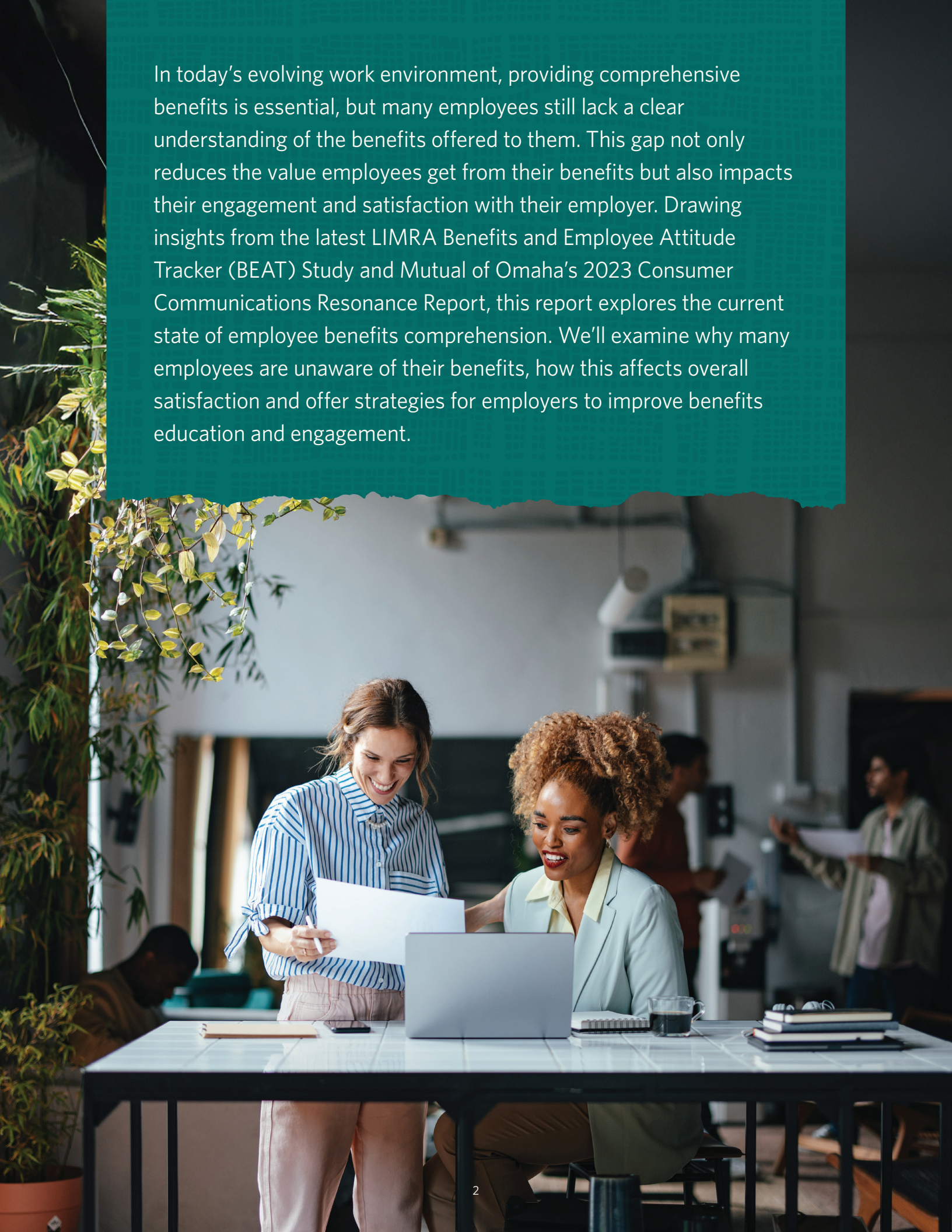


Bridging the Benefits Understanding Gap:

EMPOWERING EMPLOYEES THROUGH EDUCATION



In today's evolving work environment, providing comprehensive benefits is essential, but many employees still lack a clear understanding of the benefits offered to them. This gap not only reduces the value employees get from their benefits but also impacts their engagement and satisfaction with their employer. Drawing insights from the latest LIMRA Benefits and Employee Attitude Tracker (BEAT) Study and Mutual of Omaha's 2023 Consumer Communications Resonance Report, this report explores the current state of employee benefits comprehension. We'll examine why many employees are unaware of their benefits, how this affects overall satisfaction and offer strategies for employers to improve benefits education and engagement.

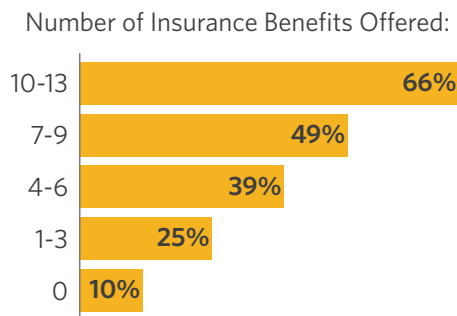


Benefits Understanding Gap

One of the critical findings from the BEAT study is that a significant portion of employees struggle to comprehend the benefits available to them. Among the various benefits offered, dental insurance was the most understood, with 72% of employees reporting a good understanding. However, awareness drops significantly for other products, with only 39% of employees indicating a solid understanding of critical illness insurance. The gap in understanding is especially prominent for supplemental health and disability insurance.

In addition, employees tend to be more satisfied with their employer when offered a broader range of benefits, with satisfaction levels increasing as the number of benefits offered grows. However, it's just as important to ensure their employees fully understand these benefits, as a lack of comprehension can prevent them from realizing the full value of their benefits package.

Percent of Employees Satisfied with Their Benefits by Number of Insurance Benefits Offered



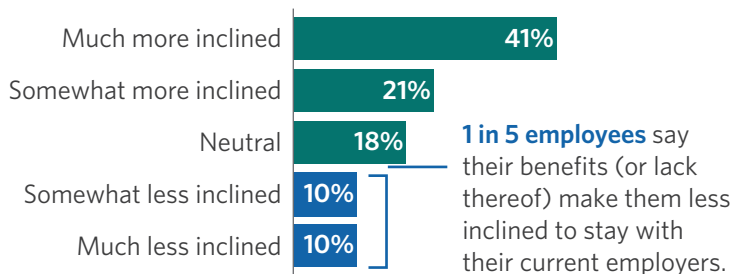
*Represents percent of employees who report high satisfaction with their benefits (satisfaction rated 8-10 on a 0-10 scale). Based on all employees.

Awareness of Available Benefits

Beyond comprehension, many employees are also unaware of the specific benefits their employers offer. For example, 2 in 5 employees lack confidence if their employer offers disability products, and over 50% lack confidence if their employer offers health supplemental products. This lack of awareness compounds the challenge, as employees are unable to leverage benefits they may not even realize are offered.

Impacts of Benefits on Employee Loyalty

Does your benefits package make you more or less inclined to stay with your current employer?



Higher Satisfaction



Higher Retention

76%

of employees who feel they **do understand** their benefits were highly satisfied with their benefits.

ONLY 13%

of employees who feel they **don't understand** their benefits were satisfied with their benefits.

There's a clear correlation between the understanding of benefits and overall employee satisfaction. When employees are satisfied with their benefits, they're more likely to remain with their current employer, enhancing retention.

Challenges in Benefits Education and Employee Engagement

To thrive in today's rapidly evolving landscape, workplace benefit providers are being called to understand the challenges employers are facing and offer solutions to meet those needs. This involves staying informed about employees' shifting benefit requirements, providing innovative products and supporting employers in delivering and communicating benefits in a way that's accessible, cost-effective and aligned with their talent attraction and retention efforts.

Concerningly, both medical and other insurance benefits have **declined in importance** since last year. The increased focus on factors like salary and work-life balance may be distracting employees from thinking about benefits, driven by external factors such as the economy and inflation. It's essential to continue educating employees about the value of insurance benefit offerings so they don't lose sight of the value these benefits provide.

The Role of Employers in Benefits Education and Communication

Many employees feel overwhelmed by the complexity and sheer volume of benefits available to them. Moreover, jargon-filled, complex language that lacks relevance to the employee's own personal situation. The concentration of benefits communication around open enrollment periods only adds to the confusion. To mitigate these challenges, employers must develop year-round communication strategies that make it easy for employees to access and understand benefits.

This is especially important as an effective year-round benefits communication strategy by employers results in employees making more confident decisions at open enrollment.

Employee's confidence in benefits decisions based on employer communication



86%
confidence

Employer communicates
very/extremely well

vs

Employer communicates
not well

32%
confidence



Simplified Communication

It's essential to present benefits information in a straightforward, engaging and human-centered way. Creating personalized content that connects with employees' unique situations can help them understand the benefits better and feel more confident in using them. Communication should also be delivered in digestible formats, such as short videos or case studies, to simplify complex topics.

50%

of employees say their companies only provide information about benefits during the open enrollment period.

However

73%

of employees would prefer to receive benefits communications a few times or frequently throughout the year.

Multi-Channel Approach

The BEAT study and Mutual of Omaha's research both underscore the importance of a multi-channel communication strategy. While 85% of employees prefer digital communication, such as emails or online portals, the human element remains essential. About 44% of employees prefer in-person meetings or benefit fairs, and two-thirds desire opportunities to ask questions, whether virtually or in person. Offering multiple communication avenues ensures employees engage with the materials in a manner suited to their learning style.



85% of employees prefer digital communication



44% of employees prefer in-person meetings or benefit fairs

Primary Challenges in Improving Benefits Education

CHALLENGE #1:

Low Engagement with Educational Resources

Employees frequently do not fully utilize the educational resources available to them, such as webinars, informational emails, or one-on-one consultations. To improve engagement, employers should offer a variety of communication formats and provide ongoing learning opportunities throughout the year, not just during open enrollment. Additionally, employers should create dedicated time during the workday for employees to learn about their benefits, recognizing that employees often have limited time and attention outside of work for these matters.

CHALLENGE #2:

Overcoming Employee Reluctance

One of the main challenges in engaging employees with their benefits is overcoming their reluctance to learn about insurance products. By making educational materials more engaging, relevant, and personalized — while simplifying the language to be less jargon-heavy — employers can encourage employees to take the time to better understand their benefits.

Closing the Gap: Strategies for Employers to Overcome the Challenges

To bridge the benefits understanding gap and drive engagement, employers can:



Focus on Clear, Year-Round Education

Employers should provide clear, digestible information about benefits year-round, rather than just at open enrollment. Information should be tailored to employees' needs and life stages, ensuring it's relevant, understandable and accessible.



Personalize and Humanize Communication

Personalization, whether through storytelling or one-on-one interactions, helps employees connect with the material. Employers should aim to make communications personal and relevant, not just a series of products.



Utilize Multi-Channel Communication

A mix of communication channels — emails, webinars, benefit fairs and one-on-one meetings — ensures employees engage with benefits in the way that works best for them. All generations, from Baby Boomers to Gen Z, seek both digital and in-person methods to learn and ask questions about benefits.



Measure and Adjust

Employers should continuously measure employee understanding and engagement with benefits and adjust their communication strategies as needed to ensure employees fully comprehend and use the benefits available to them.

The understanding and engagement gap in employee benefits is a critical issue that employers must address to improve satisfaction, well-being and retention. By investing in clearer, more frequent education and creating more accessible and personalized communication strategies, employers can empower their workforce to make the most of their benefits. This, in turn, will foster a stronger, more engaged workforce and contribute to long-term organizational success.

Appendix

Context and Methodology

The BEAT Study

The BEAT Study (Benefits and Employee Attitude Tracker) is an annual survey of U.S. employees to learn about their views and attitudes toward workplace benefits and general employment issues. This is the third annual report.

In January 2024, LIMRA conducted an online survey of U.S. employees. The sample consisted of 4,093 full- and part-time employees aged 18 to 64. The survey included both employees who currently receive insurance benefits through their employers and those who don't. The sample was targeted and weighted to be representative of the general population of U.S. employees based on age, gender, full- or part-time status, education, race/ethnicity, personal income, company size and public versus private sector employment, based on data from the U.S. Census Bureau.

Mutual of Omaha's 2023 Consumer Communications Resonance Report

This report aims to enhance Mutual of Omaha's understanding of the most effective ways to communicate benefits information to employees. This study is part of a series of four "quick pulses" within a broader 2023 research program.

Mutual of Omaha partnered with Vital Findings, a third-party research company, to conduct this study.

The research was conducted using an online community format, where participants engaged in 30 minutes of interactive questions. This approach enabled real-time feedback and insights into how employees interact with benefits communications. The study included 21 employees, all of whom met the following criteria: aged between 26 and 64, employed full-time, enrolled in non-medical/non-retirement benefits, and currently employed at a company and enrolled in 2 or more supplemental benefits.

References:

¹LIMRA 2024 BEAT Study

²Mutual of Omaha's 2023 Consumer Communications Resonance Report