



Workplace benefits trends

**BENEFITS ENROLLMENT + THE INFORMED
BENEFITS CONSUMER**

2021-2022

Employers believe employees have a better understanding of their total health care costs than they actually do.

Fortunately, employers and employees are in sync when it comes to understanding the content of their health care policies. An overwhelming majority indicate they understand their health care policies, including deductibles, copays and networks. What's more – this understanding has grown significantly over the past five years.

Unfortunately, there is a disconnect when making sense of their health care costs – 72% of employers think employees understand costs, while just 59% of employees say that they do.

There is a clear opportunity to better educate employees, by arming them with the information they need to make informed health care and benefits decisions. But the biggest challenge could be in changing age-old benefits-decision habits and helping employees to be better informed and engaged in their benefits decisions:

- The overwhelming majority of employees choose the same benefits year after year, which could explain why they spend such little time researching their benefits – most spend less than 30 minutes.
- Meanwhile 4 out of 5 say they understand what they signed up for during their last enrollment period.

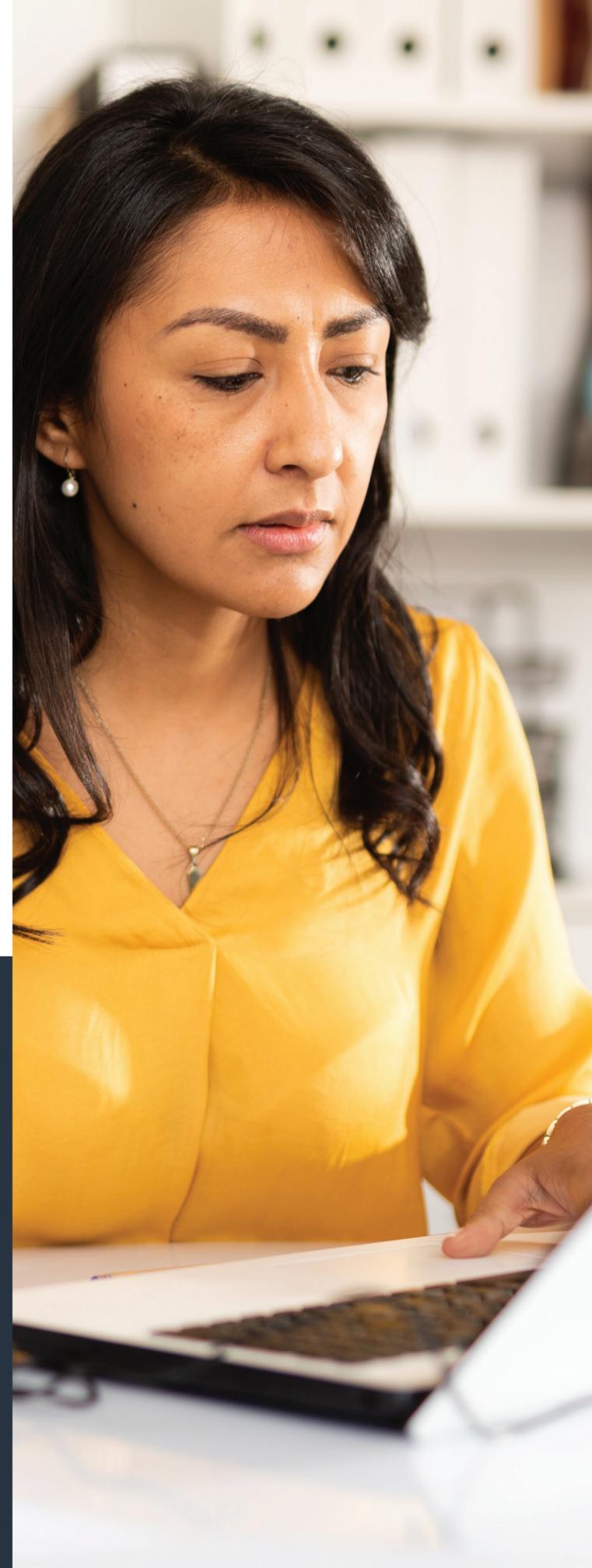
Engaging cruise control on benefits decisions suggests that employees might not be aware of what may be available to them. Especially because the small minority of employees who make changes to their benefits say a key driver is realizing they need more protection or having new options available to them.



Pro tip: Highlight new available options and personal checklists to help employees identify where they have enough coverage and where they could use additional protection.

Triggers that made a small percentage of employees make adjustments to their benefits elections during enrollment.

- 46%** I realized I needed more protection.
- 45%** I had new options available.
- 30%** Life events.
- 18%** Change in job status.
- 9%** I realized I didn't need as much protection.
- 8%** Other.



Fine-tuning hybrid enrollment options is vital to successfully lead in benefits tech.

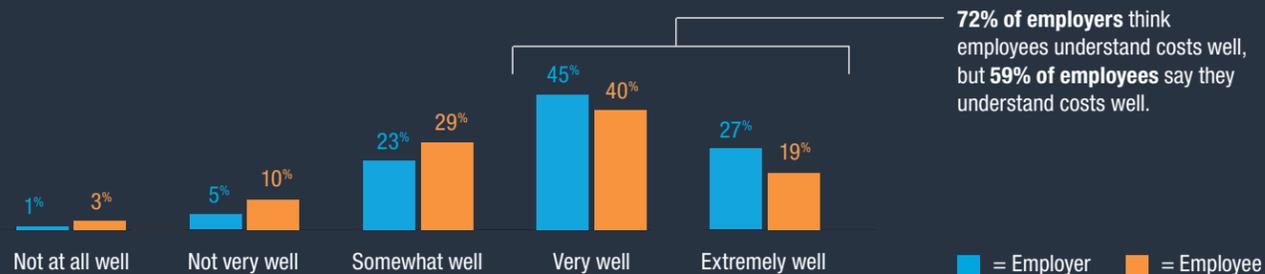
On average, employers report that about 40% of their workforces are working remotely today, and almost half of all employees enrolled in their benefits from their home this past year. Looking ahead, most employers plan on having a remote office in the future, with about a quarter, 27%, planning on a fully remote workforce in the next 12 months. For the benefits landscape, naturally this means that more employees are researching and enrolling in their benefits at home than ever before. And instead of working face to face with an HR or benefits professional, many worked virtually or over the phone. In fact, trending data finds that phone enrollment options steadily increased over the past five years. Additionally:

- **81%** say it is highly important for their insurer to lead in digital innovation.
- While employees are comfortable with and expect to manage their benefits online, more cite a preference for working with a benefits advisor in person, especially millennials. A full **53%** prefer talking to an advisor in person, compared to those who prefer a video meeting, **31%**, or online chat, **30%**.
- Since employees prefer to work with their benefits advisor in person, those working remotely may have been at a disadvantage because – compared to those who enrolled while in the office – they are **30%** less likely to have worked with a benefits advisor during the enrollment period.

Leading in digital technology in the benefits space will most likely look like a hybrid approach – balancing high-tech with human experience and expertise. Supporting an increasingly remote and hybrid workforce will mean helping benefits enrollment and consultation move to high-tech options, with the choice to meet in person with a consultant while also improving comfort around working with advisors online and over the phone.

Employer question: Thinking about health care-related expenses, how well do you think your employees understand their total annual costs for health care?

Employee question: Thinking about all of your health care-related expenses for you and your family, how well do you understand your total annual costs for health care?

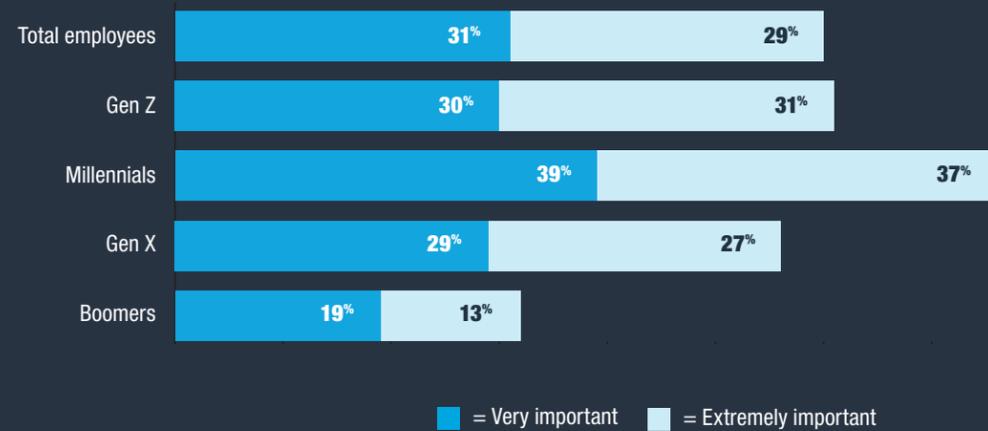




Pro tip: Make the introduction of a benefits consultant (in person or virtually) prior to benefits enrollment season. That way, employees become familiar with this resource and can be more comfortable asking the questions that will inevitably arise during enrollment and throughout the year.

Compared to other generations, millennials are most likely to want to work with a benefits advisor.

Question: How important is it that you have access to a benefits advisor when making your benefits selections?



Despite only 2 in 3 employers offering online enrollment, the majority agrees it is important that their providers be leaders in digital innovation – especially millennials and Gen Z decision-makers.

Question: How important is it for your benefits provider to be innovative by leading in digital technologies?



0% = Not at all important
45% = Very important
16% = Somewhat important
36% = Extremely important
2% = Not very important

Extremely or very important for benefits providers to be leaders in digital innovation:



Feelings of stress are high for workers performing key benefits-related activities, particularly negotiating billing.

Benefits are critically important to employees' overall physical health, financial health and emotional health. Unfortunately, there are several pain points that employees experience when navigating health care and benefits that only elevate stress levels. In particular, over half of all employees indicate that negotiating medical billing is fairly stressful. This is followed closely by trying to understand what insurance or benefits are needed.

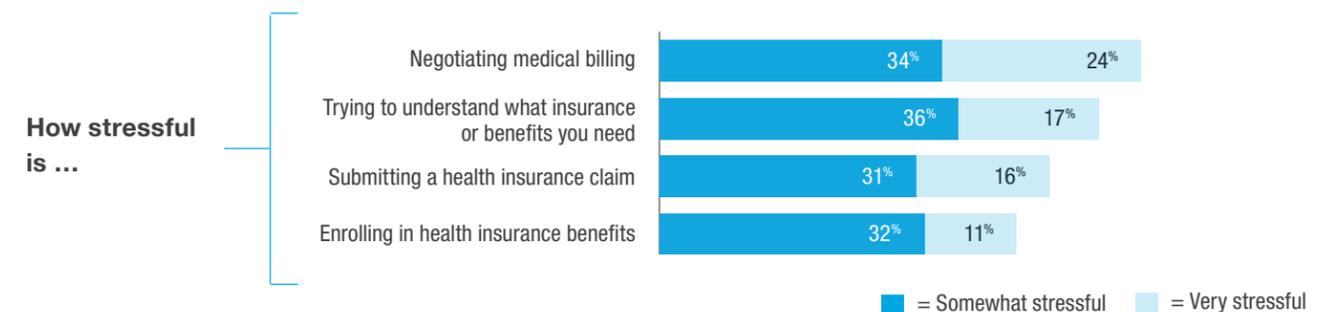
A smaller but still sizeable group also experiences

stress when submitting a health insurance claim or enrolling in their health care benefits.



Pro tip: Having access to benefits consultants and education designed to help employees navigate the billing process and understand the types of insurance benefits are most critical for employees. Making online options available could go a long way with helping employees navigate stressful benefits tasks.

Key benefits activities are stressful for about half of all employees – especially negotiating medical billing.



Employers and employees agree it is important that benefits companies show they care – and it is more important to Gen Z and millennial employees, meaning it will become increasingly important over time.

With cost being the top challenge for employers when offering benefits, it is unsurprising to see that cost is the top consideration for employers as they evaluate benefits providers. Cost is followed closely by brand reputation and financial strength. Sustainability and corporate social responsibility rank at the bottom of the list in terms of importance when choosing providers. Still, they clearly hold weight, with the majority of both employers, 88%, and employees, 79%, saying it is important that benefits companies show they care about employees.

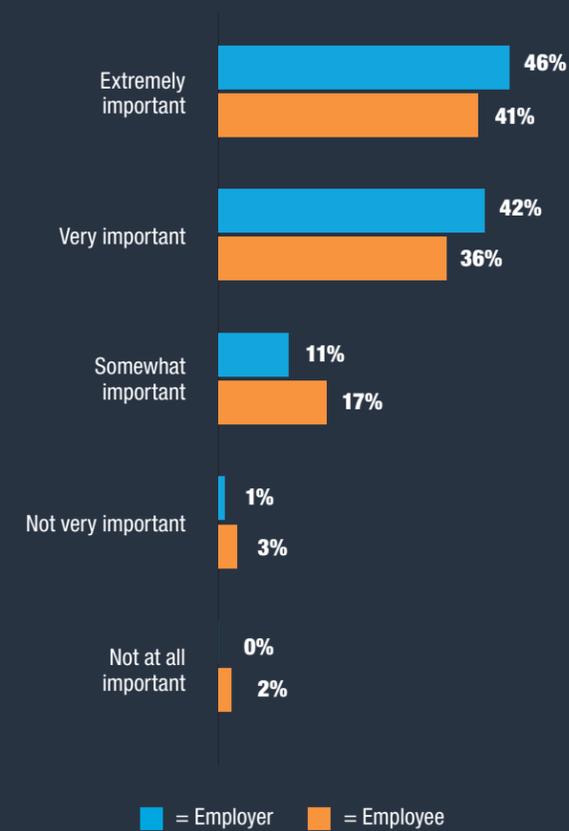
Most believe that benefits providers did a good job in 2020 of showing that they cared, though employers are far more likely to believe benefits providers were successful at this than are employees – 84% employers; 65% employees.

- **87% of employers** say the reputation of their supplemental insurance provider is extremely or very important.
- **65% of employees** say their benefits provider cares about them and their families.

Pro tip: The majority of the American workforce, 79%, is at least somewhat interested in reminders from their health care provider when it may be time to file a claim or receive a benefit. Personalized outreach that is rooted in giving can go a long way – especially as the importance of showing genuine care grows with millennials and Gen Z.



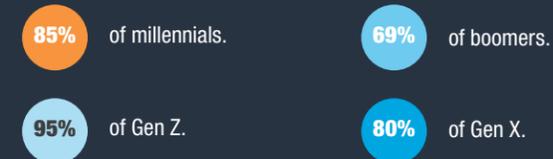
It is important that benefits companies show they care.



88% of employers say it is important for benefits companies to show they care about employees.

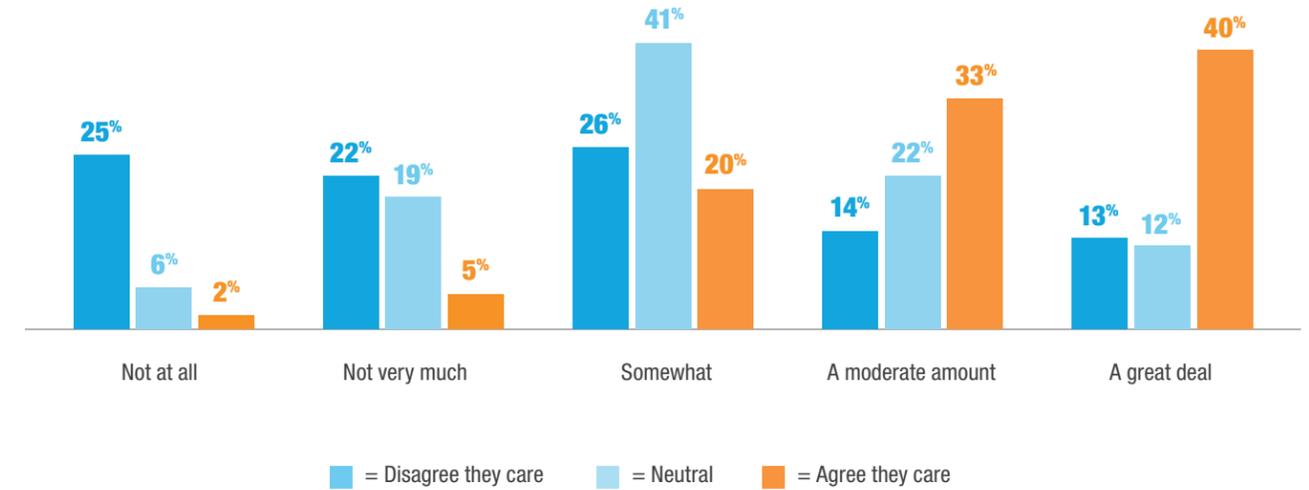
77% of employees say it is important for benefits companies to show they care about them.

Gen Z and millennial employees care the most out of the generations listed below, meaning it will become increasingly important over time.

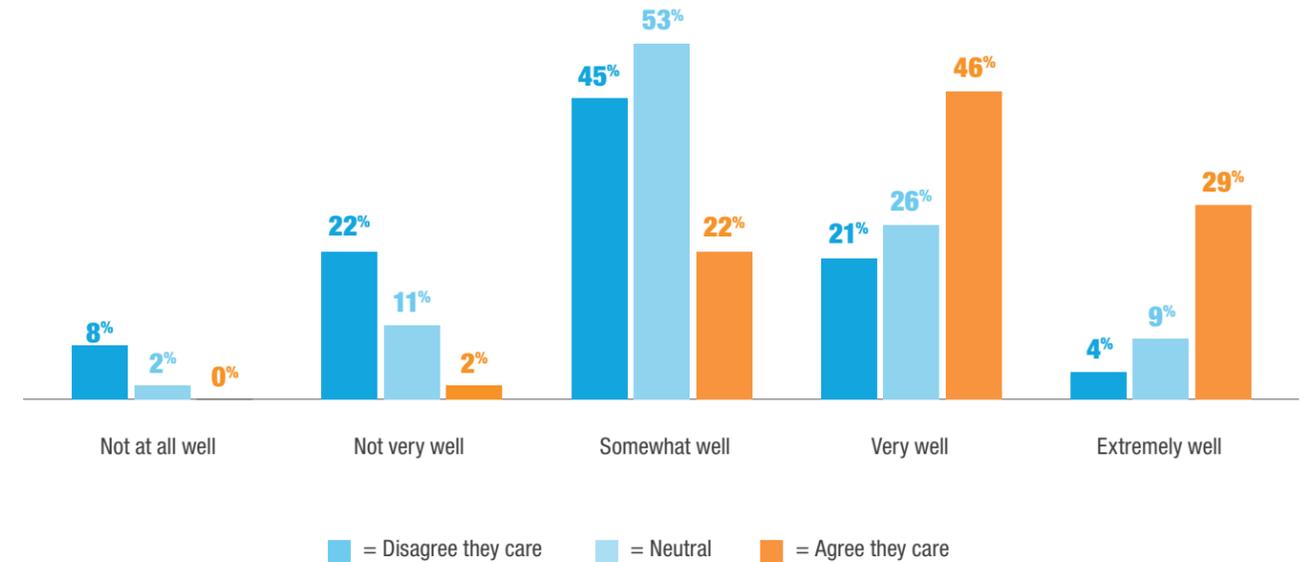


Employees who believe their benefits providers care about them are also more confident in both their coverage and the extent to which their employers also care about them.

Extent to which employees believe their employer cares about them
(based on the belief that their benefits provider cares).



Extent to which employees believe they will be covered
(based on the belief that their benefits provider cares).



About the study

The 2021-2022 Aflac WorkForces Report is the 11th annual Aflac employee study examining benefits trends and attitudes. The survey was conducted by Kantar on behalf of Aflac. The employer survey took place online between June 28-July 14, 2021, and the employee survey took place online between June 28-July 16, 2021. The survey captured responses from 1,200 employers and 2,000 employees across the United States in various industries.

For more information visit aflac.com/awr.

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