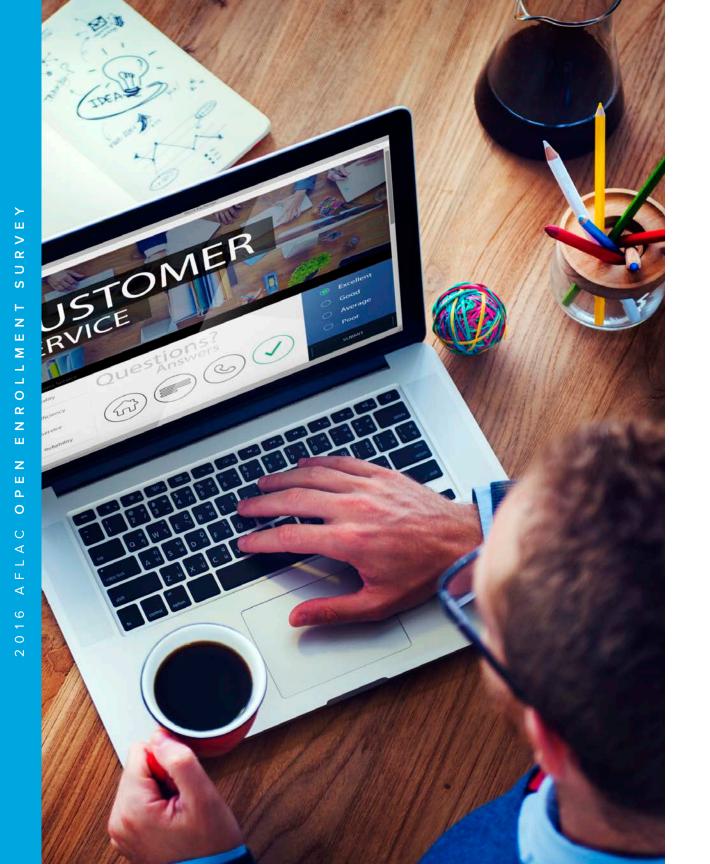
# AFLAC I WORKFORCES REPORT I 2016 OPEN ENROLLMENT SURVEY







# OPEN ENROLLMENT SURVEY

One of the most important annual financial decisions employees can make is choosing workplace benefits. It can also be one of the more perplexing and overwhelming experiences they face at work. The Aflac Open Enrollment Survey is an industry-leading research study highlighting benefits enrollment trends and attitudes in the workplace. Conducted by Lightspeed GMI on behalf of Aflac, the survey includes responses from 1,900 employees across the U.S. in various industries and business sizes. Its results point to a need to simplify benefits information and enrollment, as well as to provide greater access to education, resources and support to improve the benefits enrollment experience.

- 1 Improving the benefits enrollment experience
- 2 Benefits enrollment in a perfect world
- High-tech and low-tech tools help employees make their benefits choices
- 4 Maximizing benefits enrollment season for strong financial futures

### **IMPROVING THE BENEFITS ENROLLMENT EXPERIENCE**

# Should consumers expect more from their workplace benefits enrollment?

According to the U.S. Bureau of Labor Statistics, the majority (88 percent)<sup>1</sup> of full-time civilian employees have access to medical care benefits through their workplace, making the enrollment window a brief but critical timeframe for millions of people and their families. For many employees, the Aflac study finds this annual process isn't easy:



36%

» 72 percent of employees say reading about benefits is long, complicated or stressful.

- 48 percent would rather do something unpleasant, such as talking to their
   ex or walking across hot coals, instead of completing their annual benefits
   enrollment.
  - » 36 percent say the benefits enrollment process makes them feel frustrated, anxious or confused.

Given the importance of benefits to an individual's overall financial health, helping the process to run more smoothly could mean an important difference for employees and their financial futures – not to mention improved employee satisfaction and engagement. Should employees expect more? What can employers do? To answer these questions, it's important to look at employees' current enrollment experiences. Consider these three key findings:

## 1. The open enrollment window is a critical time period for employee education, but employees spend little time researching options.

The study finds that open enrollment is the most important time for employee education, because it's when most employees spend time learning about their options. Still, employees spend little time researching their benefits or adjusting their options:



93%

80%

Over half of respondents (58 percent) spent the most time learning about their benefits during open enrollment, as opposed to another time or event throughout the year.

- 93 percent of employees typically choose the same benefits (e.g., medical, dental, vision, etc.) year after year.
- 80 percent spent less than one hour researching their options during their last open enrollment. In fact, 57 percent spent less than 30 minutes.

#### 2. Benefits mistakes can be costly.

Employer plans are quickly changing. According to the 2016 Aflac WorkForces Report, there's a continued trend toward high-deductible health plans and lowervalued plans, along with a greater proportion of employers offering major medical plans with 70/30 or 60/40 coverage than years past. But with so many employees on autopilot, choosing the same benefits year after year, it's not surprising that many say they've wasted money by making mistakes during the enrollment period. The Aflac Open Enrollment survey finds that over half (54 percent) of respondents estimate they waste up to \$750 each year because of mistakes they make during open enrollment with their insurance benefits. And a higher percentage of

#### Millennials (18-36) are especially in need of more time to research their benefits.

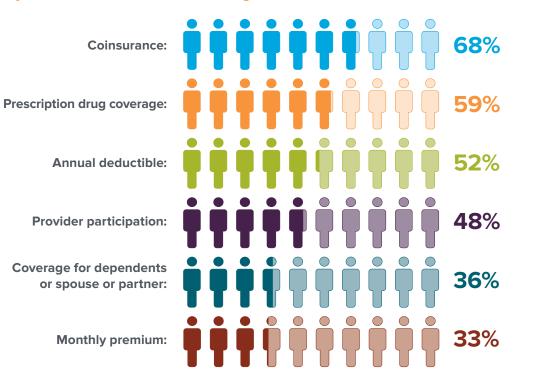
• Nearly 1 in every 4 millennials (24 percent) did not spend enough time researching their health insurance options last year – a greater proportion than non-millennials (11 percent).

# 3. Knowledge is power. Unfortunately, few employees report understanding their benefits options.

Many employees admit they're in the dark when it comes to health plan details. In fact, 61 percent of respondents say there are at least some things they don't understand about their overall policies, including deductibles, copays or providers in their network.

#### Digging deeper...

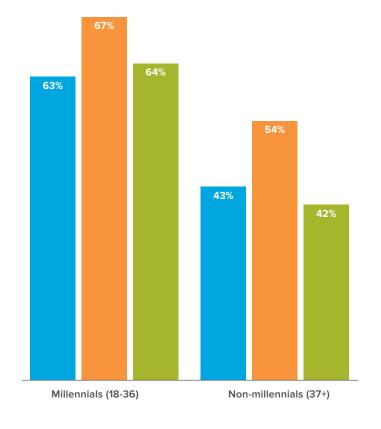
The proportion of employees that say they understand details of their plans only somewhat or not at all is alarming:



As more employers move to HDHPs, education about these plans is especially important for the workforce and even more so for millennials. Not only are millennials more likely than nonmillennials to say they chose an HDHP and that it was their only option, but they're also more likely to express negative experiences with their HDHPs.<sup>3</sup>

## Millennials express negative experiences with their HDHPs more often than non-millennials.<sup>3</sup>

I regret choosing an HDHP.
My HDHP was financially detrimental for me and/or my family.
I did not understand how an HDHP really works.



#### Women and worksite benefits enrollment.

Working women are likely to be the primary decision-maker for the family as well as the caregiver when a family member falls ill.<sup>2</sup> Still, many have negative experiences with their worksite enrollment:

- 40 percent of women said their benefits
   enrollment process
   makes them feel
   frustrated, anxious or
   confused.
- 57 percent of women
  say there are things
  they don't understand,
  like deductibles,
  copays, providers in
  network, etc.

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#### BENEFITS ENROLLMENT IN A PERFECT WORLD

There's a clear disconnect between what employees need during their workplace benefits enrollments and reality. So, how do employers help to turn this around? Employees indicate that they need benefits education, tools and access to experts.

The Aflac Open Enrollment study asked employees to describe an ideal benefits enrollment experience. Half said they'd prefer their benefits enrollment process to be more like Amazon.com, with easy-to-compare options online – something many health insurance exchanges are beginning to accomplish. Leveraging these tools could help to alleviate some of the current benefits enrollment challenges.

Additionally, there are tried-and-true ways employers can begin to improve their benefits enrollment process. Some employees need more time, while others are interested in consultation from benefits experts. Nearly half (49 percent) of employees say, if given the chance, they would discuss their benefits options with someone faceto-face or over the phone.<sup>4</sup>

#### Millennials...

#### Appreciate online

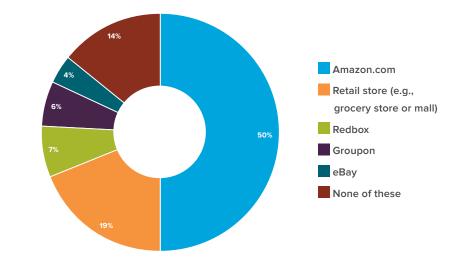
resources: The study found that benefits tools are equally helpful across generations, with one exception: Millennials (ages 18-36) are more likely than non-millennials (37 and older) to say websites or other online sources of information were helpful (70 percent vs. 61 percent).

Want to talk to someone about benefits: 60 percent of millennials would discuss their benefits options with someone face to face or over the phone, compared to 44 percent of non-millennials.<sup>4</sup>

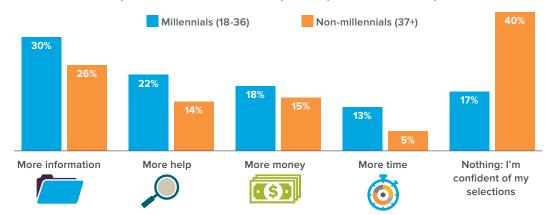
Are more likely than nonmillennials to say they need more time, help, information or money to feel confident before their next enrollment (83 percent of millennials vs. 60 percent of non-millennials).

#### In an ideal world, my benefits enrollment process would be more like...

Respondents chose from: Amazon.com, with easy-to-compare options online; A retail store, where I can talk to someone and make my purchase in person; Redbox, with a variety of options available at a kiosk where I shop; Groupon, with daily deals; eBay, with auction pricing; and none of these.



A greater proportion of millennials say they need resources or time before their next enrollment.



To be confident about your benefits selections, what do you think you need most before your next enrollment?

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### HIGH-TECH AND LOW-TECH TOOLS HELP EMPLOYEES MAKE THEIR BENEFITS CHOICES

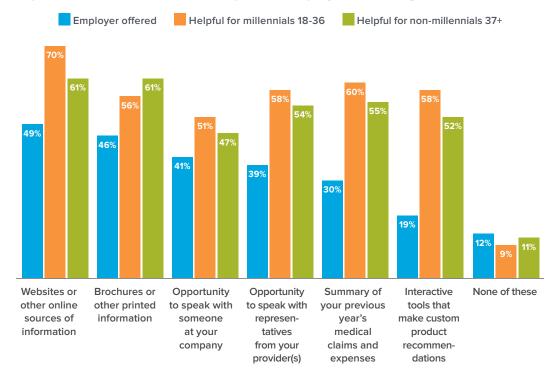
From brochures and printed materials to online widgets and apps, there are many benefits tools and resources that employers can offer their employees to help during benefits enrollment. Let's look at which ones are helping employees the most.

The Open Enrollment study found that fewer employers offered interactive tools or a summary of the previous year's medical claims and expenses, but over half of the respondents who were offered these options at their workplace said they were helpful. Additionally, many of the traditional benefits tools were helpful across generations, including printed brochures and the opportunity to speak to an expert. Respondents were slightly more likely to say speaking to someone from their provider(s) was helpful, compared to someone at their company.

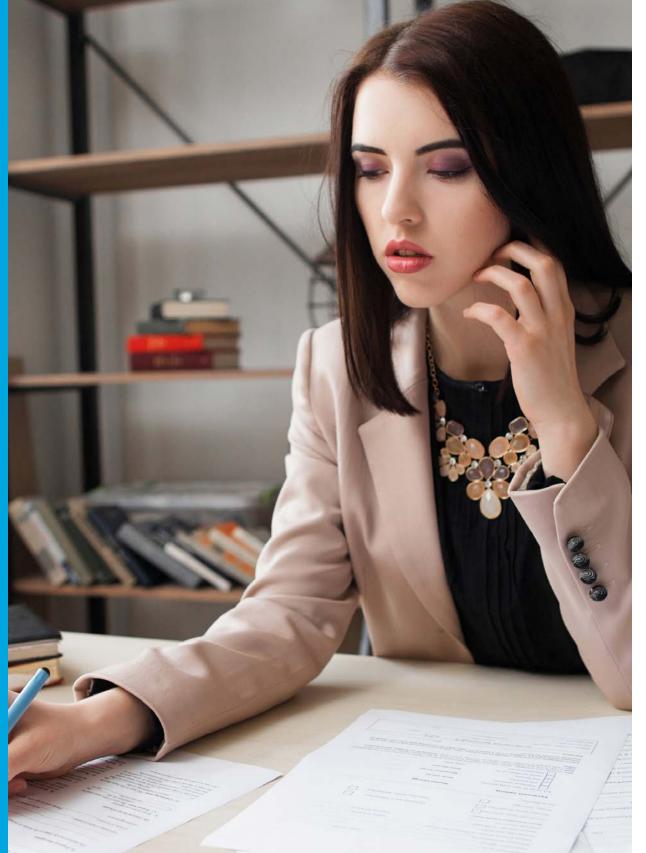


#### **Employees value subject matter experts** for benefits advice.

In fact, nearly half (49 percent) say they trust an insurance agent or an HR person at their workplace most about the need for insurance benefits. Few employers offer interactive tools or a summary of previous year's medical expenses, but these tools are helpful for employees across generations.







### MAXIMIZING BENEFITS ENROLLMENT SEASON FOR STRONG FINANCIAL FUTURES

Benefits enrollment and information can be complex, frustrating and difficult to understand. The Aflac Open Enrollment Survey illustrates how these realities can be a significant barrier to helping employees understand and choose their benefits options. The study also points to ways the enrollment process can run more smoothly, including offering employees more time and providing benefits tools and support. Refining the benefits enrollment experience can help make an important difference for employees' health and financial futures.

### WHY AFLAC?

Aflac agents and brokers are ready to help. They provide the in-person or over-thephone support employees need to navigate their benefits options.

Aflac supplemental insurance helps provide an additional level of financial protection for your employees and their families in the event of a serious accident or illness. Unlike major medical insurance, which pays providers, Aflac pays cash benefits directly to policyholders, unless otherwise assigned, that can be used for everyday living expenses, such as rent or monthly mortgage payments, utilities, groceries or child care, or to cover out-of-pocket medical expenses – so they can focus on recovery, not financial stress.

Make Aflac part of your benefits package today. Contact your agent or visit aflac.com.



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#### About the study

The 2016 Aflac Open Enrollment survey is a review of employees' views on a range of workplace benefits topics, with a focus on major medical and health insurance options during benefits open enrollment. The survey was conducted online within the United States from June 16-July 5, 2016, among 1,900 adults ages 18 and older who are employed full or part time. The sample was nationally representative and fielded to match U.S. census demographics. No theoretical sampling error can be calculated; a full methodology is available.

This article is for informational purposes only and is not intended to be a solicitation.

#### Resources

- <sup>1</sup> Bureau of Labor Statistics (2016). Employee benefits in the United States March 2016, accessed Aug. 8, 2016, from http://www.bls.gov/news.release/pdf/ebs2.pdf.
- <sup>2</sup> Department of Labor (2013). General facts on women and job-based health accessed Aug. 18, 2016, from https://www.dol.gov/ebsa/newsroom/fshlth5.html.
- <sup>3</sup> Respondents somewhat agree, completely agree or strongly agree with each statement.
- <sup>4</sup> Of those not offered the opportunity to speak with a representative from providers or someone at their company to help make benefits decisions.

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