

Why ICHRA?

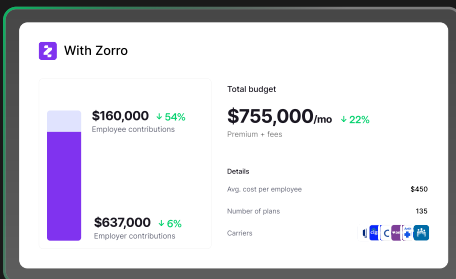
Meet the Smart Health Benefits Strategy for Modern Employers



What is ICHRA?

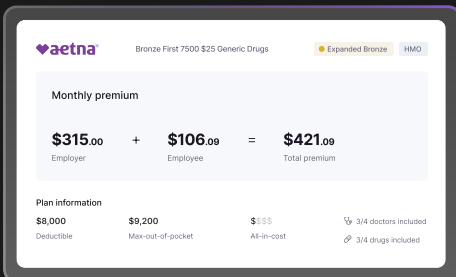
The Individual Coverage Health Reimbursement Arrangement (ICHRA) is a tax-advantaged benefit that gives employers a flexible, cost-controlled way to offer health insurance. Instead of providing a traditional group plan, employers give employees tax-free funds to buy their own individual health insurance—tailored to their location, needs, and budget.

How does ICHRA work?



1. Set your budget

Define a monthly contribution model that works for your financial goals and team.



2. Empower employees to shop for their plan

Partner with an ICHRA administrator to support employees as they shop for ACA-compliant plans tailored to their needs.

Employees

Full name	Eligible status	Carrier	Premium	Enrollment status	Plan pay status
Wally Wilkins	Eligible for benefits	Blue Cross	\$339.01	Change enroll	Compliance to report
Oliver Jones	Waiting for benefits eligibility	Blue Cross	\$545.77	Enrollment confirmed	Waiting for agent to complete
Isabella Taylor	Eligible for benefits	Blue Cross	\$608.24	Change enroll	Compliance to report
Chloe Brown	Eligible for benefits	Blue Cross	\$762.21	Change enroll	Compliance to report
John Smith	Eligible for benefits	Blue Cross	\$206.43	Change enroll	Compliance to report
Isabella Clark	Waiting for benefits eligibility	Blue Cross	\$159.04	Enrollment confirmed	Waiting for agent to complete
Luca Davis	Eligible for benefits	Blue Cross	\$341.32	Change enroll	Compliance to report
Michael Green	Waiting for benefits eligibility	Blue Cross	\$1,341.52	Enrollment confirmed	Waiting for agent to complete
Wade Miller	Eligible for benefits	Blue Cross	\$742.26	Change enroll	Compliance to report
Isabella Taylor	Eligible for benefits	Blue Cross	\$101.62	Change enroll	Compliance to report

3. Administer and monitor your ICHRA plan

Use a sophisticated ICHRA platform to handle enrollment, compliance, premium payments, and support.

Why are employers switching to ICHRA?



Cost control

- Predictable, defined budgets with no surprise renewal hikes
- Greater visibility into future costs
- Reduce costs for both employer and employee



Flexibility

- Vary contributions by employee class (e.g., full-time, part-time, remote)
- Support distributed and non-traditional workforces



Employee choice

- Employees pick the best plan for them
- All plans are ACA-compliant with robust networks
- Expanded plan choice (typically >50 plans)

ICHRA vs. traditional group health insurance

	ICHRA	Traditional group plan
Participation requirement	None	60% or more
Tax benefits	Pre-tax	Pre-tax
Choice	Employee selects plan	Employer selects plan
Average # of plan options	50–100	1–3
Budget	Determined by the employer	Subject to annual increases and/or high claims
Ownership	Owned by employee (fully portable)	Owned by employer (coverage ends when employee leaves)
Risk pool	All Exchange participants	Employees and their families
Classing options	11	N/A

Is ICHRA right for your business?

We've seen the largest savings for companies with:



High renewals



Multiple geographics



Cost-sensitive employees



Mix of salary/hourly workers



Risk fatigue



High employee turnover

ICHRA myth-busting



“Employees won’t get good coverage.”

False. Employees access the same ACA-compliant plans available on or off the public exchange—often with better local provider networks.



“ICHRA is only for small companies.”

False. ICHRA is scalable and used by employers of all sizes—from 5 to 5,000+ lives. In fact, large-employer adoption grew by 84% from 2023 to 2024.



“Plan selection will confuse employees.”

False. Not with the right partner. Platforms like Zorro provide guided support, AI-powered decision tools, and live enrollment help.



“ICHRA administration is too complicated.”

False. Again, the partner matters. A good ICHRA administrator handles the heavy lifting—plan design, compliance, onboarding, payments, and renewals—so you can offer modern benefits without extra burden.

Finally, a platform built for the modern-day workforce

“I would choose to switch to an ICHRA plan every time because of the cost savings to both participants (the company and employee), the ease of enrollment, and the instant access to a variety of online resources via Zorro’s portal.”

Yadira Irizarry
Director of Staff Accounting, HairClub



Next steps: [Explore ICHRA for your business](#)

If you’re tired of rate hikes and limited plan options, talk to your broker about:

- A side-by-side cost comparison of ICHRA vs. your current plan
- A tailored benefit strategy by employee class
- A partner who supports your team and employees every step of the way (like Zorro)