

# Working The Worksite Market

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# Today's Topics

- What is Worksite Marketing?
- Market Overview.
- What's Hot?
- Dangers On The Road To Success.

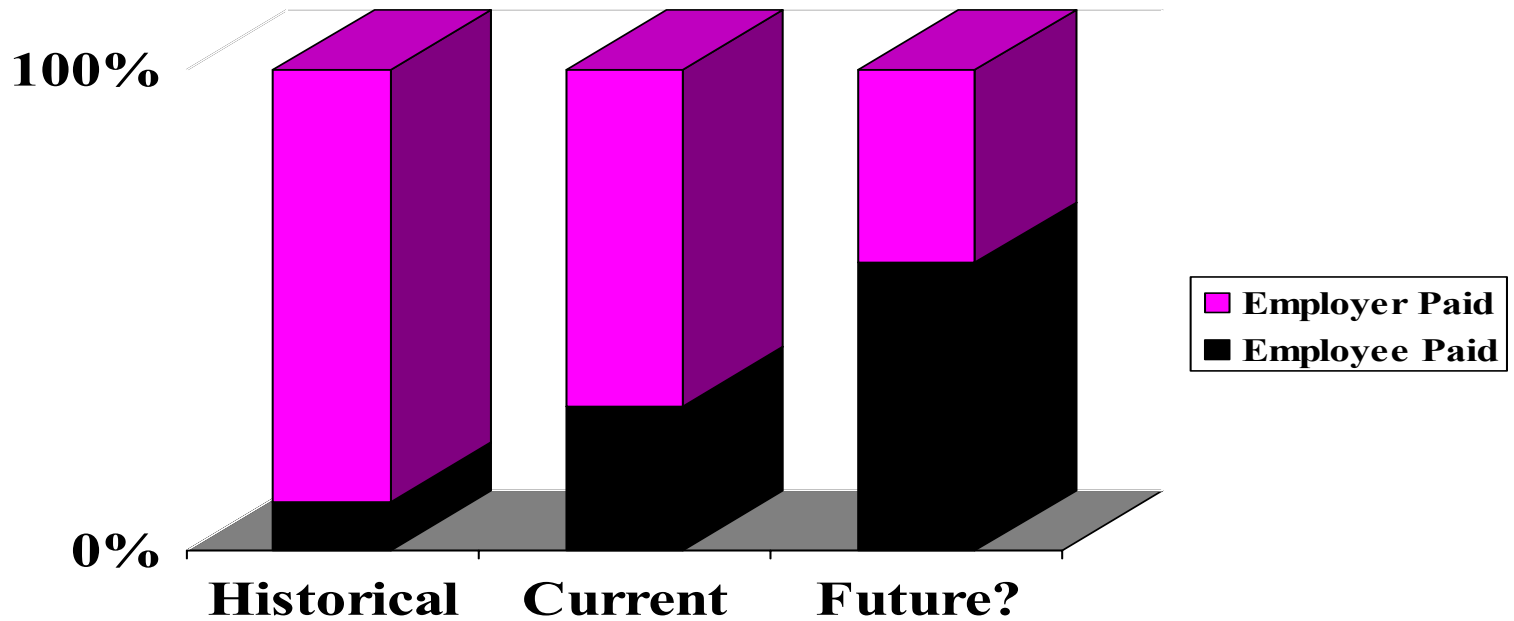
# What Is Worksite Marketing?

- Products are sold in the workplace.
- Products are voluntary (i.e. employees must elect coverage) and typically 100% employee paid.
- Can be built on an Individual Guaranteed Renewable basis or a Group chassis.
- New sales have grown to over \$4.0 billion in annualized premium.<sup>1</sup>
- Inforce annualized premium exceeds \$13.0 billion.<sup>1</sup>
- Market concentrated in Southeast, however, is continuing to expand.
- Enrollments typically done in one on one meetings.

<sup>1</sup> Source: Eastbridge Consulting

# How Do Voluntary Products Fit In?

## Benefit Contribution Split



**Cost Shifting Is Leading To Greater Employee Contributions**

# ‘Typical’ Differences Between Individual Voluntary Vs. Group Voluntary

# What Are Some Products Sold In The Worksite?

- Disability
- Accident
- Cancer
- Supplemental Health
- Life
- Critical Illness
- Long Term Care
- Dental

# What's Hot In Worksite?

- Medical Gap Plans
  - Bridges gap where employer is shifting more costs to the employee
- Long Term Care / Critical Illness
- e Capabilities
  - Ease of doing business
- Products compatible with Consumer Driven Health Plans
  - Regulations still vague

# What Are Some Dangers In Worksite Products?

- Potential Anti-Selection
  - Undisciplined Underwriting
- Persistency
  - Mobile workforce
  - Buyer's remorse
  - Low touch with insured
- Enrollment Strategy
  - Access to eligible population
  - Adequate participation?
  - Adverse Selection



## What Are Some Effective Risk Mitigants?

- Require adequate participation
- Understand the enrollment strategy being utilized
- Identify the population being marketed to
  - Employer groups, associations, PEO's, 1099's, etc..
- Encourage packaged sales
- Take steps to maximize persistency
  - Minimize buyers' remorse
  - Agent Education
  - Quality service
  - Minimize employer headaches

# What is the Future of Voluntary Products?

- Voluntary market continues to grow at a strong pace as employers look to shift benefit costs to employees.
- Individual products have historically had a larger proportion of the market. The gap is closing
  - Approximate 60%/40% split between Individual Voluntary and Group Voluntary.
- Worksite remains an effective vehicle for selling insurance products