

# Voluntary Benefits Strategies

## General Voluntary Benefit Strategies

These should be applied regardless of the enrollment strategy.

1. **Passive/Auto Enroll** – Typically use with STD and LTD. If a client is not willing to execute the strategy as stated below, just go with the 25% rates. Missing the 75% participation rate will result in everyone's deductions increasing and upset client / employees.

Three reasons why to Auto Enroll:

- i. All employees need the coverage
    - ii. All employees pay less
    - iii. Reduce fraudulent work comp claims
  - a. Use an opt-out form – see attached. Employees must go to HR to opt out, don't let them opt out over the phone or during their enrollment.
2. **Post Tax** – Voluntary Benefits are always post-tax deductions. This ensures the benefit is nontaxable and employees can drop at any time. This is especially helpful with the Auto Enroll strategy as people will realize later that they were auto enrolled and throw a fit. The client can easily defuse the situation by simply removing their deduction, if they are still upset and it is within 30 days of the effective date, they can refund their premium. This is easiest with a self-bill arrangement.
3. **Implementation management** – Once the case is sold, engage our implementation coordinator, Jessica Brown. She will set up a weekly call, take notes and set agendas for each meeting. Tasks to complete generally include sold case paper work, communication strategy, system configuration/testing, and enrollment partner training.
4. **Communications** – send out multiple communications prior to OE – recommend a 3 x 3 strategy – 3 types of communication beginning 3 weeks ahead of the OE. Example
    - a. Post Card sent to homes 2-3 weeks out – highlights changes coming, provides dates for OE and instructions on how to enroll. Post cards do not need to be opened and the spouse will see them.
    - b. Posters / Memo / Emails 1-2 weeks out – same message as post card, maybe a little more details.
    - c. Group meetings – week before – again highlights changes coming, provides dates for OE and instructions on how to enroll.
    - d. Enrollment guide – week before – put dates for OE and instructions on how to enroll on front cover, can include a message from the company to employees in front cover and include summaries of all plans being offered.
      - i. **IMPORTANT** – for Life, Short and Long Term Disability, Accident and Critical Illness – embed carrier highlight sheets in guides with benefit

overview, rate calculations and limitations / exclusions. DO NOT do this on your own, missing important provisions like Pre-X and delayed effective dates can lead to VERY upset employees.

5. **Credits** – Money exists for marketing, implementation and technology. Carriers are coming at this from different angles, credits can come in the form of up front lump sum, on-time % of premium, or ongoing % of premium. Generally we see about 3% of premium. Helpful hints:
  - a. For the sales process, I find defined \$ amounts are easiest to present to client vs. % of premium. Main reason is the % is a moving target.
  - b. If you need credits, know what you are trying to cover when you send out the RFP.
  - c. Beware of carrier solutions – a lot of carriers will offer technology solution for “free” or a credit. We would rather take the money and put them on a carrier agnostic system vs. tie them to a carrier. Also, carriers are carriers first and benefit admin companies second, which means they tend to suck at it.
  
6. **Technology** – Start by asking about payroll, then ask about current benefit admin systems, then ask if they are evaluating any solutions. ACA has pushed benefits and payroll together and many clients are pursuing solutions. Just like carriers, payroll companies are good at payroll and so-so at benefits. If you have an all in one solution, we will need to find simple products to host.
  
7. What is the medical plan? Make sure there is a need before offering Accident and Critical Illness, if the client has a \$250 deductible, these benefits are not necessary and participation will be very low.
  
8. What is the PTO / Salary Continuation Policy? Make sure your disability plan is not overlapping these, it is a waste of money.
  
9. If you have a system, always self bill life and disability – it offers flexibility and eliminates the need for an EDI feed or dual entry into 2 systems.
  
10. Accident and Ci – Either use a payroll deduction report for billing or set these up with a self-bill. More carriers are allowing self bill of these benefits.
  
11. Attached is our non-med proposal, in addition to the benefit summaries, I like to include:

- a. Demographic summary to confirm the census we used is correct also establish the “average employee” that we will use to illustrate the weekly cost of the average employee. I find this puts the rates into understandable terms for decision makers.
- b. Complete package summary – this shows how the carriers stack up as a package vs line by line. Also you can include call-center fees, system fees, ACA fees, and credits to show the big picture total cost to the client.
- c. Benefit summaries – details of the quotes and options
- d. Sample timelines for implementations/communications so you have something to reference to help set expectations. They are going to be tailored for each transaction, but it is a start.
- e. Overviews of Enrollment strategies/payroll systems/ benefit admin systems/billing options – this helps the client understand what the options are and where they sit on the spectrum and potentially where they could go.

Overall, we want to provide competitive / valuable benefits to employees and drive efficiency into the administrative processes.