

The Hidden Tax Inside Every Fully-Insured Health Plan Is Draining Small Businesses of Six Figures a Year

With employer premiums topping \$26,900 per family and 67% of covered workers now in self-funded plans, benefits advisor Paul H. Flowers Jr. says the companies still renting their health plans are subsidizing carrier profits they never agreed to.



Superior Insurance Advisors

Gary, Indiana Jun 25, 2026 ([Issuewire.com](https://www.issuewire.com)) - American employers spent an average of \$26,993 per family on health insurance premiums this year, a 6% jump from 2024, according to the KFF 2025 Employer Health Benefits Survey. Behind that number is a cost structure most business owners never agreed to and do not fully understand.

In a fully-insured arrangement, employers pay fixed premiums to a carrier regardless of how many claims their employees actually file. When claims come in below projections, the carrier keeps the difference. When costs rise, the employer absorbs the increase at renewal. There is no transparency, no surplus returned, and no visibility into where premium dollars go.

Benefits advisor [Paul H. Flowers Jr.](#), founder of PHFJ Enterprises and CEO of [Superior Insurance Advisors](#), calls this structure a hidden tax.

"Most CEOs and CFOs have no idea their health plan is designed to make the carrier profitable first and protect employees second," said Flowers. "You are paying for claims that never happened. The money left over at year-end stays in the carrier's pocket. That is not a benefit. That is a leak."

The alternative is growing fast. KFF reports that 67% of covered U.S. workers are now enrolled in self-funded health plans, where the employer pays claims directly and retains every dollar not spent.

Through Superior Insurance Advisors, Flowers works with mid-size employers to:

- Evaluate whether self-funded or level-funded plan structures fit their workforce size and risk tolerance
- Identify where carrier margins, broker incentives, and PBM markups inflate costs
- Build plan designs that return surplus to the company instead of the carrier

"A company doing \$5 million in revenue can lose \$200,000 or more per year to a plan structure that was never built for them," Flowers added. "One conversation with a fiduciary advisor can change what you see inside your plan."

Employers, journalists, and event organizers can reach Flowers at paulhflowersjr.com.

About Paul H. Flowers Jr.

Paul H. Flowers Jr. is a Validation Institute-certified fiduciary benefits advisor, 3x Amazon bestselling author, speaker, and founder of PHFJ Enterprises. PHFJ Enterprises is the umbrella for [Superior Insurance Advisors](#) (self-funded health plan advisory for CFOs and HR directors) and [Life Health & Legal Education Partners](#) (a nonprofit education initiative).

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