



by Michael A. Martocci
VP of Sales, Northeast Region
Colonial Life
Pittsburgh, PA
MAMartocci@coloniallife.com

TOP TRENDS IN VOLUNTARY BENEFITS FOR 2009

A SNAPSHOT OF THE VOLUNTARY BENEFITS COMPETITIVE LANDSCAPE

If you compared voluntary benefits trends from a few years ago to trends today, you'd notice a lot of similarities:

- Health care cost increases creating more cost-shifting to employees
- Benefits decision-making moving away from the employer-provided paternalistic approach to the employees as decision makers
- Technology playing a key role in enrollment delivery and management
- More brokers, carriers and enrollment companies entering the voluntary benefits arena

How can you maintain a place in the voluntary benefits competitive landscape now and in the future? Let's examine how voluntary benefits can help you offer solutions for your clients.

Health Care Costs and Cost-Shifting

According to the 2008 SHRM Workplace Forecast, employers say their top concern is rising health care costs.¹ If you can't deliver viable solutions for the health care cost issue, your clients may look for someone who can. Employers and employees are demanding creative solutions, particularly because of the current economic climate.

During the last two years, the Northeast Region has experienced a significant increase in brokers seeking voluntary benefits carriers that have a variety of product solutions, strong compensation, effective benefits education and excellent back-office support. I often receive phone calls from brokers looking for this kind of support, and it's a safe bet that I'm not the only one noticing this increased interest from brokers.

However, despite the increased awareness about voluntary benefits, there are still brokers who feel voluntary benefits compete with an employer's major-medical dol-

lars. Voluntary benefits complement a client's core benefits program by offering employees choices to help fill coverage gaps in major medical, disability or life insurance. Your clients can fund some or all of the voluntary benefit premiums or allow employees to pay for them.

For example, your client may be able to reduce major-medical premiums by increasing the deductible and adding a voluntary supplemental health plan that helps employees cover the higher out-of-pocket costs. Employees who feel they need additional coverage can choose a supplemental health plan to offset the higher major-medical deductible. Obviously, it isn't an either/or choice for the employee. Rather, it's an opportunity to help employers manage major-medical costs and allow employees to purchase additional coverage to fill any gaps, if needed.

Employees Making Benefits Decisions

Nearly one-third of employees pay at least half the cost of their benefits, and they want more resources from employers to help them make the right decisions during open enrollment.² Employees today are making more decisions about their overall health care and benefits packages, and they're looking for more cost-effective alternatives to help them maintain good coverage for their families. There's a definite need in worksite marketing to provide employees with choices—whether it's core health coverage or voluntary benefits.

Along with the need for choice comes the need for effective benefits education. Employees say they'd like greater access to benefits information, guidance and personalized support to help them make good benefits decisions.³ Benefits must be presented in a very concise manner so employees can understand their choices and their coverage needs. A quality voluntary benefits partner can not only help deliver effective benefits education to your clients' employees, but also help you better under-

