

# Differences Between Traditional Fully Insurance Plans and Self-Funded Insurance Plans

	Fully Insured	Self-Funded
<b>Costs</b>	All costs are fixed.	Variable costs.
<b>Risk</b>	Risk is carried entirely by insurance company. Employer only pays premiums.	Some risk is carried by employer. Remaining risk carried by stop-loss insurance carrier.
<b>Savings</b>	Savings on premiums retained by insurance company. No accumulated cash reserve for Employer.	Savings on premiums are retained by employer. Employer can accumulate cash reserves over time.
<b>Plan Design</b>	Standard Packaging and Plan Designs	Custom Plan Designs and choice of Provider Network.
<b>Taxes</b>	Federal and State taxes	Exempt from federal insurer taxes and from most state premium taxes.
<b>Law</b>	Governed by state and federal laws	Governed by federal law.

## Premium Flow Comparison

