

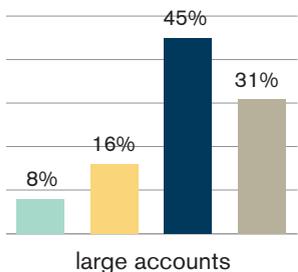
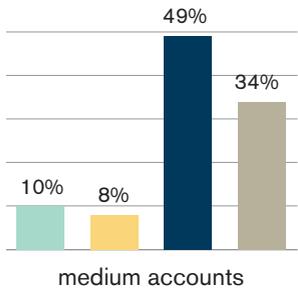
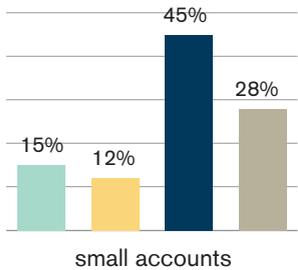
PLOT POINTS

By Gil Lowerre and
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What's in your bag of benefits?

Number of voluntary products offered

1 2 3-5 6 or more



THE VOLUNTARY MARKET is constantly changing, but the degree of change the last five years has occurred faster than ever before. It's not your father's market when it comes to benefits. Employers are offering a wider variety of benefits and benefit types that were not typically offered in the past. This article explores this trend and gives insights into the types of new, non-traditional benefits that you may want to have in your bag of benefits.

Over the last five to eight years, employer attitudes towards voluntary benefits have changed. Gone are the days when employers had limited payroll deduction slots and only offered those benefits in which most employees were interested. Today's employers are open to offering benefits that some employees need and want, even if it's not the majority. With this comes several ancillary changes taking place. First, more voluntary products are being offered. Today, about one-third of employers offer six or more voluntary products. Half offer between three and five.

Secondly, we are seeing sales of different types of products. Disability and life are still top sellers, but other products like accident, hospital indemnity, and critical illnesses are growing faster than the leading products. In addition, more non-traditional products are being offered. In a recent



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survey of brokers, 40 percent or more indicated offering:

- Wellness programs
- Discount health programs
- Legal plans
- ID theft insurance

More brokers are also offering pet insurance, vacation plans, and computer/appliance/furniture purchase programs to their clients.

Employers are also interested in these types of products. When asked about programs they do not currently offer, non-traditional products hit the top of the potential index. The potential index is a measure created to compare the

sales opportunity for various products. The index factors together the percentage not offering a particular benefit on any basis with the percentage interested in offering the benefit on an employee-pay-all basis. Thus, products that are not offered by a high percentage of employers tend to rank relatively higher than a product (like dental) that most employers offer.

Non-traditional products are readily available in the market today and are a great way to catch the attention of employer clients. Brokers that choose not to offer a full range of voluntary benefits—both traditional and non-traditional—are missing tremendous sales opportunities. What better way to differentiate your company in an industry where competition for customers continues to increase. If you don't offer these attention-getting products, the competition may be getting ready to get the attention of your clients.

	Percent interested	Percent not offering	Potential index
EE Purchasing Program	14%	88%	12.52
Auto/Homeowners'	13%	88%	11.41
Cancer	14%	80%	11.09
Annuity	13%	84%	10.63
Legal	13%	84%	10.47
Critical Illness	14%	74%	10.31
Pet	11%	91%	9.98