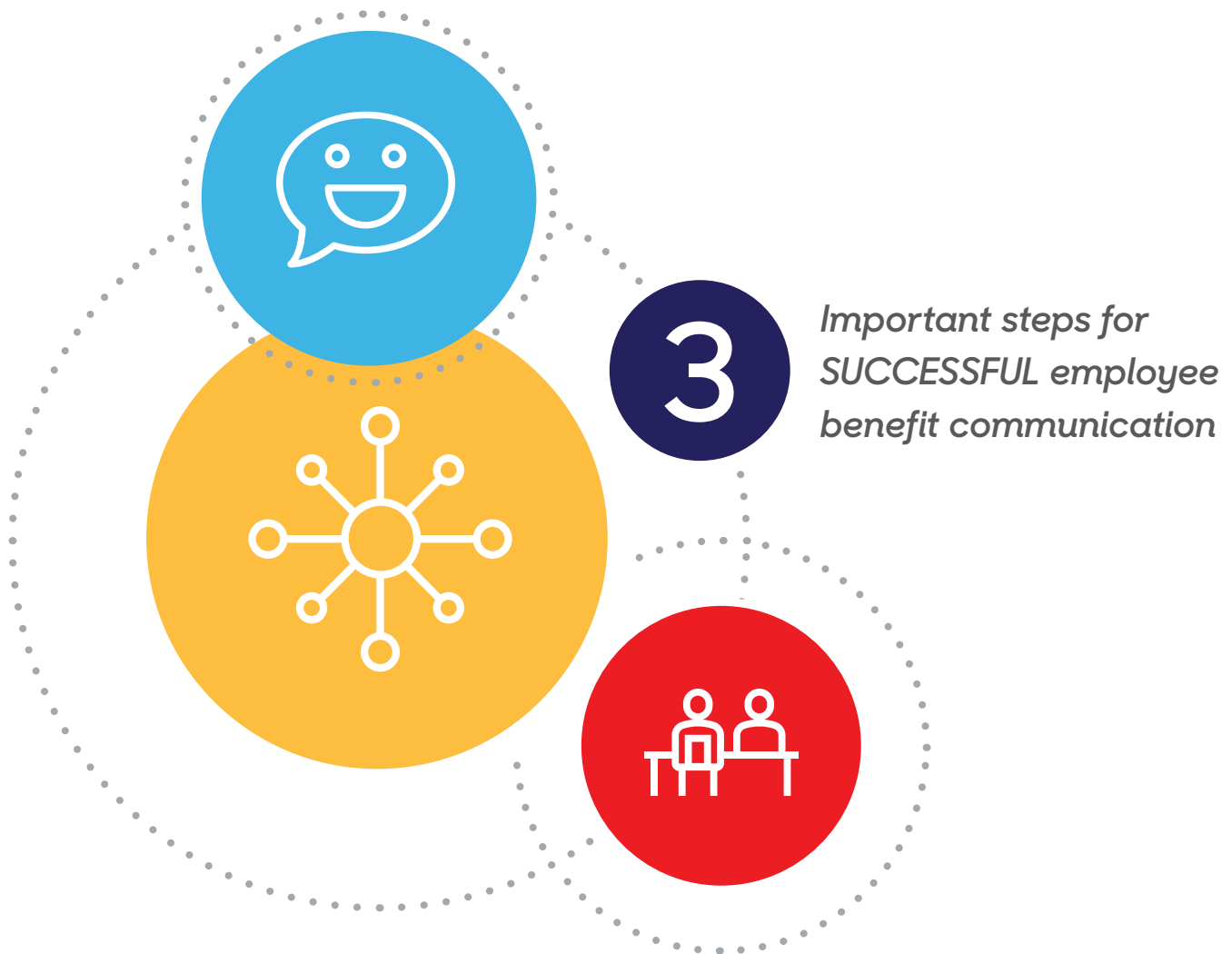


Trustmark Voluntary Benefits



Voluntary Benefits

Simple solutions are often the best solutions. When it comes to employee benefit communication, it may seem like a simple solution doesn't exist, but new research has shown that's not the case. Trustmark recently participated in industry research that helped to uncover three important steps for successful communications and engagement. It's so simple, in fact, that key findings can be summed up in one sentence:

"You can significantly improve your open enrollment by providing messaging that appeals to emotion through multi-channel communication paired with a one-on-one enrollment."

That sentence may be a bit of a mouthful, but it encompasses everything that you need to do to move the needle. Let's break the sentence down into three simple steps:

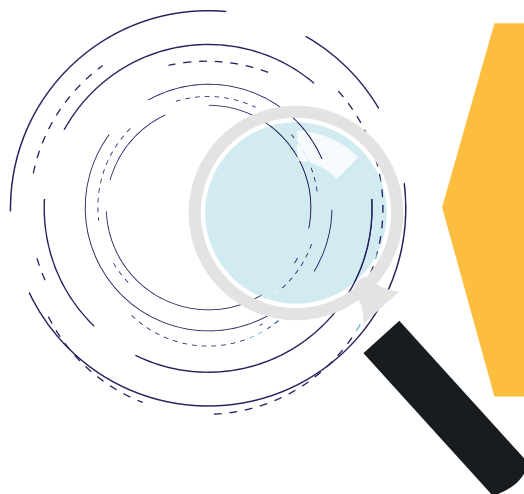


1 Provide a tailored message that appeals to emotion (Not facts or stats)

2 Deliver your message through multi-channel communication (Not just one email or flyer)

3 Bring it all together with one-on-one interaction at enrollment

A closer look at the research shows that, with this improved communication, you can boost participation in benefits while increasing employee satisfaction and loyalty to an employer.



Methodology

These findings come from an employee benefits research study of over 2,300 employees by Customer Benefits Analytics, co-sponsored by Trustmark Voluntary Benefits. Employees were drawn from employer groups of various sizes across the nation. The study was conducted in November 2017 and polled employees who were offered Medical, Dental, Life, Disability, Accident, Critical Illness and Hospital Indemnity insurance.





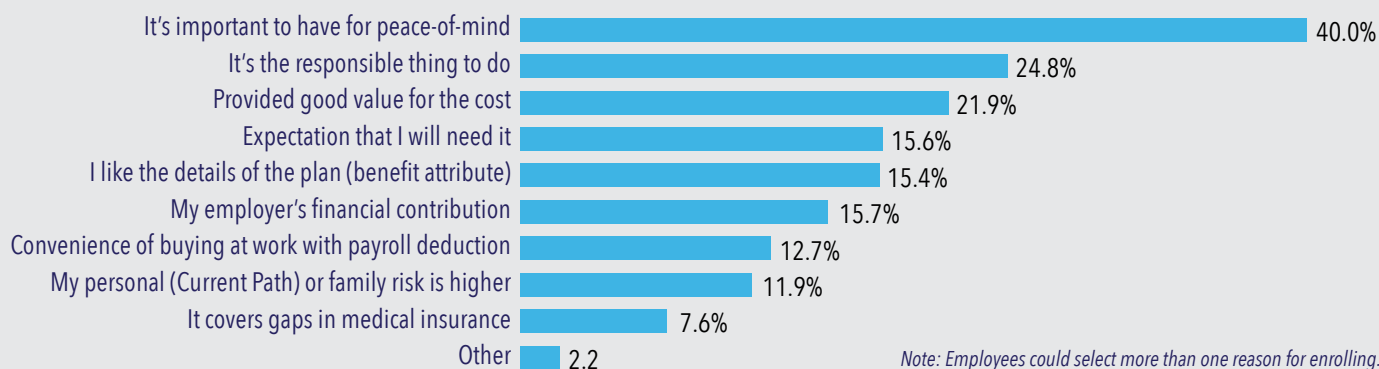
Provide a tailored message that appeals to emotion

Key statistics:

- The most commonly cited reasons for enrolling in benefits are emotional ones, with “it’s important to have for peace of mind” being the most common
- More technical and detail-oriented reasons are rarely cited as a reason to enroll, with just 7.6 percent of respondents saying they purchased voluntary benefits to cover gaps in their coverage

In the insurance world, there is a lot of thought and focus on the nuanced details of each individual voluntary benefit plan. For those of us in the industry, those nuances are what separates one accident or critical illness policy from another. As an extension, it’s natural that when communicating with employees we often try to impart some of those nuances. We want employees to understand why the product they are purchasing was designed that way or why that product was selected to pair with their medical coverage. This, however, is a much different mindset from that of the employee.

The research found that, above all, employees are making purchases for emotional reasons rather than rational reasons. The most commonly cited reason for enrolling in a voluntary benefit is that the employee felt “it’s important to have for peace-of-mind”. This was followed by employees purchasing because “it’s the responsible thing to do”. Both of these reasons are drawing from a feeling of concern for themselves, their finances and their families more than a rational calculation of the benefit features or how the benefit meshes with their medical coverage.



Note: Employees could select more than one reason for enrolling.

The idea of “peace of mind” isn’t merely listed by many of the respondents as a reason for enrolling, it’s actually the primary reason that they are enrolling. Employees included in the research were allowed to mark multiple factors for their choices, but they were also asked to indicate their primary reason for enrolling in each product. Again, the emotional reasons won out with “it’s important to have for peace of mind” being the primary reason for enrolling in almost every single voluntary product included in the survey (Life, Disability, Accident, Critical Illness and Hospital Indemnity).

What's also interesting is what employees **aren't** citing as a reason for enrolling. The rational reasons and plan details that are so important to industry professionals are, largely, not as important to a consumer. Just 18 percent of employees cite "I liked the details of the plan" as a reason for purchasing a benefit. And, in terms of being the primary reason for enrollment, only 13 percent indicated the details of the plan were the primary reason for enrolling.

There has also been much ink spilled over the concept of the "insurance gap". Industry professionals are quick to point out that the rise of high-deductible health plans has created a larger gap between what's covered by medical insurance and what an employee has to pay out of pocket should they need treatment. It's an important message, but for employees, it's not one that

is resonating. A mere 7.6 percent of respondents noted the medical gap as a reason to enroll in their voluntary benefits. This may be due to a lack of knowledge, but it also may further underscore the way in which rationalizing with employees to buy voluntary benefits may not be as effective as appealing to their emotion.

Based on these findings, an effective message for employees needs to be focused on appealing to their emotional side. Certainly some measure of detail is necessary, but what's really going to drive an employee's decision is if they feel an emotional connection to what's being offered. Employee communication that addresses this need will go a long way in helping brokers and employers achieve their goals and boost employee participation in their benefits.

Don't rely on...

- Details
- Facts
- Figures

What resonates with employees...

- Appealing to emotions
- Driving home a sense of responsibility

Just 13 percent of employees cite the details of their insurance plan as their primary reason for enrollment

2

Deliver your message through multi-channel communication

Key statistics:

- 72% of employees rate themselves “likely” or “very likely” to recommend their employer based on increased benefits communications
- Employee engagement, satisfaction, and voluntary product take-up rates are all higher among employees who receive at least three different types of benefits communication
- Only 30% of employees report receiving three or more different types of information sources to make benefits decisions, suggesting big opportunities for employers, brokers and carriers



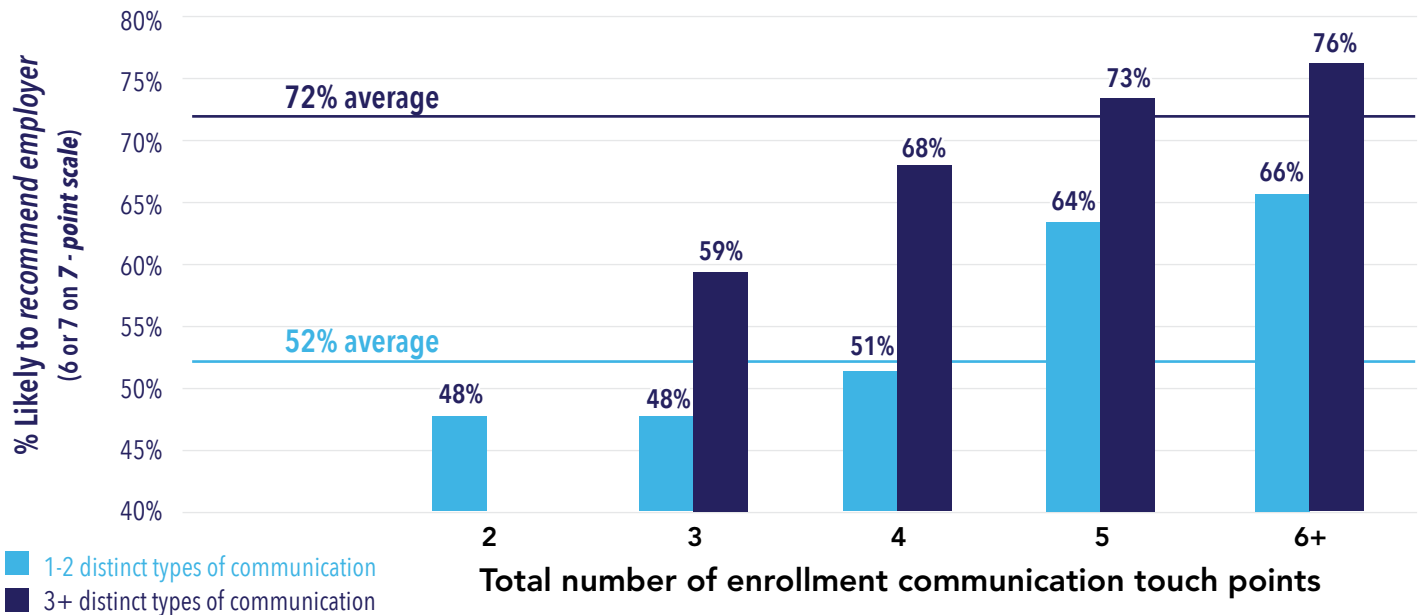
A message that appeals to emotion is a good start, but it also has to be delivered effectively. Our research included a look at the various types of information that employees use when making enrollment decisions for each of four different products. For this, five different types of benefits communication were analyzed:

- Email / Online information
- Group meetings
- One-on-one meetings
- Printed information from employers
- Printed information from insurance companies

The research shows that among employees who recall using **at least three different sources of information** to make their enrollment decisions, nearly three in four (72%) rate themselves “likely” or “very likely” to recommend their employer based specifically on their benefits program, compared to just half (52%) who used **two or fewer types of benefits communications**. Using a multi-channel communication approach shows a similarly positive impact in both satisfaction with the benefits program and the take-up rate of employee-paid benefits.

We also asked respondents how likely they were to recommend their employer to a friend or relative, based on the benefits program. The percent identified as recommenders (scoring 6 or 7 on a 7-point scale) was measured for those who cited **three or more types of communication** and compared to those who recalled **two or fewer types**. The findings suggest that the largest impact happens when at least 3 different sources of information are used, (e.g. email, group meeting and one-on-one meeting). The positive effect is seen on satisfaction and take-up rates alike.

Employer advocacy increases when three or more types of benefits communication are used



As shown on the graph above, each additional communication touchpoint used by the employee to make benefits decisions has a corresponding increase in the employee's likelihood to recommend the employer to his or her network. But in each case, there are more recommenders when three or more different types of communications are used. For example: Employees who use four communications of at least three different types (such as: two emails, plus a group meeting and a print brochure) report better outcomes than employees who also use four communications, but just two types (i.e. two emails and two brochures).

In terms of take-up rates, employees who enrolled in their benefits are more likely to have used or have access to multiple sources of information on their benefits. Those who enrolled in their coverage, on average, consulted 1.65 sources of information whereas those who waived the coverage, on average, consulted just 1.2 sources of information. This may be due to a lack of resources, but clearly those who are enrolling are

using more sources of information, making it extremely important to make sure those sources are available.

Producers and carriers will help employers get more from their benefit programs by encouraging more types of communications. Benefits, when they are well-communicated, return value in terms of employee goodwill, specifically by attracting talent through employee referrals.

Another positive impact of the three-mode communications will be the higher take-up rates and, in turn, premiums. With fewer than 30 percent of today's employees reporting this level of benefits communications, there is plenty of room to make progress with employee benefits communication.

No matter the combination of communications, using at least three different types of communication outperforms two or fewer communications.

3

Bring it all together with one-on-one interaction at time of enrollment

Key statistics:

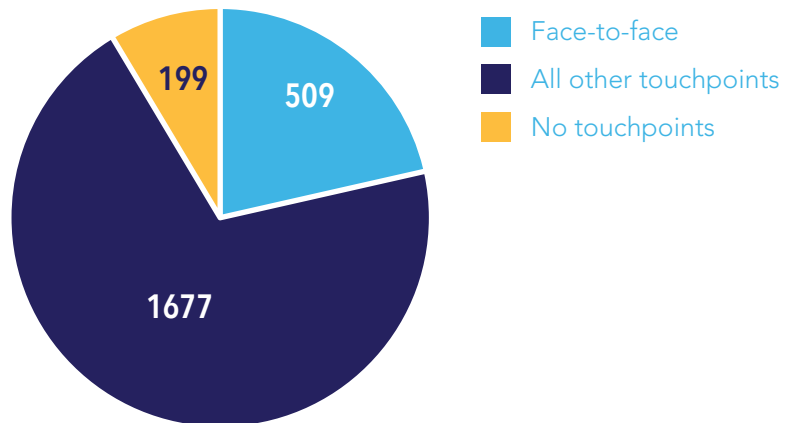
- 72% of employees who receive face-to-face communication are “Satisfied” or “Very Satisfied” with their employer’s benefits program – the highest of any communication method.
- Employees who receive face-to-face communication are 30% more likely to recommend their employers to a friend or family member.



Survey respondents indicated which of several touchpoints—including face-to-face or phone meetings, digital sources, print, phone calls, group meetings, or co-workers or relatives—influenced their decisions on any of eight benefit types. The respondents formed three groups:

- 1) Employees who cited face-to-face meetings (n=509),
- 2) Those who did not have face-to-face meetings but used any other touchpoints (n=1677),
- 3) A remaining group who indicated that no touchpoints influenced their decisions (n=199).

Employees by enrollment communication method

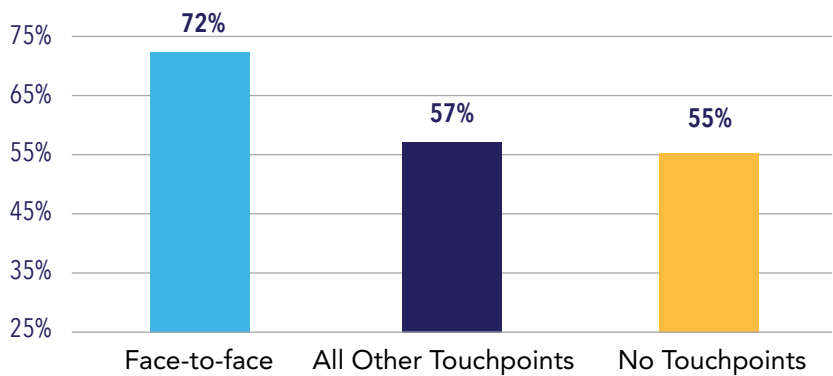


So, while you may have crafted a message that appeals to emotion and delivered that message through multi-channel communication, you still need to bring it all together with one-on-one communication. The findings show that employees value face-to-face communication above all other sources of information that influence their benefits decisions.

Employees who have one-on-one engagements are more satisfied with their benefits, more likely to recommend their employers, and have higher rates of enrollment in the benefits offered.

Overall, employees are satisfied with their employers’ benefits program. Asked to rate their level of satisfaction on a 6-point scale, 60 percent chose either of the top-two ratings—“Satisfied” or “Very Satisfied.” Those who indicated that they had a face-to-face meeting, however, are significantly more likely to be satisfied with their employers’ benefits program. Among employees in the face-to-face group, 72 percent of them are “Satisfied” or “Very Satisfied” with their employer’s benefits program.

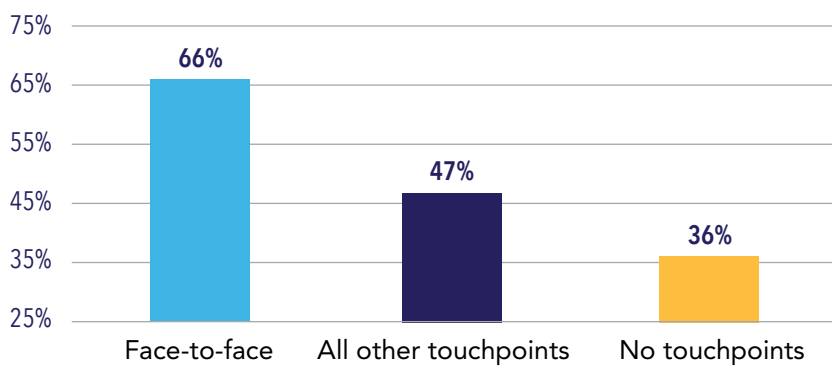
Employees expressing satisfaction with benefits program by communication method



By comparison, the groups of employees who did not mention face-to-face meetings—those with any other touchpoints and those with no touchpoints-- were 57 percent and 55 percent “Satisfied” or “Very Satisfied”, respectively. This satisfaction increase for face-to-face communication is observed across different regions of the country and size employer segments.

More dramatic is the higher rate of employees who will promote their employers based on their communication method. And this is welcome news for employers who need to attract workers in today’s tight labor market. Employees in the face-to-face group are 30 percent more likely to recommend their employers to a friend or family member compared to those who didn’t specify a specific touchpoint (66%). Among employees recalling any other influential resources, only 47 percent gave the same ratings.

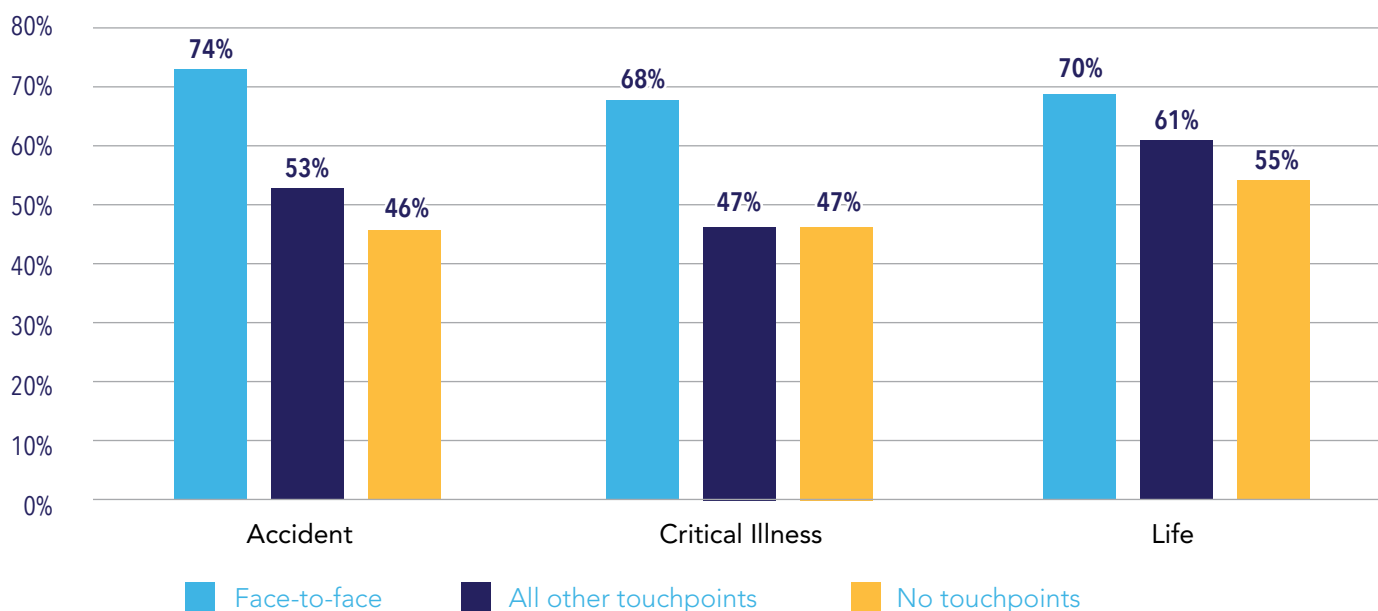
Employee likelihood to recommend employer by communication method



The analysis of enrollment touchpoints again indicates favorable participation gains from face-to-face meetings with employees. Across three voluntary products analyzed—Accident, Critical Illness and Life—higher rates of enrollment were observed in employees who cited face-to-face meetings, and as you dig into the numbers, it's clear that the differential in rates across the touchpoint segments is significant.

For accident insurance, the enrollment rate among those with face-to-face meetings was 1.3 times higher than for employees overall (74% vs. 57%). Comparatively, the group using other sources of information registered 53 percent enrollment, and the group with no influential sources of information showed a 46% rate. For Critical Illness the difference is even larger, with the face-to-face group at 68 percent enrollment, versus 47 percent for both the other groups. This pattern is much the same for life insurance.

Enrollment rate by communication method



Face-to-face enrollment improves your communication and assists with many of the key goals of providing effective employee communication. The end result is higher satisfaction, a likelihood to recommend the employer and increased enrollment in the offered benefits. For employers, employees, and producers alike there is significant value in offering face-to-face communication to improve benefits communication.

Conclusion

These may sound like three simple steps, but execution is everything. You still have to develop your message, produce the materials and coordinate the one-on-one enrollment. On top of that, you also need to put in the work of earning a client's trust to let you implement a multi-channel, personal communication strategy to reach employees. As the research shows, you can achieve better results for everyone involved by following these three simple, but important rules. So, when it comes time for your next enrollment, remember to use the following:

- 1 Provide a tailored message that appeals to emotion
- 2 Deliver your message through multi-channel communication
- 3 Bring it all together with one-on-one interaction at enrollment



Source: Trustmark and Customer Benefits Analytics, "Who Buys Voluntary and Why: 2017 Enrollment Study."

About Trustmark Voluntary Benefits

Trustmark has more than a century of experience in voluntary benefits, guided by the belief that listening leads to understanding and understanding builds trust. We listen to understand what people need and value, then help them protect what they care about most with voluntary products that provide meaningful financial security and peace of mind.

**You care.
We listen.**

For any questions about the research or about how to use these strategies to develop successful employee benefit communications, contact a Trustmark sales representative.

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