by using an **online tool** to gather anonymous feedback on what they like or don't like about the plan, as well as what they'd like to see covered. Owners can adjust their type of offered coverage or provide more education to employees based on those responses.

Because of the frequency of new regulations, rules, benefits, and insurance carriers entering the space, health insurance is not a "one and done" project. Owners should also regularly review their own time and budgetary commitment to health insurance relative to what their competitors in their markets are able to offer, ensuring employees are incentivized to stay.



## 5. CONSIDER OFFERING ADDITIONAL BENEFITS

Offering basic health insurance **might not be enough to stay competitive**. Everything from vision, dental and life insurance plans to expanded benefits like pet insurance, 401k plans, parental leave and elder care can be offered or added in annual reviews with brokers or with carriers directly.

With the heightened focus on mental and emotional health and wellness, an **employee assistance program (EAP)**<sup>1</sup> can be a great resource and added benefit for employees. EAPs provide assessments, coaching, short-term counseling, referrals, and additional services for personal and work-related concerns. Insurance carriers as well as a broker can identify the right program for a small business' budget and needs.

Industry organizations for HR professionals are a good place for owners to start researching additional options. **SHRM** (Society for Human Resource Management) specializes in all things HR, particularly benefits, and **WorldatWork** offers programs focused more on compensation and rewards.

### Consider expanded benefits to help stay competitive such as:

- Vision Insurance
- Dental Insurance
- Life Insurance
- Pet Insurance
- 401K Plans
- Parental Leave
- Elder Care

For more information or to connect with an expert, contact us at [synchronyconnect@synchrony.com](mailto:synchronyconnect@synchrony.com).

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<sup>1</sup> "12 Employee Benefits and Perks for Your Hiring and Retention Plan," Robert Half International, November 2021

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