

# The Benefits Challenge

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Ameritas Group



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## **Are you getting the most from the benefits you offer employees? Do you know why you offer the particular plans included in your employee benefits package?**

Employee benefits are one of the top 10 issues on the minds of management teams at processors across the country. Their concerns revolve around balancing costs while providing the right mix of benefits to retain and attract quality employees.

The solution for processors is to develop a proactive approach to employee benefits and offer plans that best match employee needs, instead of waiting until renewal time to evaluate insurance proposals and premiums.

Consider the following strategies to help your business take control of benefits plans:

- Develop a long-term strategy. Many owners and management team members think about employee benefits just several months before renewal time. While this approach has worked in the past, today's benefits are fairly complex and require advance planning to find the right options that match employee needs.
- Define your benefits objectives. It's important to clearly understand why you provide employee benefits. For example, are specific benefits required by union contract or necessary to recruit and retain quality employees? Identifying your benefits goals will help you select the options that are the best match.
- Listen to employees' opinions. Survey employees to determine the benefits employees value most and their opinions of current plans. Gather feedback from unbiased individuals in the organization, especially if employees work under a union contract. Ask for help in prioritizing options, but avoid making promises in case you are not able to fulfill them.
- List critical features for each benefit plan. Review current plan utilization trends and employee demographics. Look for large segments of workers with specific needs, such as individuals with young families, those with certain types of diseases or health conditions, or those nearing retirement age.

If you have a large segment of transitory workers, the eligibility period may need to be short enough for them to qualify for benefits; otherwise, they may decide not to participate, which could affect the success of the plans.

- Interview insurance carriers to find a strategic partner. Carriers have different areas of expertise and operational philosophies. Ask carriers for specific details on their experiences with plans and businesses

of similar size and scope to yours, and for a history of premium increases. Identify carriers that want to partner with you in providing the best benefit options.

- Explain benefit plan needs to your insurance broker. To help your insurance broker shop for the right mix of benefits, explain your benefit goals, insurance carrier preferences, and plan design requirements.

Note: If you wait until renewal time to identify carrier preferences, your insurance broker may not have sufficient time to find the best carriers with the right plan design and premium, and you may have less control over benefit options.

- Evaluate plans to find the best fit. Carefully review plan designs for the right match for your employees. Remember, you don't have to take the first proposal you receive. If you find a carrier and plan you like, negotiate for desired features.
- Communicate new benefits to employees, especially if there are changes from current plans. In the popular *Forrest Gump* movie, we are told that "life is like a box of chocolates – you never know what you're gonna get." Many employees feel this way about insurance benefits. After reading benefits materials and listening to a presentation on plan choices, they may still feel uncertain whether the options they select will provide the coverage and care they expect.

For optimum participation, invest the necessary time to help employees understand and evaluate the plans and features so they can make choices that will best meet the needs of their families. This is especially important if you change the coverage from the plans offered the previous year. In the review process, you may have identified unused features in current benefits plans and decided to exchange them for more pertinent services. Clearly communicate the reasons for these changes; otherwise employees may think they're receiving a lower-quality plan.

- After new benefits are introduced, track employee feedback. Regularly ask employees about their experiences with the plans and insurance carriers, and use this information to identify future benefits needs.

You can maximize your plan offerings and boost employee satisfaction with the benefits you provide, if you take time to develop an action plan, keep the lines of communication open with employees, and develop relationships with insurance carriers and producers who will partner with you for success in achieving your benefits goals.

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