



## NEWS RELEASE

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### **Employees concerned about changes in insurance coverage and their ability to pay**

**COLUMBIA, S.C. (June 24, 2009)**—Eight out of 10 employees are concerned about changes their employers have made to their insurance coverage in the past year and how they will pay for these changes. According to a recent nationwide survey commissioned by Colonial Life & Accident Insurance Company and conducted by Harris Interactive,<sup>®</sup> employees revealed the following:

Of full-time employed adults whose employers have made changes to their insurance coverage in the last year:

- 86 percent say they're at least somewhat concerned about unexpected medical expenses such as emergency room visits, major surgery, etc.
- 83 percent say they're at least somewhat concerned about both increased premiums and expenses no longer covered by their plans.
- 81 percent say they're at least somewhat concerned about the addition of or an increase in deductible amount.
- 79 percent say they're at least somewhat concerned about the addition of or an increase in their co-pay amount.

“This year’s troubling economy has forced employers to make some tough decisions in regard to their benefits plans,” says Tom Gilligan, senior vice president of marketing and branding at Colonial Life. “Employees are now justifiably concerned about the effects these changes will have on their paychecks and their financial stability. They’re left to deal with gaps in coverage that leave them feeling vulnerable and exposed.”

#### **Nearly half of employees report changes in coverage since 2008.**

49 percent of full time employed adults who are enrolled in an insurance program provided by their employers and/or their spouses say their employers made the following changes to their coverage in the past year (from 2008 to 2009):

- 65 percent reported increased premiums.
- 56 percent reported the addition of or an increase in co-pay amounts.
- 48 percent reported the addition of or an increase in deductibles.
- 13 percent reported an elimination of one or more types of coverage (life, health, disability).

“When employers make changes to their benefits plans as so many are being forced to today, it’s important to clearly communicate these changes to employees,” says Gilligan. “Otherwise, employees are left confused and ill-prepared to make smart benefits decisions. Never before has benefits communication been so important.”

**Employees concerned about inadequate coverage.**

The majority of full-time employed adults who are enrolled in an insurance program provided by their employers and/or their spouses also expressed concern that their insurance providers may not provide adequate coverage:

- 35 percent feel their plans may not adequately cover their inability to earn an income for an extended time due to illness or injury.
- 28 percent feel their plans may not adequately cover a serious illness such as cancer, stroke or heart attack.
- 19 percent feel their plans may not adequately cover an unexpected emergency room visit.
- 19 percent feel their plans may not adequately cover the death of a primary wage earner.
- 13 percent feel their plans may not adequately cover basic medical care, including preventive care.

**Employees express interest in voluntary benefits.**

Employees expressed considerable interest in purchasing supplemental coverage or voluntary benefits to help pay for some of the expenses not currently covered by their insurance plans. 78 percent of full time employed adults who are enrolled in an insurance program provided by their employer and/or their spouse were at least somewhat interested in this type of coverage.

“Employees are more interested than ever in finding a solution to their increasing concerns about insurance coverage and the gaps left by today’s health plans,” says Gilligan. “Personal insurance products — such as disability coverage and life insurance, hospital confinement and critical illness plans — can serve a valuable role by filling these gaps. Employees can choose, and pay for, reasonably priced plans that meet their individual needs and complement the coverage provided by their employers. With voluntary benefits, everybody wins.”

Gilligan adds that employers and insurance brokers should take employee concerns about inadequate coverage into account when designing benefits programs. They may be able to help alleviate employees’ fears by offering personal insurance products that allow employees the choice of additional coverage.

\*Survey, Colonial Life & Accident Insurance Company, April 23-27, 2009.

Survey Methodology

Harris Interactive<sup>®</sup> fielded the online study on behalf of Colonial Life between April 23 and 27, 2009, via its QuickQuery<sup>SM</sup> online omnibus service, interviewing a nationwide sample of 1,024 U.S. adults aged 18 years and older who were employed full-time and enrolled in an employer-provided/spouses’ health insurance plan. Data were weighted using propensity score weighting to be representative of the total U.S. adult population on the basis of region, age within gender, education, household income, race/ethnicity, and propensity to be online. No estimates of theoretical sampling error can be calculated; a full methodology is available.

Of the 1,181 full-time employees surveyed, 87 percent were enrolled in an employer-provided or a spouse’s insurance plan.

- 84 percent were enrolled in health insurance.
- 64 percent were enrolled in life insurance.
- 42 percent were enrolled in disability insurance.

***About Colonial Life***

Colonial Life & Accident Insurance Company is a market leader in providing insurance benefits for employees and their families through their workplace, along with individual benefits education, advanced yet simple-to-use enrollment technology and quality personal service. Colonial Life offers disability, life and supplemental accident and health insurance policies in 49 states and the District of Columbia. Similar policies, if approved, are underwritten in New York by a Colonial Life affiliate, The Paul Revere Life Insurance Company. Colonial Life is based in Columbia, S.C., and is a subsidiary of Unum Group.

For more information about voluntary benefits, call Colonial Life at (803) 798-7000 or visit [www.ColonialLife.com](http://www.ColonialLife.com).

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