



## As October 1 Nears, 7 out of 10 Employers Have Yet to Communicate Employee Benefits Changes<sup>1</sup>

*Yet Most Employers Expect More Gaps in Insurance Coverage, More Costs to Employees due to Health Care Reform*

**Columbus, GA — August 27, 2013** — Open enrollment in the new era of employee health benefits is almost upon us and employers may have a problem. Although the majority of employers indicate they are concerned health care reform may bring about challenges surrounding insurance coverage gaps and costs to employees, a large number of American workers remain unaware, confused and unprepared for looming changes to their benefits coverage. These are among the key findings from the 2013 Open Enrollment Survey, an online survey of 2,001 U.S. consumers conducted by Research Now in August 2013, and released today by Aflac, the No. 1 provider of supplemental and guaranteed-renewable insurance in the United States.

The Aflac survey found that 69 percent of workers say their employer hasn't communicated changes coming to their benefits package due to health care reform despite the October 1 deadline for employers to notify their employees of their coverage options. Employers' delay in communication thus far regarding potential employee benefits changes may be in part due to their own lack of preparation for health care reform. In fact, only 9 percent of companies indicate they are very prepared to implement required changes to their business based on the health care reform law at this time.<sup>2</sup> Although the implications of health care reform are yet to be seen, some employers (41 percent) believe more gaps in coverage will be created and 69 percent believe costs to employees will increase as a result of health care reform.<sup>2</sup>

"At the heart of this issue is the fact that many workers will be blindsided this open enrollment season because we know they already struggle with understanding their insurance policies today, and in covering the high out-of-pocket costs from gaps in their current coverage," says Michael Zuna, Aflac's executive vice president and chief marketing officer. "Over the next few months, these challenges will be exacerbated as employees may be more confused by changes in their policies, and face greater gaps in their health insurance coverage leaving them at risk. With little notice, education, and coverage options to help guide and support them during this season, employers themselves may be at risk of a highly dissatisfied workforce."

For example, the 2013 Open Enrollment Survey found that:

- 74 percent of workers sometimes, rarely or never understand everything that is covered by their insurance policy today.
- Now, nearly 4-in-10 (37 percent) workers think it will be more difficult to understand everything in their health care policy with the changes dictated by health care reform.
- A total of 28 percent of employees are confused (5 percent), worried (7.4 percent) and simply unsure (15.5 percent) about the change their employer is making to their health care coverage or benefits options due to health care reform.
- 60 percent of workers have not begun to educate themselves about coming changes to their benefits package due to health care reform.

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<sup>1</sup> 2013 Open Enrollment Survey of the Aflac WorkForces Report, a study conducted by Research Now on behalf of Aflac, August 2013.

<sup>2</sup> 2013 Benefits Landscape Survey: A look at buyers and non-buyers of supplemental benefits, a study conducted by Prince Market Research on behalf of Aflac, August 2013, data weighted to more accurately represent overall Business Decision Maker population.

“The good news is there is an opportunity for employers who take a proactive role in helping employees effectively maneuver this new benefits landscape to make significant gains in worker satisfaction and retention levels,” said Zuna. “Through aggressive education and communication efforts, as well as leveraging ancillary benefits options to offer workers additional options to close growing gaps in their insurance coverage, employers can help their workforce make the right benefits choices and protect their wellbeing.”

### **Solutions Aimed at Closing Communication and Coverage Gaps**

In addition to encouraging employees to do their own homework, employers should take advantage of available resources to help employees navigate this topic including on-site visits from an insurance agent or broker. Information sessions can not only provide an opportunity for employees to ask questions and receive relevant information to guide them to the best decisions for themselves and their families, but also aid employers in determining the best benefits changes for their business.

In fact, employers named “insurance companies” as the most helpful source of information they have obtained on the health care law.<sup>2</sup> One tool available to employers is a [Health Care Reform Communications Toolkit](#) which provides companies with resources needed to meet the October 1 deadline for informing employees about the Health Insurance Marketplace.

With many companies facing the decision to limit or decrease employer-paid benefits, providing alternative benefits solutions like voluntary policies can offer workers options to reduce potential health care expenses and close the gaps in their coverage, at no additional cost to the company.

Other useful education initiatives include:

- Mailing benefits materials to employees’ homes so they can discuss their options with their family members;
- Hosting a town-hall meeting with a benefits advisor to discuss changes and answer questions that apply to the group. Encourage one-on-one meetings with employees who have more specific questions;
- Conducting educational webinars to reach all employees regardless of location; and
- Posting FAQs in high-traffic areas such as employee break rooms, cafeterias and bathrooms.

There are also online resources that can be helpful to employers. One website to consider is [aflac.com/healthcare\\_reform](#). Here Aflac offers easy-to-understand advice about health care reform, key resources for communicating to employees and information about the changing benefits and health insurance landscape. The site includes regular updates and tools to help get employers through the implementation of the ACA. Visitors to the site will find a Health Care Reform Communications Toolkit, the Employer’s Guide, HCR Essentials and Consumer-Driven Health Care Insights.

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### **About the Aflac WorkForces Report**

The 2013 Aflac WorkForces Report is the third annual Aflac employee benefits study examining benefit trends and attitudes. The study, conducted by Research Now, captures responses from 1,884 benefits decision-makers and 5,299 employees across the U.S. To learn more about the Aflac WorkForces Report, visit [AflacWorkForcesReport.com](#).

Conducted by Research Now on behalf of Aflac, the research contained two components — employer research and employee research. The Employer Survey was conducted online within the United States between Jan. 4, 2013, and Jan. 15, 2013, among 1,884 benefits decision-makers. Results were representative of U.S. companies with at least three employees based on company size (number of employees) and industry. No estimates of theoretical sampling error can be calculated; a full methodology is available.

The Employee Survey was conducted online within the United States between Jan. 7, 2013, and Jan. 24, 2013, among 5,229 employed adults ages 18 and older who are employed full or part time at a company with three or more employees and not retired. The first 3,038 interviews were nationally representative while the remaining 3,602 interviews were conducted among the Top 20 designated market areas (DMAs) —100+ interviews per DMA. Results were weighted as needed for household income. No estimates of theoretical sampling error can be calculated; a full methodology is available.

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## **Methodology**

The 2013 Open Enrollment Survey of the Aflac WorkForces Report was conducted online within the United States in August 2013 among 2001 consumers ages 18 and older, of whom 1622 were employed full time and 379 were employed part time and, responsible for insurance decisions. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact Aflac Media Relations at [mediarelations@aflac.com](mailto:mediarelations@aflac.com) or 706.243.5543.

## **About Research Now**

Research Now is the leading global online sampling and online data collection company. With over six million panelists in 38 countries worldwide, Research Now enables companies to listen to and interact with real consumers and business decision-makers to help them make key business decisions. Research Now offers a full suite of data collection services, including social media sampling, and operates the Valued Opinions™ Panel and e-Rewards® Opinion Panels. The company has a multilingual staff located in 24 offices around the globe and has been recognized for four consecutive years as the industry leader in client satisfaction. For more information, please visit [researchnow.com](http://researchnow.com).

## **About Aflac**

When a policyholder gets sick or hurt, Aflac pays cash benefits fast. For nearly six decades, Aflac insurance policies have given policyholders the opportunity to focus on recovery, not financial stress. In the United States, Aflac is the number one provider of guaranteed-renewable insurance. In Japan, Aflac is the number one life insurance company in terms of individual policies in force. Aflac individual and group insurance products provide protection to more than 50 million people worldwide. For seven consecutive years, Aflac has been recognized by Ethisphere magazine as one of the World's Most Ethical Companies. In 2013, FORTUNE magazine recognized Aflac as one of the 100 Best Companies to Work for in America for the 15th consecutive year. Also, in 2013, FORTUNE magazine included Aflac on its list of Most Admired Companies for the 12th time, ranking the company number one in the life and health insurance category. Aflac Incorporated is a Fortune 500 company listed on the New York Stock Exchange under the symbol AFL. To find out more about Aflac, visit [aflac.com](http://aflac.com) or [espanol.aflac.com](http://espanol.aflac.com).

Aflac herein means American Family Life Assurance Company of Columbus.

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