

Offering Employee Benefits to Employees

A straightforward guide for Colorado small business owners

Deciding to offer health benefits to your team is a big step, and it is one of the most effective ways to attract and keep good people. It can also feel overwhelming the first time, with unfamiliar terms and several different ways to structure a plan. This guide lays out what you need to know in plain language so you can make an informed decision.

As always, our guidance is 100% FREE. Colorado Health Insurance Brokers is paid by the insurance carriers, so working with us costs you nothing beyond the premium you would pay anyway.

Why employers offer benefits

Benefits do real work for a small business. They help you compete with larger companies for talent, they improve retention, and in many cases they come with tax advantages. For employees, employer sponsored coverage is often more affordable and easier than buying on their own. Most of our group clients are offering benefits for the first time, and we help them grow their companies in the process.

The three main ways to structure a plan

There is no single right answer here. The best structure depends on the size of your group, the health of your workforce, your budget, and how much predictability you want. Here is how each one works.

1. Fully Insured

This is the traditional approach. You pay a fixed monthly premium to an insurance carrier, and the carrier takes on all the risk of paying claims. Your cost is predictable from month to month.

Best for: Employers who want simplicity and a predictable monthly cost, and who do not want to take on any claims risk.

Keep in mind: Premiums are set by the carrier and the Colorado Division of Insurance. Your rate at renewal is based largely on your group and the broader market rather than on your own group's claims.

2. Level Funded

This is a middle ground that has become popular with smaller employers. You pay a set monthly amount that combines the cost of expected claims, administrative fees, and stop loss insurance that protects you from unusually high claims. If your group's claims come in lower than expected over the year, you may receive a refund of the difference.

Best for: Employers with a relatively healthy workforce who want the potential to save money if claims are low, while still having the protection of stop loss coverage.

Keep in mind: Your monthly cost stays level and predictable, but the potential refund is not guaranteed. This structure involves some underwriting of your group.

3. PEO (Professional Employer Organization)

A PEO is a co-employment arrangement. You partner with a PEO that handles payroll, benefits administration, HR compliance, and more, and your employees gain access to benefits through the PEO's larger pool. This can give a small business access to plans and pricing usually reserved for much bigger companies.

Best for: Growing businesses, often in the 20 to 75 employee range, that want to offload HR and benefits administration and gain access to a broader set of benefits.

Keep in mind: A PEO bundles many services together, so it is a bigger operational decision than a standalone health plan. We will walk through whether it fits your situation.

Beyond medical: the rest of a benefits package

Health insurance is usually the centerpiece, but a complete benefits package often includes more. Depending on your goals and budget, we can help you add:

1. Dental coverage
2. Vision coverage
3. Group life insurance
4. Group disability coverage
5. Long term care options through our partnership with New York Life

You do not have to add everything at once. Many first time employers start with medical and build from there.

What we handle for you

We are independent brokers, which means we are not tied to a single carrier. We represent the major Colorado carriers including Anthem Blue Cross Blue Shield, Aetna, Cigna, Denver Health, Kaiser Permanente, Rocky Mountain Health Plans, Select Health, and UnitedHealthcare, among others.

For our group clients we also provide access to Mineral, an HR compliance platform, at no additional cost. It helps you stay on top of HR requirements as you grow.

Here is what working with us looks like:

1. We learn about your business, your team, and your budget.
2. We gather quotes across carriers and plan structures so you can compare real options side by side.
3. We explain how each option works so you understand it, not just choose it.
4. We help you enroll your team and handle the setup.
5. We are here year after year for renewals, questions, and changes as your company grows.

A note on cost

Small group health insurance pricing is set by the carriers and the Colorado Division of Insurance, so the premium is the same whether you come through us, another broker, or the carrier directly. The difference is the guidance. Our job is to help you choose the structure and plan that actually fit your business, so you get real value for every premium dollar.

Let's talk it through

The best next step is a no cost conversation about your business and what you are trying to accomplish. We will help you sort through the options and find the structure that fits. Please watch for the email from your licensed Agent to assist you with your benefits package.