

Stronger on the other side

Benefit strategies to move businesses through and beyond the pandemic

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In the months since a national state of emergency was declared to aggressively combat the coronavirus pandemic, industry and society have shown tremendous resilience and resolve. We are testing ways to navigate the coming months – and possibly years – until vaccines, testing and treatments help us move more confidently into a new normal.

Times are not typical. Benefits strategies shouldn't be either

The coronavirus pandemic is a worldwide experience. The virus or mitigation efforts have affected nearly every person and business. Three questions companies have considered for quite some time have taken on new urgency:

1. Are workers equipped to navigate unexpected health events?
2. What creative tools can help workers better cope with challenging situations?
3. How can we adapt benefits-enrollments challenges that call for multiple, flexible alternatives?

This white paper provides insights into how businesses can use learnings from the pandemic to develop more-equipped, better-engaged workforces. It evaluates the questions above against three key current-event themes:

1. The complications are complicated.
2. Health care delivery and navigation have been disrupted.
3. The ways workers will participate in enrollment have changed.

The complications are complicated

We learn more each day about the virus that caused today's pandemic. According to the Centers for Disease Control and Prevention, coronavirus recovery far outpaces mortality.¹ This is encouraging as we consider what the next 12 to 24 months might bring. Still, despite this promising news, there are significant concerns about the virus' long-term effects on the body. This means we're dealing not just with the virus, but also with its complications.

According to the University of California at Irvine, "Coronavirus infects the upper respiratory system but also attacks the lower respiratory tract. This attack triggers an inflammatory response to try to kill the virus referred to as a cytokine storm. Under normal circumstances, the response peaks early, clears the virus and helps produce antibodies. It can stick around too long and too strongly and cause severe lung, kidney and heart damage and blood clots."²

Coronavirus has been connected to pneumonia, heart attacks, kidney damage and more, significantly increasing the expense and length of recovery. While the elderly and immunocompromised are at higher risk, we also see infections and complications in younger, otherwise healthy people.³ People who previously did not think they were vulnerable to these types of conditions must now consider the possibility that coronavirus will leave them susceptible.



¹ Coronavirus Disease 2019 Cases in the U.S (June 8, 2020). Centers for Disease Control and Prevention. Accessed June 8, 2020: <https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/cases-in-us.html>.

² University of California at Irvine Health. Live Well Blog. Why is COVID-19 so dangerous? Posted April 29, 2020. Accessed May 27, 2020: <http://www.ucihealth.org/blog/2020/04/why-is-covid19-so-dangerous>.

³Bai, Nina. Coronavirus is sickening young adults and spreading through them, experts say. University of California at San Francisco. March 24, 2020. Accessed June 8, 2020: <https://www.ucsf.edu/news/2020/03/416961/coronavirus-sickening-young-adults-and-spreading-through-them-experts-say>.

An added layer of protection becomes two layers

The possibility of contracting the virus – and the chance of severe complications – should prompt businesses to reconsider the role of supplemental insurance in their benefits packages. Supplemental coverage helps people better prepare for unexpected illnesses or injuries by paying cash benefits that help them through financially difficult situations. It does not typically coordinate with health insurance and, unless assigned otherwise, benefits are paid directly to insured individuals to use as needed.

While not new, supplemental products merit a second look because they offer employers and employees added peace of mind in uncertain times. These plans serve a dual role: In addition to helping pay expenses health insurance doesn't cover, they also serve as a financial safety net if covered illnesses arise as complications of the coronavirus. They provide:

1. Protection during treatment.

- Hospital indemnity insurance plans pay when an insured is admitted or confined to a hospital. If a hospital is unavailable, they pay for treatment of a covered illness or injury at an alternative site that provides hospital-level care.
- Critical illness insurance plans pay in the event of covered critical illnesses, such as heart attacks.
- Mixed-benefit insurance pays benefits in several categories. These might include critical illness, hospital indemnity, accident and life insurance and they provide well-rounded coverage for a variety of circumstances.

2. Protection during recovery.

- Disability insurance plans pay benefits when insureds are unable to work due to covered illnesses or injuries.

More than 80% of employers have expressed interest in offering supplemental insurance plans that cover costs associated with coronavirus or a future pandemic.⁴ It is worth noting that many carriers are actively developing new plans and enhancing existing plans that pay benefits for prevention, diagnosis and treatment of a variety of virus strains.

⁴2020-2021 Aflac WorkForces Report. The employer survey, conducted by Kantar on behalf of Aflac, took place online between June 8 and July 1, 2020. The survey captured responses from 1,200 employers across the United States in various industries.

Health care delivery and navigation have been disrupted

The initial phases of the coronavirus shutdown created ripple effects for health care delivery:

- Non-urgent care was suspended.
- Priorities around coronavirus care and bolstering personnel, infrastructure and supplies were put into place.
- Restrictions limited hospital entry only to patients and essential health care workers.

Restoring a normal cadence to scheduling, care delivery and the opportunity for advocates and loved ones to participate in the health care process will take time. Creative health care and health support solutions are available to reduce the impact of these ripple effects, and businesses can offer them more easily and affordably than they might think.

Creative health care solutions

According to a Kaiser Family Foundation poll, 48% of U.S. patients have either deferred or skipped medical care because of the pandemic, and 11% of those patients reported their medical conditions have worsened as a result.⁵ Foregoing care might negatively affect not only individuals with chronic or acute conditions, but also those who delay routine screenings or have undiagnosed symptoms.

Telemedicine is increasing in popularity because it provides access to remote consultation and care. A recent survey showed a 29% increase in employers offering telemedicine over the previous year.⁶ Pre-pandemic, these services were often less likely to be covered or reimbursed by some insurance plans. However, times are changing, because more people are unwilling or unable to participate in in-person appointments. Telemedicine has even become a de facto triage for determining next steps in potential coronavirus cases.

The *New York Times* cites the incorporation of telemedicine that has emerged from coronavirus as a transformative development in routine medical care.⁷ While it will not replace regular, physical examinations, telemedicine provides a solution when in-person care is not feasible, realistic or required. Market estimates published about a month before large-scale quarantine efforts were put in place predicted nearly 15% growth in telemedicine by 2026.⁸

Employers can incorporate telemedicine into their benefits strategies to increase employee access to care. Supplemental insurers may include these services as part of a partnership or can help make these services available at low or no direct cost to employers. It's a simple step that can pay big dividends in employee health and well-being.

⁵Ahmed, Erum. New survey data reveals that nearly half of patients are forgoing care amid the pandemic. Business Insider. May 29, 2020. Accessed June 1, 2020: <https://www.businessinsider.com/half-us-patients-forgoing-care-during-pandemic-2020-5>.

⁶2020-2021 Aflac WorkForces Report. The employer survey, conducted by Kantar on behalf of Aflac, took place online between June 8 and July 1, 2020. The survey captured responses from 1,200 employers across the United States in various industries.

⁷Brody, Jane E. A Pandemic Benefit: The Expansion of Telemedicine. The New York Times. Posted May 11, 2020. Accessed May 29, 2020: <https://www.nytimes.com/2020/05/11/well/live/coronavirus-telemedicine-telehealth.html>.

⁸Acumen Research and Consulting. Telehealth Market to Garner Growth Around 14.9% by 2026. Posted February 14, 2020. Accessed May 29, 2020: <https://www.prnewswire.com/news-releases/telehealth-market-to-garner-growth-around-14-9-by-2026--301005211.html>

Creative health-support solutions

Aside from the physical health impacts of the virus, the mental and emotional impacts are profound. In June, University of Connecticut researchers published a study providing the first snapshot of the virus' effects on Americans' stress levels and coping strategies.⁹ It identified three stress categories:

- Stress related to the virus itself.
- Stress related to changes in daily routines.
- Financial or resource-related stress.

The study revealed that while fears related to the virus itself were the most common, participants were acutely concerned about the financial consequences of the pandemic. Of the stressors experienced, loss of job security or income was the most intense, followed by the risk that a loved one might become ill.



⁹University of Connecticut. (2020, June 1). How Americans are coping with COVID-19 stress. Science Daily. Retrieved June 2, 2020 from www.sciencedaily.com/releases/2020/06/200601134607.htm.

A *Human Resource Executive* article challenges businesses and their HR departments to find ways to address concerns that might make it difficult for employees to confidently return to the workplace.¹⁰ Stress-management programs and resources will be important to fostering mental and emotional well-being that can fuel workforce productivity. Examples of these programs, often referred to as value-added services, include:

- **Disruptive-event-management programs:** Resources and support to help businesses and their leaders manage their organizations and employees during disruptive events.
- **Employee assistance programs:** Commonly referred to as EAPs, employee assistance programs provide short-term assistance and resource support from work/life specialists. These specialists help with a full range of personal, family and work/life problems via telephone or in person. Referrals for family care, eldercare and childcare, as well as support for financial and legal issues, may be included in these programs.
- **Health advocacy services:** These services provide a personal health care concierge who can assist with numerous tasks, including explaining diagnoses, clarifying health care coverage, addressing claim denials, obtaining second opinions, negotiating bills, and finding doctors and treatment centers.
- **Wellness programs:** These programs provide resources for developing and nurturing healthier lifestyles, including online assistance, digital workshops, discounts, meal planning and more.
- **Financial support services:** Services include phone consultations with professional counselors on a range of topics, including debt management, life insurance, college funding, credit management and more, as well as access to financial tutorials, calculators, webinars and other resources.

Administration and funding of value-added services may be difficult for some businesses. Many supplemental insurers recognize these barriers and respond by providing services at no or reduced cost when benefits counselors are given opportunities to meet with employees during enrollment events. Others may embed services into plan designs or make them available to employers at reduced rates negotiated with the service providers.

¹⁰Ramirez, Julie Cook. How HR can build strategic partnerships: Working with their counterparts across the organization, HR can help ensure a smooth, safe return to the workplace. *Human Resource Executive*. Posted June 1, 2020. Accessed June 2, 2020: <https://hrxexecutive.com/how-hr-can-build-strategic-partnerships/>.

The ways workers participate in enrollment has changed

It will likely take months for many employers to fully execute their return-to-work strategies. And it's not yet clear what return-to-work means. A CNBC pulse check revealed that corporate leaders are waiting for a reliable combination of mass testing, contact tracing and possibly a vaccine before they'll consider it worthwhile to risk sending employees back into traditional workplaces.¹¹ Another survey found that 46% of businesses are preparing to move to a remote or virtual office structure and 26% reported work environment changes to be permanent.¹²

All of this means that benefits enrollment, which typically occurs in the fall, will be anything but conventional in 2020. Many workforces are scattered, so in addition to dealing with “normal” challenges, employers must develop very different engagement and enrollment strategies.



¹¹Levy, Ari. Working from home is here to stay, even when the economy reopens. CNBC. Posted on May 11, 2020. Accessed on June 2, 2020: <https://www.cnbc.com/2020/05/11/work-from-home-is-here-to-stay-after-coronavirus.html>.

¹²2020-2021 Aflac WorkForces Report. The employer survey, conducted by Kantar on behalf of Aflac, took place online between June 8 and July 1, 2020. The survey captured responses from 1,200 employers across the United States in various industries.

Equip to engage

There are four generations in the workforce, each with unique preferences for consuming content. Still, there are commonalities employers can leverage to reach workers and enhance their enrollment experiences. For example, when asked which tools and resources they wanted to use for benefits enrollment, all four generations placed benefits consultants and enrollment websites among their top three choices. Beyond those similarities, unique generational preferences included text messages, live chat and printed materials.¹³

Benefits communication

With all the communication options available to employers, possibilities for reaching employees are virtually limitless. From traditional methods to the latest technologies, there are efficient and affordable ways to partner with companies to create and execute custom benefits-communication strategies. These strategies can address the employee population as a whole or drill down to the individual level, based on personal preferences, generational trends, life stages and other parameters.

- **Enrollment websites.**
- **Benefits consultants.**
- **Printed materials.**
- **Text messages.**
- **Live chat.**
- **Social media.**
- **Email.**
- **Group meetings.**
- **Geotargeting.**
- **Apps.**
- **Videos.**
- **Decision-support tools.**

Benefits counseling

Benefits seem to operate in the background until people actually need to use them, so it makes sense that workers tend to make their decisions on autopilot. A recent survey showed 56% of employees spent less than 30 minutes researching their benefits options during their last open enrollments. And more than 90% say they choose the same benefits each year.¹⁴

Benefits counselors who are licensed, trained and experienced provide a valuable service to businesses and employees. They can explain a company's entire benefits package, discuss each employee's unique situation and answer questions that will help workers make more informed decisions. Through this process, they can also help employers by collecting and updating information, verifying benefits eligibility and more.

¹³The 2019-2020 Aflac WorkForces Report is the ninth annual Aflac employee benefits study examining benefits trends and attitudes. Conducted by Kantar on behalf of Aflac, the study captured responses from 2,000 employees and 1,200 employers across the United States in various industries. For more information, visit [AflacWorkForcesReport.com](https://www.aflac.com/workforcesreport).

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Research shows employees are more satisfied with their benefits packages when they understand their options. Additionally, those who understand the total annual cost of their health care coverage are more likely to be extremely or very satisfied with their current benefits: 74% compared to 28% who do not understand total costs very well or at all.¹⁵ Benefits counseling is a simple way to instantly and significantly promote enrollment participation and help achieve greater employee satisfaction. Many employers may not be aware that they can leverage benefits counselors during their enrollments, with little or no direct impact on their benefits budgets.

Equip to enroll

While face-to-face meetings are the most effective way to maximize enrollment engagement and participation, today's environment requires alternatives – including virtual-communication technology.

- **Virtual-counseling enrollments:** Technology connects employees and licensed benefits representatives face-to-face online to review benefits, consult and complete enrollments.
- **Phone enrollments:** Licensed benefits representatives counsel and help employees elect and apply for benefits.
- **Web- and app-based enrollments:** Platforms available on computers, tablets and other smart devices collect information needed to process benefits elections and applications.

Companies will rely more heavily on remote technologies for the foreseeable future. Using the benefits communication methods outlined earlier in tandem with existing and emerging technologies will help maximize awareness, engagement and interaction.

Conclusion

This is an unprecedented time for industry and society. The pandemic has forced us to reassess activities taken for granted in the past, and our responses will help determine how we deal with future events of its kind. American business magnate and philanthropist Bill Gates said, “A company’s ability to respond to an unplanned event, good or bad, is a prime indicator of its ability to compete.” As employers make and execute benefits decisions, they will have opportunities to improve both circumstantial and conventional situations – not only for their businesses, but for the employees who rely on them.

Together we can come out stronger on the other side.

¹⁵The 2019-2020 Aflac WorkForces Report is the ninth annual Aflac employee benefits study examining benefits trends and attitudes. Conducted by Kantar on behalf of Aflac, the study captured responses from 2,000 employees and 1,200 employers across the United States in various industries. For more information, visit [AflacWorkForcesReport.com](https://www.aflac.com/workforcesreport).

Aflac's ongoing pandemic response as an employer and member of the corporate community

Aflac is the No. 1 provider of voluntary/worksite insurance products in the U.S.¹⁶ Like other companies throughout the country, it is also an employer and business actively managing through the effects of the pandemic.

During the early weeks of the coronavirus, Aflac shifted more than 95% of its workforce across the nation to remote work, allowing it to continue delivering on its promises to policyholders/certificate-holders. A number of measures were put into place to support Aflac's W-2 workforce and tens of thousands of independent 1099 associates across the country:

- The company-sponsored medical plan is covering 100% of the costs for Covid-19 testing and giving up to 30 days of pandemic leave to those affected by the virus.
- Associates licensed to sell Aflac products are eligible for no-interest loans within IRS guidelines and sales incentive awards have been converted into cash awards for those who qualify.

The company has also contributed to national and local response organizations as a part of its corporate citizenship efforts:

- \$3 million to Direct Relief, a humanitarian-aid organization active in all 50 states that provides personal protective equipment and essential medical items to health workers responding to the coronavirus.
- \$2 million to the Global Center for Medical Innovation, which uses innovative 3D printing to help support medical device shortages, particularly as they relate to ventilators and protective masks.
- \$1 million to Crisis Text Line to assist frontline workers in the U.S. experiencing emotional distress.
- \$100,000 to the Community Foundation of the Chattahoochee Valley, which is near Aflac's Worldwide Headquarters, to help with COVID-19 relief efforts.
- \$50,000 to United Way of the Midlands, which is near Aflac Group corporate offices, for efforts to combat the coronavirus.
- 10,000 face shields to the Montgomery County Emergency Management Agency to help boost their supply of personal protective equipment

In June, Newsweek Magazine recognized Aflac in its "In Good Company: 50 U.S. Businesses that Stood Out During the Pandemic" list. Companies that made the list stood out for the size, scope and uniqueness of their efforts.

¹⁶Eastbridge Consulting Group, Inc. "U.S. Voluntary/Worksite Sales Report: Carrier Results for 2019." April 2020.

About Aflac

Aflac Incorporated (NYSE: AFL) is a Fortune 500 company, helping provide protection to more than 50 million people through its subsidiaries in Japan and the U.S., where it is a leading supplemental insurer by paying cash fast when policyholders get sick or injured. For more than 65 years, insurance policies of Aflac Incorporated's subsidiaries have given policyholders the opportunity to focus on recovery, not financial stress.

Aflac Life Insurance Japan is the leading provider of medical and cancer insurance in Japan where it insures 1 in 4 households. For 14 consecutive years, Aflac Incorporated has been recognized by Ethisphere as one of the World's Most Ethical Companies. In 2020, Fortune included Aflac Incorporated on its list of World's Most Admired Companies for the 19th time, and Bloomberg added Aflac Incorporated to its Gender-Equality Index, which tracks the financial performance of public companies committed to supporting gender equality through policy development, representation and transparency.

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