Insurance Premium Offsets

How to Use Insurance Premium Offsets to Drive Wellness Participation

Many employers want to include wellness incentives in their benefits package but worry about the added costs of rewarding employees. **Insurance Premium Offsets provide a strategic cost-controlled solution.** By structuring premiums around participation, it's possible to drive engagement without increasing overall costs, and in some cases, even reduce them. It's a highly effective mechanism to promote **employees investing in their own health**!

Meet John and Mary

John and Mary work at the same company and are enrolled in the same health insurance plan. To support the rollout of a new wellness initiative without increasing overall company costs, the employer raises the base premium. This increase creates a pool of funds to reward employees who participate.

- **John** chooses not to participate in wellness activities, so he pays the full premium increase.
- **Mary** takes preventive health steps, such as getting an annual physical and receiving a flu shot, earning a discount on her premium.

Mary and John's insurance premiums increase from $200/month to $250/month.

Mary	John
Mary Mary participates in wellness activities leading to a healthier lifestyle.	**John** John does not participate in wellness activities, continuing his unhealthy lifestyle.
↓	↓
Mary Due to her participation, Mary receives a $100/mo. reward towards premiums.	**John** Since John has not participated, he will not receive a reward.
↓	↓
Mary With her rewards, Mary now pays $150/mo. toward her insurance premiums.	**John** John will continue to pay the increased premium amount of $250/month.

Because Mary earns back what John doesn't, the employer doesn't spend more, they just redirect it.

How Premium Offsets Work

1. Set a Base Premium Increase
Employers increase the default health insurance premium slightly (e.g., $50/mo).

2. Reward Healthy Participation
Employees can earn that money back by completing wellness activities like screenings, physical fitness activities, or challenges.

3. Remain Flexible
Employers choose whether to make the program cost-neutral or to subsidize rewards based on their goals.

- **Cost-neutral**: Premium increases fund the incentive pool directly.
- **Revenue-generating**: Employers retain savings from non-participants.
- **Subsidized**: Employers choose to absorb part of the cost for broader access.

Why Employers Use Premium Offsets

By aligning financial incentives with wellness participation, employers can encourage healthier habits while keeping healthcare costs under control.

Encourages Wellness Engagement
Employees are motivated to participate in preventive care.

Creates a Fair Incentive Structure
Health-conscious employees are rewarded, while non-participants contribute more.

Deceases Healthcare Spend
Drives healthier behaviors and helps reduce avoidable medical expenses.

Cost-Neutral for Employers
The program is self-funded, ensuring no net financial impact on the company.

IncentFit Makes it Easy

A premium offset program only works if it's easy to understand and even easier to manage. IncentFit automates the entire process, from tracking participation and notifying employees of their status to applying premium rewards accurately. Real-time reporting and seamless integration mean HR teams can stay focused on strategy, not spreadsheets.

Ready to build a smarter, more effective wellness program? Learn how IncentFit's automated tracking makes premium offsets easy and effective.

Book a Demo!