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EMPLOYER - Sponsored Health Insurance BENEFITS How DO YOURS Compare?

Late last year, KFF released their annual employee health benefit survey. This thorough report takes a deep dive into employer-sponsored health insurance programs and examines both the types of benefits offered and the cost of the coverage employers provide to their employees and families.

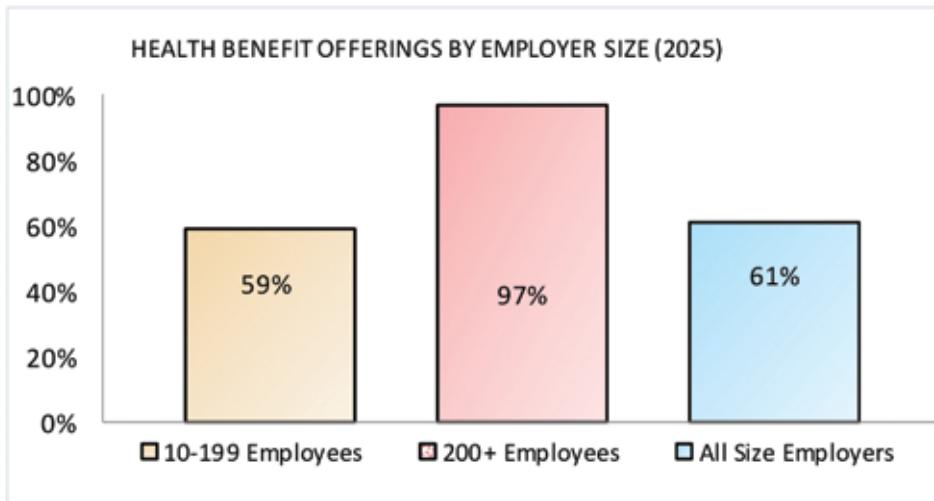
As employers everywhere struggle to balance inflationary pressures with attracting employee talent, it's important for them to have a good understanding of how their health benefits compare to what is available in the market and what is being offered by other businesses. The entire KFF survey can be found at kff.org, but for those who want a short executive summary, here you go. Full disclosure and in accordance with the KFF citation and reprint policy, I am using their materials freely and with full attribution.

Employee Health Insurance Plans: According to the KFF survey, employer-sponsored health insurance programs cover 154 million people in the U.S. (45.3% of the population). While benefit programs and insurance plans vary significantly, they

have a few very important features in common: they are offered by employers to ensure that workers and their families can have meaningful access to health care; they protect employees from the financial strife or ruin that can result from catastrophic illness or injury; and they are an extremely important part of most employee compensation packages.

Health Benefits by Employer Size: One of the most accurate predictors of the type and level of employer-sponsored benefits (and the amount an employer contributes to those benefits) is company size. The KFF study breaks employer groups into two main categories: (1) small employers (those with 10-199 workers); and (2) large employers (those with 200+ workers). As a general rule, larger companies offer more generous health insurance benefits than smaller companies, and they usually pay a higher portion of the premium. In the large employer group (200+ employees), nearly 97% of companies offered health benefits. In contrast, only 59% of small employers offered a health benefit plan. Overall, 61% of all surveyed companies provided health benefits to their employees (see, Graph 1), but this represented a reduction of 4% over the previous year.

Graph 1

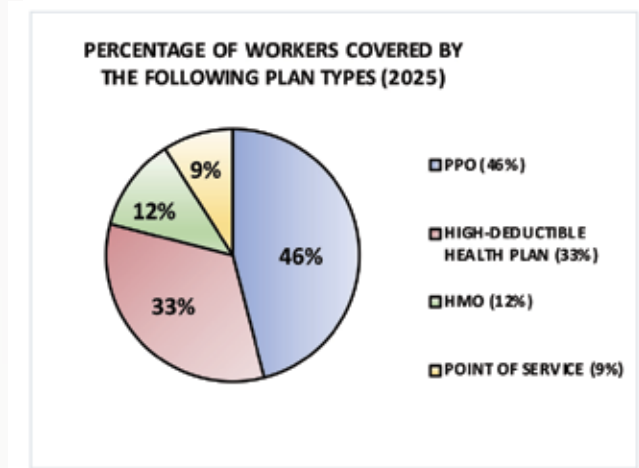


** This graph was compiled with information and data from the KFF survey.*

Health Benefits by Plan Type: In 2025, as has been the case for decades, Preferred Provider Organization (PPO) plans remained the most common type of plan covering U.S. employees. These plans are generally viewed as the most user friendly because they allow members to use almost any provider they want with the plan paying a higher benefit if the member uses a preferred in-network provider since those providers offer discounts in exchange for patient channeling. Among firms offering health benefit plans, 46% of all workers are covered by a PPO plan. By comparison, only 12% of workers are covered under a more restrictive Health Maintenance Organization (HMO) plan, which generally limits members to a closed panel of providers and only covers out-

of-network care in the event of an emergency. Approximately 33% of covered workers are enrolled in high-deductible health plans (which are generally used in conjunction with health savings accounts (HSAs)) and may be offered with PPO plans or HMO plans (see Graph 2).

Graph 2



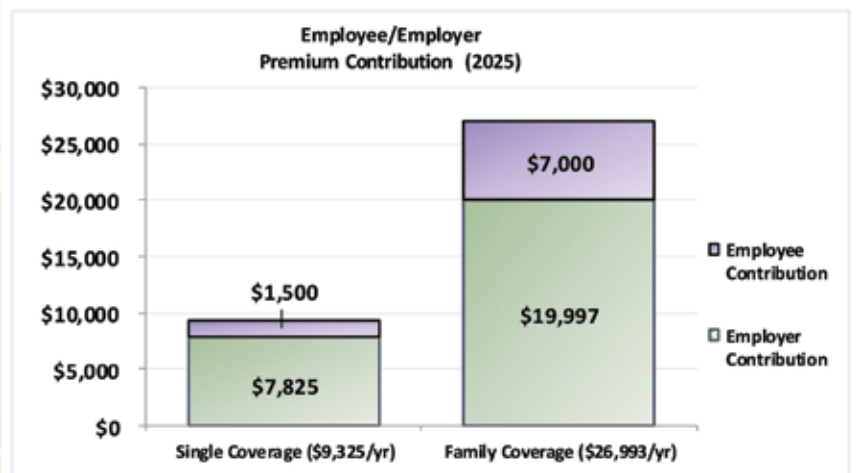
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Health Benefit Cost and Employer Contribution:

In 2025, the average annual premium for employer-sponsored health insurance coverage was \$9,325 for single coverage and \$26,993 for family coverage, increases of 4.2% and 5.6% respectively. Over the past five years, the average premium for family coverage has increased by 26%, compared to an increase in worker wages of 28.6% and inflation of 23.5%.

On average, workers contributed about \$1,500 (16%) toward the cost of single coverage and \$7,000 (26%) for family coverage, about the same as in 2024. This means employers contributed more than \$7,800 (84%) for single coverage and almost \$20,000 (74%) for family coverage (see Graph 3).

Graph 3



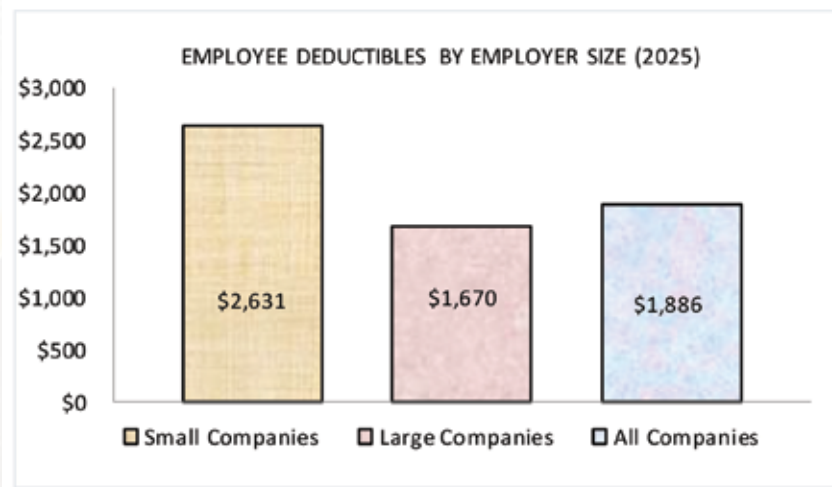
Insurance Deductibles and Other Benefit Levels:

According to the KFF survey, 88% of workers are covered under plans that have an annual deductible. This is the amount the insured must pay before insurance benefits kick in (although there are some benefits like wellness care that are often covered on a pre-deductible basis). In 2025, the average annual deductible for single coverage was \$1,886. Like the benefit distinctions amongst employer sizes, the average deductible for workers who are covered through smaller companies is significantly higher than those who are covered through larger companies (\$2,631 compared to \$1,670) (see Graph 4).

Graph 4

people are expected to migrate to higher-deductible plans or drop their coverage altogether leading to an increase in the number of uninsured Americans.

Finally, while premiums under the ACA are difficult to compare because they are composite-based and they increase every year based on age, I’m providing a few figures for perspective that I compiled from the KFF marketplace premiums report for a 40-year-old insured individual. It is important to note that in order to accurately compare ACA premiums with existing benefits or other available programs, it is imperative that they be analyzed in context since ACA deductibles and out-of-pocket maximums are significantly higher than the averages reported in the KFF survey.



Affordable Care Act (ACA or Obamacare) Premiums, Subsidies, Deductibles and

Out-of-Pocket Amounts: While most employers buy their group insurance on the open market, some choose to purchase coverage through *Healthcare.gov*. During the 2026 open enrollment period, 23 million people signed up for Obamacare policies, according to the Centers for Medicare & Medicaid Services (CMS). This represented a decrease of 1.2 million people (5.3%) compared to 2025; and many people, including me, expect that enrollment figure will further shrink as we move through 2026. This is because a significant number of individuals who were automatically reenrolled in their existing ACA plans have lost their enhanced pandemic subsidies, which expired at the end of the year, effectively pricing them out of the health insurance market.

In 2025, virtually everyone who enrolled on *Healthcare.gov* (93%) qualified for significant Obamacare subsidies. These subsidies, which covered nearly 89% premium, were doled out generously to individuals who wouldn’t have qualified for subsidies when the ACA was originally passed. Now that the expanded subsidy program has expired, many of those

Average Lowest-Cost Obamacare Premium (2026) (single / unsubsidized):

- Bronze Plan:** \$456/month (\$5,472/year)
- Silver Plan:** \$611/month (\$7,332/year)
- Gold Plan:** \$615/month (\$7,380/year)

Average Obamacare Metal Plan Deductibles (2026):

- Bronze Plan** (single) = \$7,476
- Silver Plan** (single) (excluding cost-sharing reduction) = \$5,304
- Gold Plan** (single) = \$1,722

Out-of-Pocket Maximums (federally mandated):

- Annual Maximum
- Out-of-Pocket** Limit (single) = \$10,600
- Annual Maximum
- Out-of-Pocket** Limit (family) = \$21,200

If you have questions about Medicare and Medigap policies or would like a free copy of the federal government’s Medicare handbook, please visit our website at wmimedigap.com or contact our office at (801) 263-8000.