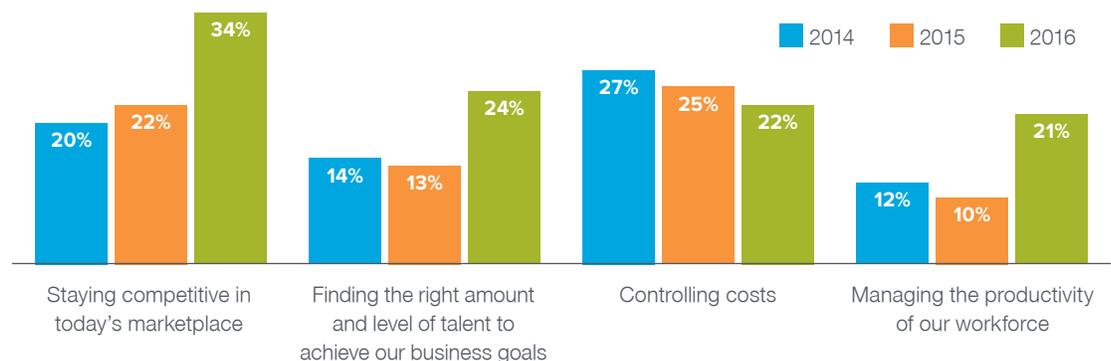




Voluntary insurance helps employers address top business challenges

Business owners know the challenge of offering a strong benefits package to attract and retain the best employees, but that's just one of many issues they have to be concerned about to run successful companies with satisfied employees. More than 30 percent of the 1,500 employers surveyed for the Aflac WorkForces Report, an annual study about benefits trends and attitudes, told us their No. 1 business objective is staying competitive in today's marketplace. It's a shift from "controlling costs," which ranked No. 1 in 2014 and 2015.¹

For three years, employers have chosen their most important business objective from four options. Here's what they told us:



Offering voluntary insurance as part of a comprehensive benefits package is one way employers can help address these top objectives. Here's how:

Stay competitive

Challenge: To succeed in today's rapidly changing business world, business owners have to find new and inexpensive ways to stay competitive. In addition to the Aflac study results, third-party data points to the growing concern of employers to stay at the forefront of their fields. For example, KPMG found that 68 percent of CEOs are concerned about their competitors,² and JP Morgan Chase found that 29 percent of executives listed U.S. competition as one of their three most significant challenges facing their business in the next 12 months.³

How voluntary insurance can help: According to the Aflac study,¹ 42 percent of all business owners who offer voluntary insurance do so to remain competitive with other employers. After all, voluntary insurance is becoming increasingly important to employees – 79 percent of the 5,000 surveyed in the study see a growing need for voluntary insurance compared to last year. Voluntary benefits options are a great way to provide employees with the benefits they want with little or no direct cost to the company.

Find the right talent

Challenge: Twenty-four percent of employers said finding the right amount and level of talent to achieve business goals was their most important business objective.¹ Similarly, according to a study by Manpower Group, 32 percent of U.S. companies reported difficulty in filling jobs, with 24 percent blaming prospects' lack of technical job skills.⁴

How voluntary insurance can help: Offering benefits above and beyond the bare minimum will help in attracting and keeping great employees. Consider this:¹

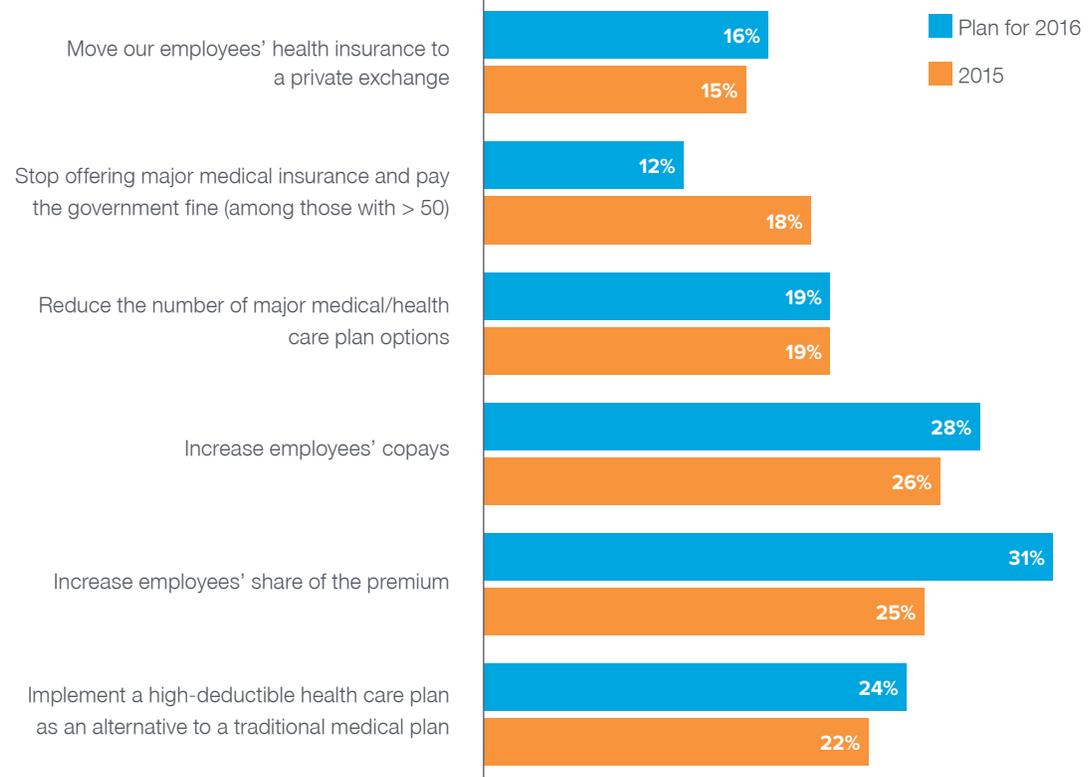
- » Sixteen percent of employees have left a job or declined a job offer because of benefits in the last 12 months.
- » Thirty-two percent of employees are extremely or very likely to accept a job with slightly lower compensation but a more robust benefits package.
- » Forty-two percent said one thing employers could do to keep them in their jobs is improve their benefit package.

When you need to find the best employees in a shallow talent pool, benefits could help you hook them.

Control costs

Challenge: Health care costs continue to rise, affecting how employers offer benefits to their workforce, including more offerings of lower-value plans than in past years. The value of

benefits is changing, but both the Aflac study and third-party research shows that employers aren't giving up on benefits completely. To control costs, companies are making changes to their benefits programs, including premium increases and reduced health care plan options. This chart details those changes and more:¹



How voluntary insurance can help: Voluntary policies can be offered at no direct cost to the employer and provide cash directly to the policyholder* for costs not covered by major medical insurance. And offering a robust benefits package that includes voluntary policies helps retain a talented, productive workforce, saving employers the recruiting and training costs associated with turnover.

Manage productivity

Challenge: A distracted employee is an unproductive employee. The Aflac report found that 27 percent of employers said distractions at work due to personal or health issues resulted in the most productivity lost within their organizations.¹ Health issues may involve financial stress, and financial stress costs an employer an average of \$5,000 per employee per year, according to a 2010 Federal Reserve study.⁵

Meanwhile, employees are also paying up and dealing with serious financial realities that can affect their concentration and time management:¹

- » 65 percent have less than \$1,000 to pay for out-of-pocket expenses if an unexpected serious illness or accident occurred today.
- » 25 percent have had difficulty paying medical bills due to the high costs.
- » 19 percent have been contacted by a collection agency related to outstanding medical bills.



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How voluntary insurance can help: Providing voluntary benefits options offers a layer of protection for employees when they're sick or injured – regardless of their major medical insurance coverage. These benefits help provide employees with a financial safety net for unexpected medical expenses, helping give them peace of mind to focus on the tasks at hand.

Voluntary insurance helps ensure individuals who are sick or hurt have the funds needed to pay costs their primary insurance doesn't cover. From providing a financial safety net, to attracting and retaining employees, to keeping costs down, voluntary insurance helps alleviate employer concerns and helps employees, too.

Sources:

¹ The 2016 Aflac WorkForces Report is the sixth annual Aflac study examining benefits trends and attitudes. The study, conducted by Lightspeed GMI, captures responses from 1,500 employers and 5,000 employees across the U.S. To learn more, visit AflacWorkForcesReport.com.

² "Global CEO Outlook 2015." KPMG. Accessed June 6, 2016. <https://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/ceo-outlook/Documents/global-ceo-outlook-2015-v2.pdf>.

³ "2016 Business Leaders Outlook." Global CEO Outlook 2015. JP Morgan Chase. Accessed June 13, 2016. <https://commercial.jpmorganchase.com/jmpdf/1320703764114.pdf>.

⁴ "2015 Talent Shortage Survey." Manpower Group. Accessed July 12, 2016. http://www.manpowergroup.com/wps/wcm/connect/db23c560-08b6-485f-9bf6-f5f38a43c76a/2015_Talent_Shortage_Survey_US-lo_res.pdf?MOD=AJPERES.

⁵ "Financial Stress in the Workplace." Cambridge Credit Counseling Corp. Accessed June 13, 2016. <http://www.cambridge-credit.org/financial-stress.html>.

*Unless otherwise assigned.

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