1.1 The PEO Advantage: How Large Group Policies Drive Big Savings

For small and mid-sized businesses, **group medical insurance premiums** are rising rapidly, and Q4 is the busiest time to make renewal decisions. Smart companies are turning to **Professional Employer Organizations (PEOs)** to unlock **large-group buying power**, streamline HR, and reduce costs—all without cutting employee benefits.

We recently worked with a **125-employee company** and helped them **save over $250,000 annually** by moving to a **PEO master health plan**, while keeping employee benefits at the same high level.

🧩 What Are PEO Master Health Plans?

PEO Master Health Plans are large-scale group health insurance programs offered through PEOs. They provide:

👥 Group Buying Power

Employees from multiple businesses are pooled together, **unlocking better rates and more robust coverage** than most small or mid-sized companies could negotiate on their own.

📊 Beyond Insurance

PEOs also handle:

- **HR administration**
- **Payroll management**
- **Compliance oversight**
- **Benefits administration**

This creates a **one-stop solution** for employers, reducing administrative burden and freeing business leaders to focus on growth.

⚠️ What's Changing in 2025?

While PEO master plans remain a viable strategy, the market is shifting:

- **Stricter Underwriting:** Small businesses with **low participation** or **high claims** may be denied access to certain master plans.
- **Carrier Pullbacks:** Some insurance carriers are **reducing their PEO master plan offerings**.
- **Industry Exclusions:** Higher-risk industries such as **construction, food service, and transportation** may face additional barriers.

Good news: As a **PEO broker with access to 600+ PEOs**, we can match your business with PEOs that have the right appetite for your industry and workforce.

✅ Is a PEO Master Plan Still Right for Your Business?

PEO master plans are ideal for companies that meet certain criteria:

- **10+ employees** with a **low claims history**
- Employers **contributing generously to benefits**
- Groups with **80%+ participation** in medical coverage
- **Multi-state employers** needing HR and compliance support
- Companies preparing to **scale or seek funding**

For businesses that don't meet these thresholds, **level-funded or open-market plans** may provide more flexibility and still deliver cost savings.

🧠 Pro Tip: Questions to Ask Yourself

Before moving forward, ask yourself:

- Do you want to **bundle HR, payroll, and compliance** with your benefits?
- Is your company **preparing to scale or attract funding**?
- Are you juggling **multiple vendors across states**?
- Are you open to **evaluating a new payroll or HRIS platform**?

If you answered "yes" to any of these, a **PEO master plan** could be the right strategic move for your business.

📈 Next Step: See the Numbers for Yourself

We provide **side-by-side PEO comparisons at no cost**, so you can see whether a **PEO, level-funded plan, or another option** is the best fit before your Q4 renewal deadline.

📩 **Email:** suzanna@peofortheceo.com to get started today.

Stay Tuned

In the next article in our series, we'll explore **Level-Funding Strategies for 2025 Health Plans**, including real-world savings examples and tips for small businesses navigating rising premiums.