



Renaissance®

DENTAL • VISION • LIFE • DISABILITY

SMALL BUSINESS GUIDE:

Ancillary Benefits Can Be a Win-Win for Business Owners & Employees

Strategies for Boosting
Employee Well-Being While
Supporting Your Bottom Line



Renaissance White Paper
RenaissanceWorksforYou.com



Help Boost Employee Health and Financial Well-Being with Ancillary Benefits

As an organizational leader, it can be difficult to choose between decisions that are good for business and those that are good for your people — especially during uncertain times. But when it comes to employee benefits, it doesn't have to be one or the other.

Today's employees, especially younger generations, want holistic support for their overall health and well-being.¹ They're seeking ways to stay healthy and safeguard their income and savings.² **Employers can help meet these needs by offering ancillary benefits like dental, vision, life and disability coverage, which address both physical and financial health.**

What Are Ancillary Benefits?



Often offered on a voluntary basis where they are partially or sometimes 100% employee-paid, ancillary benefits can be an affordable option for small businesses. While the financial burden for employers is low, the positive impacts that ancillary benefits can have on your employees may be far-reaching.

Designed to supplement medical insurance and retirement savings plans, ancillary benefits enable employers to provide more attractive benefits packages that address things medical insurance may not cover, like dental and vision care services and lost wages due to an unexpected life event.

In addition to increased financial security and preventive health benefits, employees can also take advantage of employer-secured group rates and convenient payroll deduction payments.



Ancillary Benefits Are More Important Than Ever

In recent years, ancillary insurance has become an increasingly important piece of a well-designed benefits package.

72% of organizations involved in a recent survey reported increasing their benefits offerings within the last year to retain employees.³

Employee Engagement is More Than Just a “Nice to Have”

More employers are realizing that ancillary benefits can be a cost-effective way to boost employee engagement, overall well-being and performance on the job. Studies show employees with high well-being are more engaged and resilient.

In fact, Gallup research⁴ indicates employees with high well-being are:



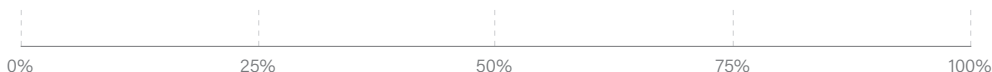
81% less likely to seek out a new employer in the next year



41% less likely to miss work due to health problems



36% more likely to recover fully after illness, injury or hardship



Finding New Employees Can be Costly and Time-Consuming

From recruitment to lost productivity and training, employee turnover can be a high and often underestimated cost for small businesses.

Let's consider the numbers.

The average
cost per hire is
\$4,129⁵

Average time it takes
to fill a position is

42
DAYS⁵

Offering a competitive benefits package is an effective way to both attract new employees and keep your current employees loyal. In fact, **78% of employees are more likely to stay with their employer because of their benefits program.⁶**



Help Your Employees Save Money and Protect Your Bottom Line

For Employers, Ancillary Benefits Don't Have to be Expensive

One of the most attractive aspects of ancillary benefits is that they can be offered on a voluntary basis, where employees pay most or all of the cost. This allows employers to demonstrate that they value their employees without incurring a heavy financial burden. Any administrative costs are typically low, and because some types of voluntary benefits can be paid for with pretax dollars, the potential payroll tax savings may help offset these expenses.⁷

Overall, the cost of offering ancillary benefits is often minimal compared to the positive impact they can have on employee morale and overall well-being.⁷

At the Same Time, the Cost-Savings for Employees are Far-Reaching

Group policies for ancillary benefits typically cost much less per covered employee than what most employees would pay for an individual policy.⁸ So even if your employees are paying some or all of the premiums themselves, they may be getting a better deal.

In addition to lower cost, employees also consider choice and the convenience of paying pretax and through payroll deductions as strong advantages of voluntary benefits.⁹





The ROI of Helping Your Employees Stay Healthy



Routine Dental and Vision Exams May Help Detect Serious Health Issues

Billions of dollars are lost each year in worker productivity due to chronic health conditions, including heart disease, diabetes and tooth decay.¹⁰

Studies show that routine dental exams can help prevent tooth decay and enable earlier detection of chronic health problems like heart disease, stroke or diabetes.¹¹ Similarly, regular vision exams can detect things like glaucoma, diabetes, and even high blood pressure.¹²



When chronic conditions are detected early, it can result in increased employee productivity and help save thousands of dollars in healthcare costs per patient, per condition.¹³

Removing Financial Barriers to Care

While the benefits of preventive oral and vision care are clear, without insurance, many people may skip these important appointments. For example, more people report financial barriers to receiving dental care compared to any other type of health care.¹⁴

And patients are four times more likely to seek professional eye care services when offered vision benefits that cover both an eye exam as well as glasses and contact lenses.¹⁵ By offering dental and vision benefits, employers can help remove financial barriers and provide access to vital preventive care.





Alleviate Employee Financial Stress to Boost Productivity

Steady Income is Critical to Employees' Financial Security

If a primary wage earner died or couldn't work for an extended period of time, 35% of households would feel the financial impact within one month.¹⁶ And these types of financial concerns can weigh heavily on employees. In fact, financial matters are a top cause of stress and distraction at work.¹⁷

35% of households would feel the financial impact within one month, if a primary wage earner died or couldn't work for an extended time.¹⁶

Taking steps to help alleviate this stress, however, may have a positive impact on business, including reduced employee absences, greater productivity and decreased healthcare costs.¹⁸ One way that employers can help is by providing income protection through group life and disability insurance.

Provide Important Peace of Mind Coverage with Life Insurance

A recent study reports that 16% of consumers — 41 million Americans — say they need life insurance coverage but don't have it.¹⁹ At the same time, the perceived cost of life insurance often deters consumers from purchasing individual policies. The study found that more than half of Americans estimate the cost of a term life insurance policy to be more than three times the actual cost.¹⁹ Younger Americans are likely to estimate the cost to be as much as five times the actual cost.¹⁹

Because employers can often get more attractive group insurance rates than an individual employee can find, employers are in the unique position to help employees obtain life insurance that may protect their families' financial future and provide important peace of mind.

Safeguard Financial Security with Disability Insurance

People may think disabling events won't happen to them. However, the COVID-19 pandemic has created a new reality where the threat of serious illness is top of mind, and more people may be realizing just how valuable disability insurance can be.

Without some form of income protection, many employees would face financial difficulty if they had to miss work due to illness, injury or pregnancy.²⁰ Disability insurance provides this protection by covering a portion of employees' paychecks during a short-or long-term medical absence. It can play a vital role in alleviating stress when an unexpected life event disrupts an employee's financial security.

From an employer's perspective, if an employee is unable to work, you may face decreased productivity and possibly even lost revenue. Offering disability insurance may also help you avoid difficult decisions around compensation, such as when to stop paying an employee after their sick leave runs out.





How to Design a Winning Ancillary Benefits Program

1 Identify Objectives and Develop Your Strategy

Before you start building your ancillary benefits program, it's important to establish your budget, set strategic goals and identify metrics. Why are you offering ancillary benefits? How will you measure performance and progress towards your objectives?

At this point, you'll also want to develop a relationship with an experienced broker or insurance provider. They can help you prioritize your goals and make sure you're covering all the bases to best determine your insurance needs.

2 Assess Employee Needs

Evaluate your corporate culture, employee demographics and existing gaps within your core benefits offering to identify the needs of your employees. Ancillary benefits are not a one-size-fits-all and this important step will ensure the coverage, cost and provider networks fit the needs of your unique workforce.

3 Do Your Diligence

Your broker or insurance partner can provide cost data and help you take advantage of any tax savings your business may qualify for. You may also consider evaluating your current benefits plan design to find ways to promote cost savings and eliminate underutilized benefits that are not important to employees.

4 Design Your Benefits Offering

Work with your broker or insurance partner to tailor a package that meets your budget requirements and goals. This is where you'll make decisions such as how your plan will be funded, what level of coverage you will offer, whether the coverage will extend to spouses and dependents and more. You'll also determine the implementation process, timeline and how employee questions will be handled.

5 Implement and Communicate

Identify which communication methods may be most effective for your business and create a process for onboarding and open enrollment.

Your communication strategy should highlight the purpose and value of your benefits offering. It should also help your employees understand their coverage and any tools available to them, such as an online portal, to avoid confusion and ensure smooth adoption. If employee feedback was used to shape the program design, make sure employees are aware that their feedback was taken into consideration.

6 Measure Results

Gather usage data throughout the year to set benchmarks and evaluate the effectiveness of your ancillary benefits offering. Consider periodic employee surveys to better understand employee needs and adjust your strategy on an ongoing basis to encourage utilization.

Conclusion

It's no secret that your employee benefits program plays a vital role in your business' ability to recruit and retain high-performing talent. Not to mention the possible bottom-line impact you may see with increased productivity and fewer employee absences.

Offering voluntary insurance like dental, vision, life and disability coverage doesn't require extensive resources or funds. And expanding your overall program to include these vital benefits can have an even greater impact on both your employees and your business. Ancillary benefits may be a cost-effective way for businesses of all sizes to remain competitive, while supporting the health and financial well-being of their employees at the same time.



To download free resources and discover more ways ancillary benefits can help your business and your employees, visit **RenaissanceWorksforYou.com**

About Renaissance

Renaissance provides innovative dental, vision, life and disability insurance plans alongside exceptional customer service to groups nationwide. Renaissance offers customizable benefits options that facilitate the receipt of necessary care for groups of all sizes.

At Renaissance, the goal is to provide customers with flexible plans that meet their needs, develop and maintain lasting relationships, and ensure customers receive strong value.



Strong Networks

300,000+ participating dental provider access points nationwide²¹
91,000 vision access points through VSP²²



Outstanding Service

Our U.S.-based team anticipates needs and facilitates timely enrollments



Phenomenal Claims Processing

99% of dental claims processed within 10 days²¹



References

- ¹ "Welltok's New Report Reveals That Vast Majority of Millennials (93%) Want a Provider Relationship." Welltok, 14 Nov. 2019, <https://www.prnewswire.com/news-releases/welltoks-new-report-reveals-that-vast-majority-of-millennials-93-want-a-provider-relationship-300958498.html>. Press release.
- ² Howe, Neil. "How the Millennial Generation Is Transforming Employee Benefits." Benefits Quarterly, second quarter 2014, <https://www.iscebs.org/resources/bq/documents/bq214a.pdf>
- ³ Society for Human Resource Management (SHRM). "2018 Employee Benefits Report." June 2018. <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/2018%20Employee%20Benefits%20Report.pdf>
- ⁴ Gabsa, Robert and Rastogi, Shruti. "Take Care of Your People and They'll Take Care of Business." Gallup, June 2020. <https://www.gallup.com/workplace/312824/care-people-care-business.aspx>
- ⁵ Society for Human Resource Management (SHRM). "Average Cost-per-Hire for Companies is \$4,129, SHRM Survey Finds." August 2016. <https://www.shrm.org/about-shrm/press-room/press-releases/pages/human-capital-benchmarking-report.aspx>
- ⁶ Willis Towers Watson. "Employees Are More Likely to Stay with Their Employers When Offered a Group Benefit Marketplace." August 2018. <https://www.willistowerswatson.com/en-US/insights/2018/08/employee-and-employer-satisfaction-with-group-benefit-marketplaces-survey-results>
- ⁷ Sammer, Joanne. "HR Gets Strategic About Voluntary Benefits." HR Magazine, May 2014. <https://www.shrm.org/hr-today/news/hr-magazine/pages/0614-voluntary-benefits.aspx>
- ⁸ Kagan, Julia. "Group Health Insurance." Investopedia, July 2020. <https://www.investopedia.com/terms/g/group-health-insurance-plan.asp>
- ⁹ Employee Benefit Research Institute. "Views on the Value of Voluntary Workplace Benefits: Findings from the 2015 Health and Voluntary Workplace Benefits Survey" EBRI Notes, v. 36, no. 11. https://www.ebri.org/docs/default-source/ebri-notes/ebri_notes_11_nov15_wbs-polfor.pdf?sfvrsn=21ce292f_0
- ¹⁰ Centers for Disease Control and Prevention. "Health and Economic Costs of Chronic Diseases." <https://www.cdc.gov/chronicdisease/about/costs/index.htm>
- ¹¹ Evans, Caswell A. "The Connection Between Overall Health and Well-Being." <https://www.ncbi.nlm.nih.gov/books/NBK219661/>
- ¹² National Association of Vision Care Plans. "Managed Vision Care in the U.S." <https://secureservercdn.net/198.71.233.184/5df.048.myftpupload.com/wp-content/uploads/2018/10/FACT-SHEET-Managed-Vision-Care.pdf>
- ¹³ Centers for Disease Control and Prevention. "Workplace Health Promotion." <https://www.cdc.gov/chronicdisease/resources/publications/factsheets/workplace-health.htm>
- ¹⁴ Vujicic, Marko, et al. "Dental Care Presents the Highest Level of Financial Barriers, Compared to Other Types of Health Care Services." Health Affairs, December 2016. <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2016.0800>
- ¹⁵ National Association of Vision Care Plans. "Managed Vision Care in the U.S." <https://secureservercdn.net/198.71.233.184/5df.048.myftpupload.com/wp-content/uploads/2018/10/FACT-SHEET-Managed-Vision-Care.pdf>
- ¹⁶ Scanlon, James T., et al. "2018 Insurance Barometer Study." LIMRA, April 2018. <https://www.limra.com/en/research/research-abstracts-public/2018/2018-insurance-barometer/>
- ¹⁷ PwC. "PwC's 9th Annual Employee Financial Wellness Survey: 2020 Results." <https://www.pwc.com/us/en/industries/private-company-services/library/financial-well-being-retirement-survey.html>
- ¹⁸ Bonner, Patricia A. "The Impacts of Financial Stress on Your Employees." Benefits Magazine, June 2016
- ¹⁹ LIMRA. "2020 Insurance Barometer Study Reveals a Significant Decline in Life Insurance Ownership Over the Past Decade." June 2020. <https://www.limra.com/en/newsroom/news-releases/2020/2020-insurance-barometer-study-reveals-a-significant-decline-in-life-insurance-ownership-over-the-past-decade/>
- ²⁰ Council for Disability Awareness. "Disability Statistics." March 2018. <https://disabilitycanhappen.org/disability-statistic/>
- ²¹ Renaissance Internal Data, 2019
- ²² VSP Internal Data

Underwritten by Renaissance Life & Health Insurance Company of America, Indianapolis, IN, and in New York by Renaissance Life & Health Insurance Company of New York, Binghamton, NY. Both companies may be reached at PO Box 1596, Indianapolis, IN 46206. Products may not be available in all states and jurisdictions.



DENTAL • VISION • LIFE • DISABILITY

Ready to See How Ancillary Benefits Can Make a Difference?

Contact your broker to ask about Renaissance today. If you don't have a broker,
call **1-800-963-4596** or visit **RenaissanceWorksForYou.com**