



# Colonial Life partners to deliver ICHRA solution

Colonial Life is collaborating with leading private online health marketplaces\* to bring an Individual Coverage Health Reimbursement Arrangement (ICHRA) solution to our distribution partners.

## What is ICHRA?

In simplest terms, ICHRA gives employers an option to offer employees a monthly allowance of tax-free money, allowing employees to be reimbursed for certain qualified healthcare expenses,\*\* such as the purchase of individual health care coverage premiums, allowing them to tailor their coverage to fit their unique needs.

## Why consider offering ICHRA for employers?

ICHRA has experienced tremendous growth in recent years and is forecasted to continue growing at double digit rates.<sup>2</sup> Clients who may be a good fit include:

- **Employer who wants more controllable and predictable health plan costs**
- **Employer who doesn't offer employee group health coverage**
- **Employer who doesn't meet participation requirements on a traditional group health plan**
- **Employer who has employees such as part-time workers who don't qualify on current group health plan**

While employers of all sizes can take advantage of ICHRA's, we believe the smaller end of the market presents the greatest opportunity.

## Why consider the Colonial Life solution for ICHRA?

Pairing an ICHRA solution with a Colonial Life voluntary benefits portfolio and accompanying employee benefits education and enrollment guidance are a winning combination. The full-service solution includes:

- **Full range of ICHRA pre-sale planning and client level acquisition support**
- **Client specific voluntary benefits strategy tailored to support employee needs**
- **Customized and tailored employee enrollment and education support**
- **Access to an individual health insurance marketplace with national coverage**
- **Competitive voluntary benefits compensation for the sale of Colonial Life insurance products**

Colonial Life can help you save time, labor and money while enabling you to bring more value to your mid- and small-market clients with its voluntary benefits solution and this full-service ICHRA opportunity.

**\$300+**  
Average cost savings per employee per month realized by mid-sized employer groups who moved to an ICHRA from a traditional group plan.<sup>1</sup>



Interested in learning more? Reach out to your Colonial Life representative to learn more or connect with us at: [ICHRA@ColonialLife.com](mailto:ICHRA@ColonialLife.com)

\*Colonial Life is not providing ICHRA services or administration. All services and administration related to ICHRAs through this program will be performed by a third party. \*\*Employees must be enrolled in individual health insurance coverage to use the funds. Funds can only be used for qualifying healthcare expenses and cannot be used for things like excepted benefits premium reimbursement. Employers should consult their tax advisors for ICHRA implications. ICHRA funds cannot be used to purchase excepted benefits, including Colonial Life products.

1 Early ICHRA Insights, Milliman, Feb 2023. Mid-size = 25-49 employees.

2 Oliver Wyman, Insurers Need to be Proactive in Preparing for ICHRA Growth, accessed on February 6, 2025.

Colonial Life insurance products are underwritten by Colonial Life & Accident Insurance Company, Columbia, SC.

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