

Case study



Small business adopts a level funded health plan for reduced health care costs

Company: **Rubber and Accessories**

Location: **Lakeland, Florida**

Industry: **Industrial rubber products distributor**

Number of employees: **~40**



A Rubber and Accessories employee (left) talking with Founder and President Buzz Hooper (right).

How a UnitedHealthcare Level Funded health plan helped Rubber and Accessories manage costs without cutting benefits for its employees.

Situation

- Faced a 14% increase in premiums for 2020 with its former carrier
- Wanted to offer a quality health plan for its employees
- Determined to avoid passing on costs to employees, especially given the competitive job market

Outcome

- Switched to a UnitedHealthcare Level Funded plan in 2020
- Easier administration and claims process contributed to a more positive experience
- Employee health care contributions haven't increased since switching to a level funded plan

Results

↓20% rate reduction in 2020 by switching to a UnitedHealthcare Level Funded health plan

16% average surplus refund received based on annual premiums paid with the UnitedHealthcare Level Funded plan

70% of employee health care contributions covered by Rubber and Accessories

Dedication to employees fueled the need for change

Founded more than 50 years ago by Buzz Hooper and Harry Robb Jr. industrial rubber products distributor Rubber and Accessories was built on the belief that its employees were a major factor in the success of the company. Loyalty and a dedication to values of ethics, service and reliability have helped Rubber and Accessories maintain a stellar, industry-wide reputation.

Although the landscape has evolved throughout the years, Founder and President Buzz Hooper says that “the way we operate, the way we relate to customers, employees and suppliers hasn’t changed.” In fact, he adds, “as soon as we started hiring, we started offering health benefits.”



A strategic approach to cost management

In 2020, facing the COVID-19 pandemic and other challenges, Rubber and Accessories was looking at a 14% increase in premiums with its previous health insurer. Benefits are already a major expense for small businesses like theirs, typically coming in second on the budget after salaries and wages.¹

“We try to keep our employees’ costs as low as possible, as long as our costs are stabilized,” Hooper says.

To help control rising health care expenses without passing costs to employees, Rubber and Accessories moved from a fully insured plan to a UnitedHealthcare Level Funded plan.

In addition to the level funded plan’s lower monthly fixed payments, the company was intrigued by the potential year-end surplus refund if its medical and pharmacy claims ended up lower than expected.²

The plan also includes monthly reports that employers can use to track claims trends, network use and wellness program participation. These reports gave Rubber and Accessories visibility into whether its employees were utilizing health services and how likely they were to receive a surplus refund.

“We know the status of the surplus each month when we get the report,” Hooper says. “It gives us a reason to take a look and see where we’re standing, but I try not to make rash decisions based on the data.”

To Hooper’s surprise, the company has received a 16% average surplus refund based on annual premiums paid with a UnitedHealthcare Level Funded plan.

“Receiving a surplus refund has made it easier to justify not increasing my employees’ health care contributions and covering 70% of their costs,” Hooper adds.

Hooper attributes the stabilization of his company’s costs to the level funded plan and the collaborative and trusted relationship he has with his broker and UnitedHealthcare.

16%

average surplus refund based on premiums paid with a UnitedHealthcare Level Funded plan

Delivering value to employees

On top of the potential cost savings level funded plans offer, Rubber and Accessories was drawn to the reputation UnitedHealthcare carried and its large provider network, including 1.8M+ physicians and health care professionals and 5K+ hospitals.³

“Cost is a big part, but the reputation of UnitedHealthcare in this market area is very good,” Hooper says. “A lot of providers in this area recognize and accept UnitedHealthcare, so it was a no-brainer.”

Networks that give employees access to a wide range of providers deliver both better health outcomes and lower costs. Among UnitedHealthcare members, engagement with a primary care provider has also been linked to improved decision-making, better treatment adherence and lower claims trends compared to non-engaged members.⁴

“The transition from a fully insured to a level funded plan was pretty seamless for our employees, and the sentiment as a result has been a lot more positive over the last 2 years than with our previous health plan,” says Hooper.

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¹ Employer Costs for Employee Compensation by ownership. U.S. Bureau of Labor Statistics, June 2022. Available: <https://www.bls.gov/news.release/ecec.t01.htm>.

² Please consult a tax and/or legal advisor to determine if, by receiving this surplus refund, there are any restrictions or obligations. Surplus refund available only where allowed by law.

³ UnitedHealthcare internal analysis, Q2 July 2025.

⁴ UnitedHealthcare Employer & Individual book-of-business internal analysis of claims incurred Jan. 2022–Dec. 2022 and paid through Feb. 2023.

This case study is true. Savings calculated on book-of-business case rate savings for these programs. Savings for enrolled members are case specific. Results will vary based on client-specific demographics and plan design. Results will vary depending on the state where the insured policy is issued and the amount of engagement by employees.

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