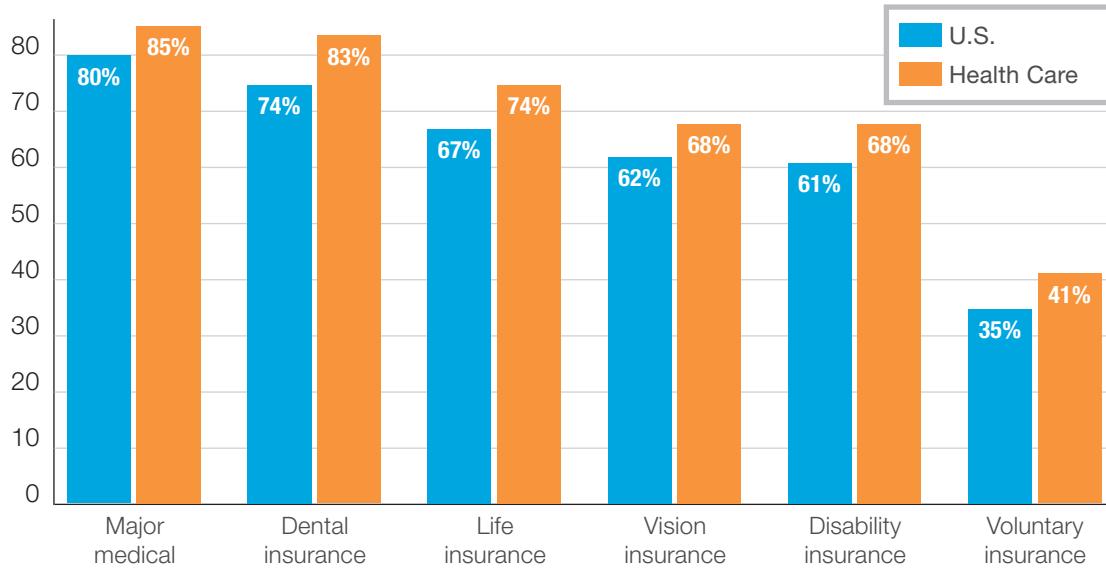


Health care industry trends

2014 Aflac WorkForces Report results for benefits decision-makers and employees from the health care industry

Health care industry company benefits offerings

The percentages of companies from the health care industry offering benefits by type compared to all U.S. companies.



The importance of benefits:

Businesses believe benefits are extremely or very influential on:

- Job satisfaction – 63 percent.
- Loyalty to employer – 55 percent.
- Willingness to refer friends – 43 percent.
- Work productivity – 41 percent.
- Decision to leave company – 37 percent.

Yet, employees believe benefits are extremely or very important to:

- Job satisfaction – 78 percent.
- Loyalty to employer – 69 percent.
- Willingness to refer a friend – 51 percent.
- Work productivity – 70 percent.
- Decision to leave company – 55 percent.

Key employer findings

Benefits offerings

	Percent of responses
Offer voluntary insurance to their employees	41%
Moved employees to private exchanges in 2013	5%
Plan to move employees to private exchanges in 2014	8%
Expect to offer employees stipends in 2014 to purchase health care coverage on their own, instead of offering company-provided benefits	10%
Decreased employee hours from full- to part-time in 2013	15%
Plan to decrease employee hours from full- to part-time in 2014	15%
<i>Of the companies who are decreasing employee hours from full- to part-time, they're doing so to avoid penalties associated with health care reform*</i>	22%
Expect to eliminate or reduce benefits in 2014	22%
Use a broker or benefits consultant to select their employees' benefits options	66%

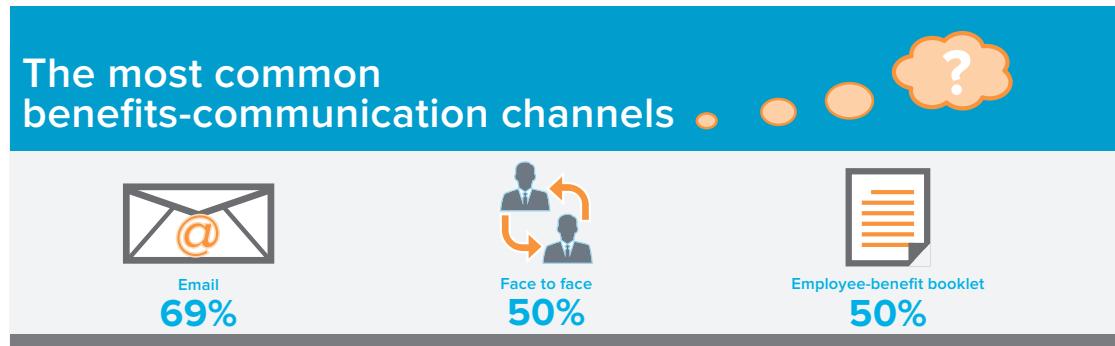
Hiring and compensation

	Percent of responses
In 2013, awarded employees smaller raises than in previous years	45%
Expect to award smaller raises in 2014	28%
Hired full-time workers in 2013	60%
Expect to hire full-time workers in 2014	59%
Hired part-time workers in 2013	52%
Expect to hire part-time workers in 2014	42%

Benefits communications

	Percent of responses
Strongly or somewhat agree they effectively communicate the value of their benefits to employees	70%
Communicated about benefits three or more times in the past year	54%

The most common benefits-communication channels

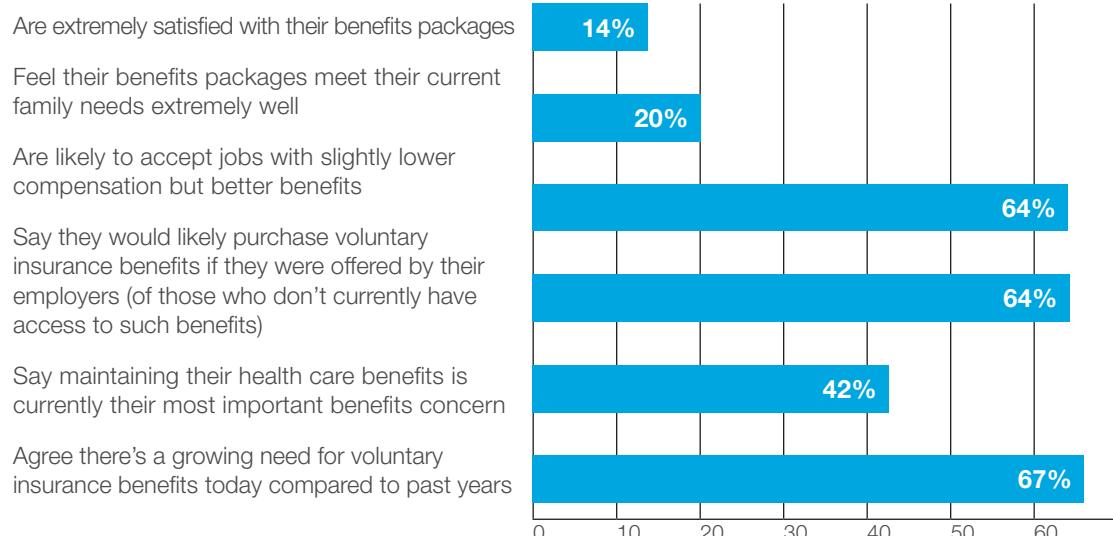


Key employee findings

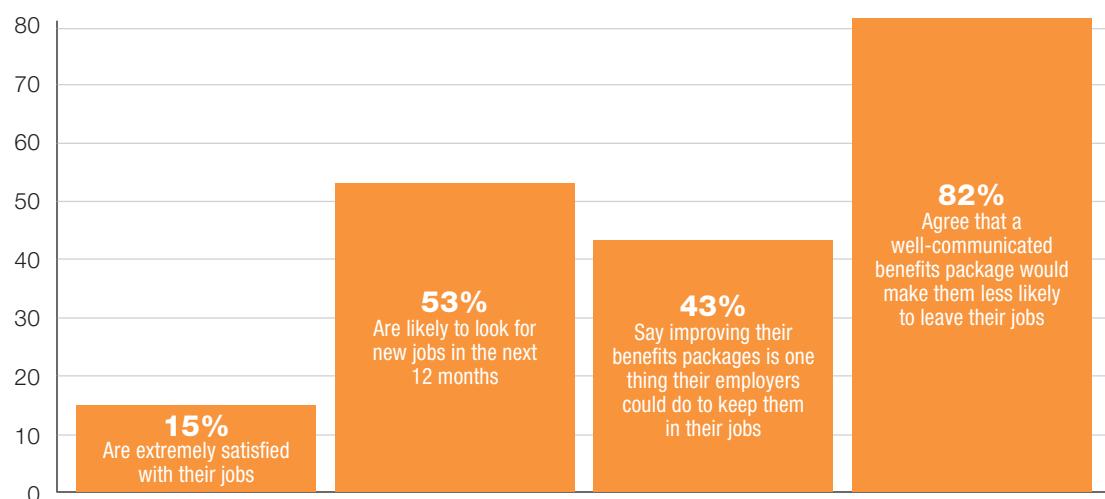
Financial preparedness

	Percent of responses
Would not be able to adjust to the large financial costs associated with a serious injury or illness	65%
Completely or strongly agree their families are financially prepared for an unexpected emergency	21%
Have less than \$1,000 to pay for unexpected out-of-pocket medical expenses	59%
Have less than \$500 to pay for unexpected out-of-pocket medical expenses	33%
Would need to borrow from a 401(k) and/or use a credit card to cover unexpected medical costs	51%
Say their credit scores have been affected by high medical costs	11%
Have been contacted by a collection agency about outstanding medical bills	11%

Benefits engagement



Job satisfaction



The impact of health care reform

	Percent of responses
Employees think health care reform is too complicated to understand	76%
Employees believe their employers will educate them about changes to their health care coverage as a result of health care reform	68%
Employees think their medical costs will increase	90%
Employers feel extremely or very prepared to address changes to the health care system in 2014	48%
Employers will rely on brokers or insurance companies to suggest changes to their benefits packages due to the changing health care environment	43%
Employees think their HR departments communicated extremely effectively about health care reform and any subsequent changes to their benefits	10%
Employees completely agree their employer has prepared them well for the impact of health care reform	4%
Employees say the frequency of their employers' benefits communication increased compared to last year	21%
Employees agree they are very or extremely knowledgeable about federal and state exchanges	14%

About the study

The 2014 Aflac WorkForces Report is the fourth annual Aflac employee-benefits study examining benefits trends and attitudes. The study, conducted in January 2014 by Research Now, captures responses from 1,856 benefits decision-makers and 5,209 employees from across the United States. As part of the fourth annual Aflac WorkForces Report, 155 benefits decision-makers and 420 employees in the United States health care industry shared their opinions on a variety of workplace-benefits topics.

To learn more about the Aflac WorkForces Report, visit AflacWorkForcesReport.com.

*Small base size, <50

