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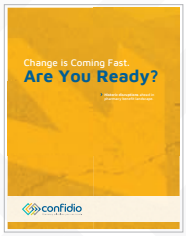

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Contents

April 2019 | VOL. 17 | NO. 2

Columns

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Contents

April 2019 | VOL. 17 | NO. 2

ADOBE STOCK

ADOBE STOCK

Features

Upfront & More

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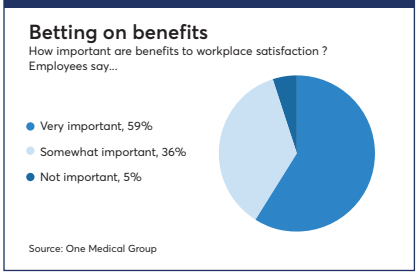

Younger generations driving life-style benefits

Younger generations are often characterized as entitled and demanding — but that self-confidence is pushing companies to adopt new benefits.
https://bit.ly/2HSBu1g

Healthcare

What's really driving Amazon's healthcare partnership

Learn the latest on Amazon's plans for its Berkshire Hathaway and JPMorgan Chase healthcare partnership.
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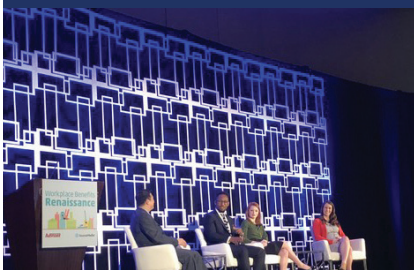
Slideshow



10 key takeaways: #WBR2019

Financial wellness, recruiting tactics, direct primary care and the latest technology were among the main talking points at this year's Workplace Benefits Renaissance conference.
https://bit.ly/2UiZuRK

From the Editor

Retirement conundrum

Can state-mandated retirement plans be the start of a national blueprint?

The state of retirement readiness for most Americans is not good — but that may be a boon for advisers.

Nearly half of older U.S. adults have saved nothing in any kind of retirement savings account. The U.S. Government Accountability Office in March reported that among Americans 55 years old and older, 48% had zero savings in an employer-sponsored plan or an individual retirement account. Some states are starting to do more to address this alarming trend.

About a decade ago, state legislatures around the country began questioning the retirement readiness of their residents, which paved the road for state-mandated retirement plans in 10 states over the last two years.

That experiment, begun first in Oregon — which in July 2017 became the first state to auto enroll its residents in a retirement savings plan — has spread to California, Connecticut, Illinois, Maryland, Massachusetts, New Jersey, New York, Oregon, Vermont and Washington state.

Can it expand further?

Chad Parks, CEO and founder of Ubiquity Retirement + Savings, and Ted Benna, long known as the "father of the 401(k) plan," say the answer is yes. For our focus on retirement this month, we asked contributing writer Bruce Shutan to interview retirement experts including Benna and Parks, who notes that as many as 20 more states are weighing such an approach to solve the retirement dilemma in America.

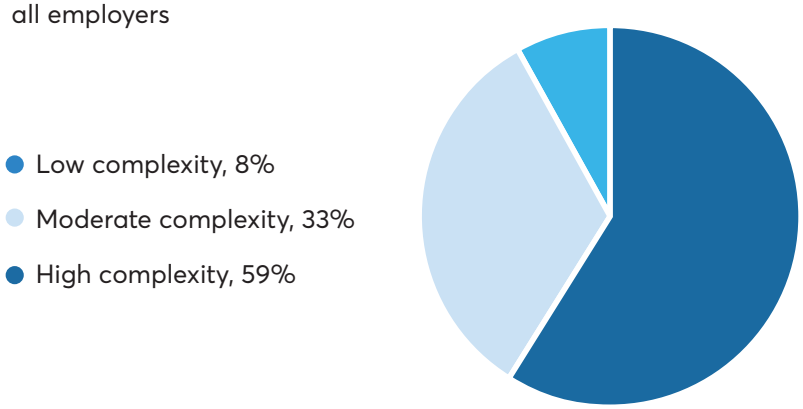
Almost half of the workforce doesn't have access to an employer-provided retirement savings plan, and the bulk of those employees work in businesses with 100 or fewer employees.

"The ideal solution," Parks says, "would be that this becomes a federal mandate because we're going to get 50 different flavors of nuanced, mandated retirement savings, and that's just going to make it harder to administer efficiently so that it's fair to the employees."

Parks and Benna argue that these state initiatives could form the basis for a national model. For now, as usual, politics stands in the way. **—Walden Siew**

The complexity of benefits

Perceived complexity of managing employee benefits among all employers



Source: The Guardian Warkplace Benefits Study

What clients really want from their benefits broker

Education and enrollment services may have been differentiators, but advisers need more to compete.

By Gil Murdock

Healthcare brokers are no longer the benefits salespeople of the past.

As lack of price transparency and low consumer health literacy contribute to climbing medical costs, benefits brokers have an opportunity to deliver more value than ever as strategic advisers.

HR is often short-staffed and asked to do more with less, and they are increasingly looking to benefits brokers to help optimize the ROI of their healthcare investments. Brokers provide crucial support in encouraging greater healthcare consumerism through education and communication strategies to ensure employers' offerings and services are in line with employees' needs.

The increased adoption of broker services confirms that they have the expertise and network in place to address mounting healthcare costs, but it also begs the question: what's next for the broker business?

Education and enrollment services may have been differentiators in the past, but brokers need to expand their offerings to remain competitive in the market.

Smarter employees, lower cost

Here at DirectPath, we surveyed more than 100 health insurance brokers to understand what services are currently most valuable to their employer clients and how those offerings may evolve in the year ahead.

As employers pay more for employee health insurance each year, 66% of broker respondents said employer clients heavily rely on them to control healthcare costs. In particular, employers are looking to convert employees into educated healthcare consumers.

Studies show there is a correlation between low health literacy and higher expenses. As a result, brokers are seeing moderate-to-high demand for services that empower employees to make cost-conscious healthcare choices.

While these offerings may not be new, there is a new zeal for what they can provide:

- Benefits communications to make sure employees understand and enroll in their benefits.
- Engagement services to increase employee participation in a preferred health plan.
- Transparency services which compare cost and quality among providers, explain savings opportunities and educate employees about their care options under their selected plan.

Most strategic brokers provide these services, which employers can enlist to support smarter employee decision-making all year round.

That said, employers seem to find these services especially valuable around open enrollment season. During this time, brokers said their employer clients looked to them for help across several areas, such as benefits communications (81%), enrollment support (80%) and engaging employees on benefits choices (73%).

These broker services that were once seen as cutting edge are now considered staple offerings for em-

ployers who want to control healthcare costs. Yet as the opportunity for brokers to deliver value expands, it will be interesting to see how their business plans follow suit.

"Our data showed very few people opted out of the program," said Keith Mason, senior vice president of HR at Newell Brands, the household-products maker with more than 53,000 employees. "People thought it showed the company cared about them."

Where will brokers focus in 2019

More than half of brokers say it is very important to add new services to meet demand and stay competitive in today's market. Of those respondents, brokers said the top drivers for innovation are rising healthcare costs (77%), demand for price transparency (60%) and competition (49%).

With this in mind, the market can expect to see a few trends in broker offerings in 2019, including:

- Continuing services that cater to price transparency, rising medical costs and other top-of-mind market issues, and that employer clients perceive as innovative
- Delivering superior customer service and relationships as a means of differentiation, which brokers report as a priority
- Highlighting less popular or new services that help to differentiate from the competition.

For example, 62% of brokers said their clients highly rely on them for compliance, yet only 5% cite compliance as the topic customers and prospects ask about most. A full 91% of brokers see a lot of value in offering those services, indicating potential opportunity.

As brokers increasingly solidify their position as an extension of clients' HR teams, their value proposition will continue shifting from 'why do you need a benefits broker?' to 'why should you hire this benefits broker?'

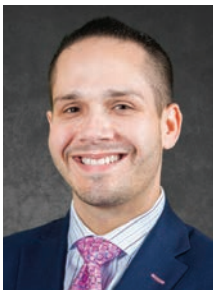
Those that understand the needs of the current market, as well as how trends will affect the needs of the future market, will rise to the top of the benefits industry. **EBA**

Gil Murdock *is the senior vice president of national accounts at DirectPath.*

How enhanced benefits can boost your business

Your firm could be leaving profit on the table — as much as 35% — simply from mishandling your business relationships.

By Eric Silverman



Business executives are well versed in the concepts behind a supply chain manager, but they rarely associate that concept with their health insurance.

Who ensures that an employer is spending the right amount of money on coverage, taking advantage of the most innovative concepts and strategies, and getting the maximum impact for their employees at the most optimal price point?

This lack of attention to detail goes not just for employers, but benefit advisers as well. In my conversations with advisers, they understand the critical need for a supply chain manager to take charge of their clients' enhanced benefits needs, but they aren't sure how it fits into their own brokerage's picture.

There is a huge revenue opportunity through enhanced benefits to not only enhance your existing book of business by upselling and cross-selling new products and services, but to also bring new groups into the fold. The latter is not something you'll hear from a typical carrier rep.

When I ask advisers who on their teams are ensuring they have the world's best contract with carriers and that their clients are being serviced properly, they typically say they don't have anybody doing that.

They need to understand that working with a truly strategic enhanced benefits partner can both maximize their firm's existing book of business and also lead to acquiring new clients.

As one example, I met my good friend, Chris Wolpert, a 2019 EBA Rising Star and owner and principal of Group Benefit Solutions in the Seattle area last year. He told me he liked the work I did to help clients, but he hasn't seen much money in it for him as an adviser.

In my grand old fashion, I responded that his firm is likely seeing less profit — possibly by as much as 35% — from mishandling of his benefits.

That led to a deeper conversation where he revealed he was using a carrier rep to work with his approximately 60 group clients on enhanced benefits. He said he considered the rep a friend and didn't think much beyond introducing him to his groups and expecting a "fair" commission split in return.

I pressed him a bit, asking what kind of split he would view as fair. Assuring me it was good, he said he'd get back to me the next day after he could check his numbers. The verdict? Ten percent. But 10% of what? The world's best contract or the world's worst? He didn't know.

He replied that he was just a small shop and didn't have a ton of clients, so he had to imagine he was "on one of the worst contracts that carrier has to offer." It didn't matter, I told him, 10% is still terrible.

I explained how I only work with carriers who give me and my adviser clients their best contract, and that we split from the top down with a minimum 30% split, ensuring my partners get a cut of all those carrier overrides, manager hierarchies, and even bonuses — all the things they're typically never included on or don't even know about.

As I continued to peel back the onion that was the carrier and carrier rep Chris was using, and as we got further into the weeds, he laid out another very common scenario, in that his carrier rep friend actually outsources most of the work to his brand new and very green sales agents. When they'd inevitably drop the ball, the client would get upset. And who would they blame? Chris, their adviser, of course. We stayed in touch afterward, and eventually he introduced me to one of his clients. As a one-man shop, he loved the idea of having me serve as his 'VP of Enhanced Benefits.'

Now, Chris uses the new strategies to enhance his existing income with his current book of business and open new accounts. In the last few months he's opened up several new accounts single handedly.

When I ask my client adviser partners what's of the most value to them, maximizing their existing book of business to gain new revenue or bringing in new business, I can't remember the last time someone didn't say they want new business. **EBA**

Eric Silverman *is principal and owner of the Silverman Benefits Group and recipient of EBA's 2017 Voluntary Adviser of the Year Award. Follow him on Twitter at @SilvermanSBG.*

To improve sales results, here's one weekly habit to adopt

Successful sales meetings are important. Don't miss the opportunity to educate and motivate your staff.

By Jack Kwicien

The keys to managing and growing a successful, thriving benefits practice depend on some important habits — and questions to ask.

Here are a few: Do you currently conduct a weekly sales meeting? Why not? Are you inadvertently conveying that sales are not important to the growth of your business? Is that the kind of message you want to convey?

Some of you are saying, I know that I need to do that, but I'm so busy. It's hard to fit that sales meeting in when there is so much else to accomplish. Re-read that and listen to how hollow an excuse that is. You need to make conducting effective sales meetings a significant priority.

To optimize your firm's sales results, one habit should be running successful sales meetings. It's your opportunity to educate, motivate and congratulate members of your organization. This activity needs to be an important part of your managerial focus.

Bringing structure and repetition to the somewhat chaotic and random world of sales is absolutely essential. We suggest that your weekly sales meeting be held on Mondays. By all means, avoid Fridays. It makes no sense to get your team highly motivated, only to send them home to enjoy a relaxing weekend.

Who should attend your weekly sales meeting? At a minimum, anyone with production goals and client contact. How else can you emphasize your firm's important sales goals for the week and month, and give appropriate recognition to those whose performance is outstanding?

New sales of a variety of products and services are the lifeblood of your business. So all your personnel need to hear your sales management message. Why should account management and customer service personnel attend your sales meeting? Because they have constant contact with your clients and they are the face of your firm. They are uniquely qualified to know about existing coverage gaps and cross-sell opportunities. You want everyone thinking about the additional solutions that you can provide to every client that they interact with on a regular basis.

When should you begin planning your weekly sales meeting? Your planning should start several days in advance, preferably on the Friday before to allow yourself time to organize your thoughts and to develop your meeting content. By noon on Friday, you should in theory know the sales results your firm had for the current week. You should know those results by individual and for the organization as a whole.

In addition, you may know about particular sales success stories that can be shared with all your team members. Ask a team member to be prepared to share their case study and to provide details about their success. Praise in public; criticize in private. Right? So keep your meetings positive and constructive.

Try to have a consistent format to your weekly sales meetings so that you address the same topics each week. The repetition will reinforce what you consider to be most important.

With some preparation your meetings will be informative, motivational and productive. Your staff will enjoy the creativity and the challenge of learning new approaches. And sales success will have everyone on the team feeling good about your firm's goals and accomplishments. Over time, it will translate to increased productivity, new clients and sales revenues. It will even positively impact your recruiting efforts. It will ultimately become the best hour of the week. Eventually, your team will be sharing their very best sales ideas since success and winning are infectious. So share your best sales management ideas and strategies. Soon you will be reaping the rewards of your efforts. **EBA**

Jack Kwicien, *an* Employee Benefit Adviser *columnist, is a managing partner at Daymark Advisors, a Baltimore consultancy.*

The right (and wrong) way to educate clients

When you blame clients, you become part of the problem. They don't know the alternatives because you haven't told them.

By Wendy Keneipp

Some advisers take time to educate (and re-educate) themselves for years.

Unfortunately, though, some do not.

Consider the issue of self-insurance for just one example.

I listen to brokers who are just learning about self-insurance and are going out placing blame on the employers for being so stupid. How how employers possibly have wasted all this money for all these years, they ask?

My question, Mr. Broker, is to you: What have you been doing all these years pitching retail carrier plans and not bothering to educate yourself on these alternatives? You've been part of the problem.

I'm not blaming brokers in this complicated formula. But I am saying they should stop blaming the employers who have been following the advice they have received for decades from brokers, carriers, medical providers and the media. They've been doing what they've been told, unaware of alternatives.

Conversely, there are advisers who have been learning self-insurance for a long time and putting in the hours educating themselves, educating clients, testing, tweaking, knowing who is a good fit and who isn't.

They don't go in yelling at clients about how they're getting ripped off and making poor decisions. They don't go in with silly analogies that come off as half-baked and leaving people questioning the sanity, or at least the blood pressure, of an overly zealous pitch.

As one example, I worked with a smart adviser in the early 2000s who always put his clients' interests first.

I remember the day he came in after meeting with a client when they told him they were talking with a competitor about self-insurance. He decided he needed to understand it at a higher level because he knew it was going to become increasingly important, especially for the types of clients he worked with.

He studied the ins and outs of the concepts, products, and providers. I also learned it well enough to help him create materials and reports to demonstrate to prospects and clients what it all meant.

We pulled all the data together to create materials that would properly educate. That was critical. He wouldn't have it any other way — employers needed to understand it if he was going to be able to sell it. If they didn't fully understand, we would rework the visuals or the message to make it clear.

We do need an education

Education starts before your first conversation with clients. It starts with your marketing: the content on your website, the blogs you write, the videos you create, the posts you make on social media.

Use those marketing vehicles to educate buyers and introduce new ideas to them. When you meet with them, be prepared to slowly introduce the concepts, be patient in answering questions, and expect that you'll have to explain, re-explain, and probably explain again.

It takes months (18 is a number we often hear) of really studying to get comfortable enough to successfully walk clients through it.

Despite how good your message and visuals may be, your clients are not going to learn in a 20-minute meeting what has taken you months, and the industry years, to learn and develop.

So go into employer conversations with the recognition that objections don't necessarily mean that people disagree. Instead, objections often mean that your listeners don't yet understand. Take their objections as an opportunity to educate.

Now is the time to educate the clients, if you haven't done so. Stop shoving it down their throat. Stop calling them stupid. Stop blaming them. That's not educating. **EBA**

Wendy Keneipp, *an* Employee Benefit Adviser *columnist, is a partner with Q4 Intelligence, a St. Louis-based consulting firm for insurance and benefits agencies. Follow her on Twitter at @WendyKeneipp.*

4 drivers of healthcare — and what advisers can do

Brokers can generate client healthcare cost savings by focusing on frequency and severity of claims.

By Nelson L. Griswold

Employer innovations in health benefits have come to include initiatives such as expanding wellness incentives, offering health savings accounts and health reimbursement accounts, and covering preventive drugs at 100% of cost.

These may have some value but they keep the broker and the employer on the frustrating benefits hamster wheel of activity with no measurable bottom-line results. None address the frequency and severity of the real drivers of healthcare costs.

According to the independent actuarial and consulting firm Milliman, there are four primary drivers of healthcare costs (shown with their percentage of claims dollars): Hospital care (31%), outpatient surgery (19%), physician services (29%) and prescription drugs (17%).

Reducing the frequency and severity of these cost drivers reduces healthcare and insurance costs. Just ask your clients.

Should you be asking your prospects, "What is your broker doing to reduce the frequency and severity of your claims?" Asking that question first is a good starting point. **EBA**

Nelson L. Griswold, *an* Employee Benefit Adviser *columnist, is an agency growth consultant and author of* DO or DIE: Reinventing your benefits agency for post-reform success.

Building a better 401(k)

Charlotte Santa Cruz is just one of 30 transformational leaders

By Bruce Shutan

Photo by Jordan Hollender

The U.S. retirement savings plan is broken, and while recent attempts to expand 401(k) savings has drawn mixed reviews, a consensus may be building around the need to unfurl a bigger financial safety net.

Several statewide attempts to close the nation's retirement savings gap may cross borders and serve as a precursor to a nationwide solution. Although only 10 states and one city have acted in the past two years, industry insiders say others could follow and a federal requirement is even possible.

As many as 20 other states already have contemplated this approach, says Chad Parks, CEO and founder of Ubiquity Retirement + Savings. He attributes much of that curiosity to the midterm election cycle, noting that it predictably falls along partisan lines with Democrats showing interest and Republicans opposing the idea.

A mandate represents "the only way that we're going to get a significant ratchet up in coverage" after years of failing to reach a much larger percentage of the workforce, according to Ted Benna, long known as the "father of the 401(k) plan."

While not a fan of government intervention, he believes there are instances where it's warranted to avert financial disaster. As such, Benna supports state or federal requirements that employers "at least offer a payroll deduction program."

Without federal action, he believes more states will pass mandates if favorable results are achieved by those that already have done so and wouldn't be surprised if 10 or more follow suit in the next two years. Benna doubts anything will happen at the federal level prior to the next election and will probably depend on who is president.

"The ideal solution," Parks says, "would be that this becomes a federal mandate because we're going to get 50 different flavors of nuanced mandated retirement savings, and that's just going to make it harder to administer efficiently so that it's fair to the employees." But this scenario would hinge on Democrats holding the House of Representatives and capturing both the Senate and White House in 2020, he adds.

OREGON TAKES THE LEAD

Almost half of the U.S. workforce doesn't have access to an employer-provided retirement savings plan, Parks says, explaining the phenomenon is largely confined to businesses with 100 or fewer employees. Most advisers in the 401(k) space who charge a percentage of assets ignore small businesses because their plan balances don't generate enough revenue. About a decade ago, he says state legislatures began questioning the retirement readiness of residents, which laid the groundwork for state-mandated retirement plans in California, Connecticut, Illinois, Maryland, Massachusetts, New Jersey, New York, Oregon, Vermont and Washington state, as well as Seattle. New York City has also proposed a voluntary payroll deduction IRA. All generally require a 3% employee auto-deposit into a retirement savings account unless the employee chooses to opt out.

Parks is encouraged by some "better-than-expected results coming out of Oregon," which in July 2017 became the first state to auto enroll its residents in a retirement savings plan. But all eyes are on California, long known for pioneering initiatives that spread to other states. The Golden State will require more than 400,000 businesses to auto-enroll nearly 6 million new savers during the next four years. The bluest of all states expects about 70% of plan participants to stay the course, according to Parks. He says the mandate, which took effect this year, eventually will trickle down market to five-employee companies.

Where it went wrong, he believes, is with a pricing model that can charge plan participants up to 100 basis points. This means that Ascensus, which was chosen to manage the program, will have to wait years for plan assets to reach a meaningful level. But he says it also can be seen in some circles as egregious for participants at a time when the industry is under fire for high fees and a lack of transparent pricing.

His prescribed fix: a hybrid of modest, fixed-dollar costs to the company and flat monthly fee to participants so that those charges don't rise as assets under management balloon. Any asset-based fee, he believes, should be

DAVID RAMIREZ
Co-founder and chief investment officer, ForUsAll

"We need to reimagine the 401(k), not capitulate and accept an inferior solution," Ramirez says.

assessed only in the first five years with a commitment to reducing that amount over the ensuing five years.

ROTH IRA VS. 401(k)

Although the payroll-deducted Roth IRA that governments have mandated as a baseline pales in comparison to the more robust 401(k) plan design, Parks considers it a step in the right direction to fill a serious national savings gap. Under this approach, he says employers aren't expected to foot the bill — only facilitate the plan offering. The IRA infrastructure also isn't subject to ERISA, 5500 form filings or discrimination testing.

However, he says a 401(k) is superior to the Roth IRA in terms of contribution limits, fees, the potential for matching contributions and consideration of individual risk tolerance. A 401(k) allows plan participants to defer substantially more of their paycheck each year on both a pre-tax and post-tax basis than under an IRA ($19,000 vs. $6,000 or $7000). Parks surmises that "60% of those who finally get into the retirement savings system would probably like the extra benefit of a 401(k) over the IRA."

A Roth IRA contribution ceiling is perfectly sufficient for some small-business owners and entrepreneurs who cannot afford to defer more of their income, Benna says. He notes that this is particularly true if both a husband and wife in business together contribute up to the max.

In recent years, he has rolled out three new plan designs for small employers that don't sponsor a retirement plan without the cost and complexity of a 401(k), which he admits doesn't fit all small businesses. The paperwork required when someone leaves their job, for instance, wouldn't be worthwhile in high-turnover industries. He says the way to escape extremely complex compliance and legal requirements is a safe harbor design plan, though the required 3% minimum employer contribution may not be feasible.

CHAD PARKS
CEO and founder,
Ubiquity Retirement + Savings

"The ideal solution would be that this becomes a federal mandate because we're going to get 50 different flavors of nuanced mandated retirement savings," Parks says.

Given the inherent advantages of a 401(k) over Roth IRAs, "the optimal strategy is to fix the current 401(k) shortcomings that have prevented broader adoption: cost, fiduciary concerns and administrative work," suggests David Ramirez, a co-founder and chief investment officer of ForUsAll, as well as a Financial Engines alumnus. "We need to reimagine the 401(k), not capitulate and accept an inferior solution."

That means leveraging technology to integrate the 401(k) with payroll, automate daily administration and offer complete fiduciary protection, which includes an ERISA section 3(38) investment adviser and 3(16) plan administrator. In addition, he suggests hiring a new breed of 401(k) recordkeepers whose fees are often cheaper than a team lunch.

For participant services, his firm also has found that engaging employees via text messages with the help of virtual advisers and a one-click approach to deferrals can substantially increase the amount of money employees have at retirement. In short, companies that implement these best practices have an average of 88% plan participation with 6% to 7% employee deferrals, which Ramirez says is significantly higher than without an adviser's assistance.

Applauding the state mandates, Parks says the U.S. needs to "look at this as the greater good. This isn't about party politics. This isn't about a financial institution seeking a windfall. It's really about identifying a huge problem that is systemic in our country, which is almost embarrassing at this stage of the game, finding technology and providers ... willing to create solutions and then partnering with government."

A sea change could be ahead even if no other governments take action. The traditional role of a retirement plan adviser will vanish within the next five to 10 years predominantly because of technology, Ramirez boldly predicts. "When you look at some of the largest financial services companies, whether it's Goldman Sachs or BlackRock, they're hiring software engineers," he observes.

The focus will shift to areas where humans are most impactful, which Ramirez says involves using empathy to design communications that resonate with where people are at in life. Advisers also will need to align themselves with "a deep technology capability to deliver the next generation of 401(k) services." **EBA**

Bruce Shutan, *an* Employee Benefit Adviser *contributing writer, is based in Los Angeles.*

Smaller Employers Tackle Financial Wellness

"It's an extension of their brand," Financial Finesse CEO Liz Davidson says.

Paula Aven Gladych is a contributing writer based in Denver.

Financial wellness has finally hit it small.

Over the past several years, a growing number of employers have turned to financial wellness programs as a way to not only help their employees' day-to-day money worries, but also to help them get on the road to a healthy retirement.

These programs were initially adopted mostly by big employers. Now some medium and smaller companies are finally starting to embrace them too.

Those smaller players weren't "willing to invest too much in financial wellness because they weren't seeing it as an important benefit necessarily, and they are more budget and time constrained," says Liz Davidson, CEO and founder of Financial Finesse, a company that has provided financial wellness programs for more than 20 years.

No more. Growing increasingly worried about their workers' retirement prospects — and seeing them struggle with their finances — smaller companies are finally embracing financial wellness programs.

"[They're realizing] it's the right thing to do," Davidson says. "They are feeling a little more that it's the way the world is moving, and it's something they should offer as part of their overall benefit and well-being strategy and there are now ways to deploy it in a highly scalable way."

Indeed, industry insiders predict it's a trend that will continue as these programs become more cost-effective and efficient.

According to Prudential research, the percentage of employers offering financial wellness programs has risen sharply in just the past few years. It now stands at 83%, up from 20% in 2015.

Employers are not only looking at adding these programs, but making them appealing enough that their employees actually use them.

To help facilitate this, they're making sure they understand what their employees' financial problems are and embracing human coaching and other technological advances to help drive adoption rates.

Financial wellness is "the right thing to do," says Liz Davidson, CEO and founder of Financial Finesse.

HELPING WITH DAY TO DAY STRESS

One important lesson that smaller companies are realizing is the connection between stress levels and retirement. That is, getting people to a reach a secure retirement requires getting a handle on the financial challenges workers face daily.

Rick Irace, chief operating officer at Ascensus, says employees who are financially fit help his company's bottom line.

Instead of making financial wellness and retirement readiness a stand-alone program, many companies are packaging this information around employee life events, such as having a child or buying a house.

These programs are offered in addition to hosting a workplace-sponsored retirement plan, a health savings account and other voluntary types of coverage like life insurance and disability insurance.

Employers are determining what employees are looking for in their benefits, what they are worried about and what their goals are, then finding ways the company's benefits programs can support their employees' financial security.

"We're seeing a trend toward CEOs embracing this, saying, 'This is who we want to be as a company and what we stand for,'" she says. "It's an extension of their brand in some cases."

Ascensus is one of a growing number of medium-sized companies that has added a financial wellness program in an effort to help its employees prepare for retirement.

The Dresher, Pennsylvania-based independent record keeper and third-party administrator actually manages retirement plans for companies of all sizes but realized it needed to focus on helping its own employees prepare for retirement.

So it rolled out a financial wellness program to its 2,400 employees late last year.

Rick Irace, chief operating officer at Ascensus, has been in the retirement industry for 33 years. In that time, he says, employers went from not wanting to talk about retirement readiness to "employers embracing and really wanting to take part in discussing this with their associates," he says.

Ascensus, like many of the company's retirement plan clients, realizes that getting employees financially fit helps the company's bottom line. Helping workers solve their financial problems and save

more for their futures helps them to be more present and focused at work.

"The research is showing us that Americans are anxious about their finances," Irace says. "We also know people can outlive and are outliving their money. Nearly half of employees say they are stressed out by their financial situation. We know that over 77% say they spend three hours or more at work thinking about it or dealing with financial issues."

Many workers are overwhelmed by credit card debt, having to care for elderly parents or having to pay off student loans.

"They just don't know what to deal with first," Irace says.

Ascensus partnered with Financial Finesse because it likes to partner with firms that share its core values, Irace says. He also likes Financial Finesse's unbiased approach to retirement readiness and financial wellness.

Their coaches are all certified financial planners and they don't hold securities licenses or try to sell their clients on alternative products.

"The proof is in the pudding: the results. They demonstrated that when employees take action, they take action within 30 days of using the service," he says. That means making a behavioral change like reducing their credit card debt or setting up a cash reserve. When employees get a handle on their personal finances they are less likely to take money out of their retirement accounts to solve daily money crises. Ascensus says it's gotten "great feedback" on the program from its own employees.

FOCUSING ON YOUNG EMPLOYEES

Meghan Murphy, vice president of thought leadership at Fidelity Investments, says that many of Fidelity's clients are focused on getting the youngest members of their workforce into the company retirement plan to save at a solid rate and use the company matching contribution.

Over the past several years, Fidelity has noticed a big improvement in the retirement readiness efforts of younger employees.

"We have nearly a quarter of millennials who are saving 15% or more for retirement. That includes the contributions employers are making. That's a big shift from a decade ago," Murphy says. "We are seeing it really starting to sink in for younger employees."

For Generation X, employers aren't just talking about retirement anymore. They are talking about a broad spectrum of financial health because this generation, in particular, has many competing financial priorities. They are paying off mortgages, paying off student loans and credit card debt and worrying about how to put their own children through college.

For baby boomers, employers are focused on getting pre-retirees to a spot where they feel prepared for retirement. This doesn't happen in the few years before retirement. Companies are now looking at employees in the 50 to 55 age range and talking to them about Medicare and the best ways to claim Social Security.

That includes discussions about how people want to transition from a work environment to a retired life, both financially and in the lifestyle they want.

Retirement is a huge mind shift for most people, and many don't have a plan for what they want to do next.

They also have been so focused on saving money for their future that they don't know how to start tapping into their nest eggs, she says.

Many companies are encouraging employees to make a slow transition to retirement.

They can start scaling back the number of hours they work each week so that they are slowly able to engage themselves in life outside of work by building up a different routine.

Ascensus manages retirement plans for other companies but realized it needed to focus on helping its own employees prepare for retirement. So it rolled out a financial wellness program to its 2,400 employees last year.

This is so they "don't wake up the day after retirement and say, 'What am I supposed to do with myself?' They are thinking through what their transition plan looks like and engaging their pre-retiree population in volunteer opportunities so they have those connections come retirement," Murphy says.

For companies, such offerings as student debt refinancing, mortgage refinancing and encouraging emergency savings accounts are signs of the anxiety many employees still have over retirement.

All of these things can help build an employee's financial confidence. Even small financial decisions can have a big impact on retirement readiness, she adds. Workers in lower income brackets can still take the time to build up an emergency fund so that they don't have to tap into their retirement savings when they have an emergency, like a leaky roof or a flat tire.

"Sometimes boosting people's confidence is the best thing you can do to make them make better financial decisions," she says. **EBA**

Paula Aven Gladych *is an* Employee Benefit Adviser *contributing writer based in Denver.*

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[1] ath Power Consulting, February 2018, study sponsored by Identity Guard
[2] LifeLock Ultimate Plus and InfoArmor

COULD STATE RETIREMENT PLANS CREATE OPPORTUNITY FOR ADVISERS?

CalSavers program argues that state plans will encourage more workers to save for retirement.

When states began developing their own retirement plans, many in the industry cried foul, warning that government-run programs would create an unhealthy competition between the public and private sectors.

But the head of what figures to be the largest of those plans, California's CalSavers program, has a decidedly different message.

"We are not here to compete with the industry," Katie Selenski, executive director of CalSavers, said during a panel discussion at a recent conference in Washington hosted by the National Institute on Retirement Security.

California launched its retirement program in a trial phase last November. Selenski stresses that it is still in the early stages, with just 750 workers enrolled, but after the program takes full effect in July, it could, in time, create a savings vehicle for the roughly 7.5 million working Californians who don't have access to a plan through their employer.

The program, similar to those in development or the early phases of their rollout in other states, would require most employers to offer a savings plan for their employees. If California employers opt not to enroll in a private 401(k) or other plan, they would be required to participate in the state's CalSavers program.

But Selenski argues against the zero-sum notion that the government's involvement in the retirement sector will necessarily come at the detriment of the private plans that advisers counsel. She urges the industry to take the long view, suggesting that getting millions of workers who currently aren't saving anything for their retirement to begin with a basic program like CalSavers could pay dividends for the industry down the road.

"We're putting out a mandate for the product, so I think that it creates a real business opportunity, if the industry wants to innovate there," she said. "Ideally, our CalSavers participants will evolve in their financial lives and in their professional lives, and eventually have access to 401(k)s or other kinds of employer-sponsored plans and roll over their CalSavers accounts, so longer term, I think that we're creating billions of dollars of AUM that will get rolled over into the private sector."

But those plans are not without their opponents, including NAIFA, the trade group representing insurance advisers. Reached by email, NAIFA Vice President of Government Relations Gary Sanders rejected Selenski's contention that California's and other state plans are not competing with private offerings, and suggested that her prediction that state plans could eventually drive up AUM for private plan advisers is "at best speculative in nature."

"What is not speculative is that there is no need for a state-run or state-sponsored retirement plan that will, despite Ms. Selenski's comments, compete with private market retirement options," Sanders says.

Sanders also notes that the state plans come with a steep price tag, and raises the possibility that they could get struck down in court. He argues instead for a "marketplace-based approach" that would eschew state mandates but emphasize "greater outreach to and education of consumers about the need to save for retirement."

Selenski stresses that the state is taking action in pursuit of a policy goal — namely, to get more people better positioned to fund a comfortable retirement — and cites research finding that workers are far more likely to save for retirement if a plan is available through their employer. To that end, it makes no difference whether higher savings rates are achieved through CalSavers or a private alternative, she argues.

"If the result of our mandate is that the industry responds, creates better, cheaper more appealing plans for small business, and then small businesses choose those instead of CalSavers, that would be a great result," she said.

Oregon and Illinois have begun rolling out their own state-run plans, and legislators in scores of other states are considering various proposals for the government to get involved. But backers of those plans do not position them as a superior option to private plans, which typically carry higher contribution limits and often include an employer matching component.

"If the result of our mandate is that the industry responds, creates better, cheaper more appealing plans for small business, and then small businesses choose those instead of CalSavers, that would be a great result," said Katie Selenski, executive director of CalSavers.

Because of those features, Selenski is skeptical that an employer currently offering a private 401(k) with those features would drop that plan in favor of CalSavers.

"We don't expect that to happen," she said, "because that would be the equivalent of a reduction in compensation, really, and pose a retention problem for those employers." **EBA**

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How clients help young workers retire: Automatic enrollment

Millennials aren't saving enough, so employers are stepping up efforts to help them successfully reach retirement.

By Kayla Webster

A lot of younger employees don't save for retirement — so their employers are doing it for them.

Every year that an employee delays retirement can cost large companies as much as $3 million, according to Prudential research. Employers already experience those financial consequences with baby boomers, which is why many are stepping up their retirement savings efforts to prevent the losses with younger workers.

One way they're doing so? By automatically enrolling new employees in 401(k) plans. That's according to a group of HR professionals who spoke recently during a roundtable discussion at Advizr, a New York financial wellness firm.

"Millennials would rather pay student loans than save for retirement," said Candice Harte, senior benefits specialist at Spotify. "That's why it's difficult to get them to enroll in retirement programs."

Of the 15 companies who attended the discussion on benefit trends, two said they automatically enroll new employees in a 401(k) program during the onboarding process: Small Girls PR and Newell Brands. An HR representative of Blink Fitness said their previous employer also used the practice.

Small Girls PR, a New York-based public relations firm with under 200 employees, said the method has been successful among younger workers.

"We hire directly out of college, so our employees are mostly millennials and Generation Z, and we haven't seen any pushback from the program," said Michael Bowman-Zamora, director of people operations at Small Girls PR.

Newell Brands said it has an older workforce demographic, but the company reports success with the program as well.

"Our data showed very few people opted out of the program," said Keith Mason, senior vice president of HR at Newell Brands, the household-products maker with more than 53,000 employees. "People thought it showed the company cared about them."

"Our data showed very few people opted out of the program," said Keith Mason, senior vice president of HR at Newell Brands, the household-products maker with more than 53,000 employees. "People thought it showed the company cared about them."

With an automatic enrollment retirement program, employees who don't want to participate have to talk to HR about opting out. But most employees often find the process of opting out too tedious, and don't follow through.

"Our society tends to ignore things that can't be done instantly, which is usually perceived to be a bad thing, but in this case it helps you save for retirement," Bowman-Zamora said.

However, most employees of these companies didn't realize they were even enrolled in a retirement program until they were shown their 401(k) balance, the HR directors said. That's because employee contributions to the retirement account were set at 3%, which is small enough to start saving for retirement without hurting a tight budget.

"[Employees] don't notice a 3% contribution on their paycheck," said Sarah Chen, benefits manager at Blink Fitness, a New York-based health company with over 1,000 employees. "But when they check their 401(k) balance they say, 'Wow, I actually have a lot of money.'"

An employee who receives $1,000 each paycheck, for example, contributes $30 under the 3% rate. If the employee is paid bi-monthly, after a year they'll have $720 in their retirement account. Mason said employers can sweeten the deal by offering a 401(k) match, like his company does. But he advises companies and their employees not to underestimate small contributions.

"It's important to communicate the value of the 3% contribution," Mason said. "Every little bit adds up."

Other HR professionals in attendance asked whether these companies have seen an increase in 401(k) withdrawals since implementing an automatic retirement program. Bowman-Zamora and Mason said they haven't experienced more account withdrawals than usual. If anything, their employees are enjoying watching their retirement savings grow, they said.

"People who take money out of their 401(k) are usually doing it for a very specific reason, like buying a home," Bowman-Zamora said. "Most people leave it alone unless it's an emergency." **EBA**

Kayla Webster is an *associate editor* of Employee Benefit Adviser. *Follow her on Twitter @KaylaAnnWebster.*

ADOBE STOCK

Advisers need better recruiting strategies. Here's why.

A recent survey says that the insurance industry has an 11% two-year retention rate.

By Caroline Hroncich, Kayla Webster

While advisers are skilled at helping emp-loyers find benefits that will help them attract and retain workers – brokerages themselves could use some help with recruiting and retention, experts say.

A survey from the Life Insurance and Market Research Association estimates that the insurance industry has an 11% two-year retention rate. This statistic surprised Tim Martin, founder of voluntary benefits firm Success is Voluntary. In fact, he said brokers may need to take a hard look at how they approach recruiting.

First, it may be valuable to take the time to help newer brokers look beyond past failures, he said. Being a new broker is tough and mistakes can be discouraging for an adviser who may not immediately be hitting their goals.

"When we have people that don't make it, it's hard to look somebody in the eye and say, this is where you need to be," he said during *Employee Benefit Adviser's* Workplace Benefits Renaissance conference.

Advisers may also need to get more creative with who they're recruiting. Jack Kwicien, managing partner at Daymark Advisors, said brokers may be looking at the wrong individuals. While a clean cut, experienced broker with a lot of ideas may be attractive on paper, Kwicien warns they might not deliver.

"The best anyone is going to be is during the interview," he said.

Martin echoed similar sentiments; he once hired a car wash detailer as a broker for his firm after the individual sold him an expensive package. The candidate had never sold benefit packages before, but it was obvious they possessed the soft skills for a good salesman, Martin said.

"We had to clean him up a bit — he needed a shave and new clothes — but nobody has ever sold me a full detail before," he said. "He's been a successful recruit."

Martin also said some brokerages may feel they don't have a system in place to help employees be successful and should invest in more sales training. Indeed, fully 84% of brokers believe their companies teach them the skills to succeed at their jobs, yet just 43% say on-the-job training is offered in their office, according to a MetLife survey.

Brokerages could also stand to improve their interview processes, Martin said, noting frontline managers often aren't good at interviewing. **EBA**

Caroline Hroncich *and* **Kayla Webster** *are associate editors of* Employee Benefit Adviser. *Follow them on Twitter @chroncich1 and @KaylaAnnWebster.*

Group Life at The Hartford: 'Culture of Caring' enhances customer experience

Filing a life insurance claim isn't just a financial transaction. It's often part of the difficult and emotional process of mourning a loved one.

Compassionate, caring, and effective service in that moment can have a large impact on the beneficiary's emotional health. Strong legal, financial, and emotional support services are essential to helping people recover from the traumatic loss of a family member.

"At the heart of our company's philosophy is the belief that people can prevail when they have the right team and resources to sustain them during difficult times," says Matt Montminy, vice president of Group Benefits product management at The Hartford.

That perspective is reflected in how the insurer hires, trains and assesses the performance of the people who interact with policyholders.

"Their ability to make personal connections and support our policyholders is our priority – not the number of claims they can process in an hour," Montminy explains.

Following its 2017 acquisition of Aetna's group life and disability business, The Hartford became the country's second largest insurer in that market sector[1]. The company's "Culture of Caring" isn't just evident when claims are filed, but also in dealing with policyholders under all circumstances.

"Life insurance is about helping people protect their families and their financial futures," says Montminy.

Several services available to policyholders and their beneficiaries are combined under the umbrella of The Hartford Life Essentials℠ program, including:

- **Estate Guidance®**[2]. Policyholders have access to an estate planning education center, a legally binding online will-creation tool, and licensed attorneys.
- **Funeral Concierge**[3]. This includes a suite of online tools and telephone-based support to help beneficiaries understand the funeral planning process and identify suitable providers.
- **Beneficiary Assist®**[2]. Expert 24/7 telephonic support and up to five face-to-face sessions with counselors are available to help beneficiaries and their family members manage the potential legal, financial and emotional impacts of a loss, such as grief, anxiety, depression and relationship conflicts.

"Our bereavement-trained Life Care Advocates deliver a compassionate claim experience," Montminy says. Social workers reach out to offer support to terminally ill claimants who call in to exercise accelerated benefits. *The Healing Book*, a widely praised workbook written for children, is also offered to families to help them cope with loss.

The Hartford's attention to the emotional and practical needs of its group life policyholders extends to the nuts-and-bolts of claims processing. The carrier's simplified claims processes allow beneficiaries to spend less time chasing down documents and completing forms, and more time healing.

"Three-quarters of claims are processed within five days[4], quickly providing beneficiaries with financial support," Montminy says.

The Hartford also makes it easy for employees to purchase additional life insurance coverage at work on a voluntary basis. The Hartford's online application process allows 97 percent[5] of employees to receive a real-time underwriting decision when applying for additional coverage online.

The Hartford has found that its Culture of Caring, combined with excellence in technology, differentiates the company in the marketplace.

"We are honored to protect over 20 million Americans with life and disability insurance," Montminy says. "And we strive to offer personal, compassionate service and support in every interaction with them and their loved ones."

[1] LIMRA 2018

[2] EstateGuidance® and Beneficiary Assist® are offered through The Hartford by ComPsych® Corporation. ComPsych is not affiliated with The Hartford and is not a provider of insurance services. The Hartford is not responsible and assumes no liability for the goods and services provided by ComPsych and reserves the right to discontinue any of these services at any time. A simple will does not cover printing or certain other features. These features are available at an additional cost. Services may not be available in all states. Visit https://www.thehartford.com/employee-benefits/value-added-services for more information.

[3] Funeral Concierge services are offered through Everest Funeral Package, LLC (Everest). Everest and the Everest logo are service marks of Everest Funeral Package, LLC. Everest is not affiliated with The Hartford and is not a provider of insurance services. Everest and its affiliates have no affiliation with Everest ReGroup, Ltd., Everest Reinsurance Company or any of their affiliates. The Hartford is not responsible and assumes no liability for the services provided by Everest Funeral Package, LLC as described in these materials and reserves the right to discontinue any of these services at any time. Services may not be available in all states. Visit https://www.thehartford.com/employee-benefits/value-added-services for more information.

[4, 5] Internal HIG Data February 2019

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ADOBE STOCK

Goodbye group benefits. Hello personalized pay

Gen Z, millennials and other generations have diverse expectations about pay and benefits.

By Bob Wesselkamper

In the past, it was typical for a company to provide all employees with access to the same group benefits — regardless of their age, demographics or education level. From health insurance to retirement plans and paid time off, these uniform benefit packages were designed to meet the needs of the entire workforce in one fell swoop.

But over the past few years, these off-the-shelf benefit options have presented a bit of a challenge. With five generations now in the workplace — Gen Z, millennials, Gen X, baby boomers and the silent generation — there are diverse expectations about pay and benefit packages.

For example, baby boomers and the silent generation tend to value health insurance and a robust retirement plan. Meanwhile, Gen X workers seek a healthy work-life balance, advancement opportunities and a competitive 401(k) — or a retirement savings plan that lets you set aside and invest money from your paycheck, to which your employer can then contribute. Millennials and Gen Z prioritize flexibility — they want more paid time off, the ability to work when and where they wish and tuition reimbursement.

"There is no one-size-fits-all compensation package that can fairly satisfy each generation of workers."

There is no one-size-fits-all compensation package that can fairly satisfy each generation of workers. Employees today want to feel heard, understood and cared for by their employer. Furthermore, most want a job that fits with their personal interests and lifestyle.

As a result, companies are moving away from traditional group benefits and taking a more personalized approach to compensation.

Many organizations are using social listening tools, focus groups and surveys to gather information about the types of benefits employees want. Others are taking it a step further and having one-on-one conversations to determine what motivates each individual worker and provides them with a sense of purpose at work.

How else will we know what, specifically, each employee wants unless we ask them?

By collecting this information, organizations can tailor packages that effectively meet the varying wants and needs of the diverse workforce. They're offering mixes of pay, bonuses, flex time, paid time off, retirement plans, student loan repayment assistance and professional growth opportunities.

Some companies have designed an a la carte menu of benefits, with which employees can pick and choose the perks they care most about.

According to a recent survey conducted by WorldatWork and KornFerry, organizations also are offering more non-traditional benefits that can further acknowledge employees' concerns and responsibilities outside of work.

Eldercare resource and referral services, women advancement initiatives and disaster relief funds all became significantly more prevalent in employee benefits programs within the last year. Telemedicine, identity theft insurance and paid parental leave offerings increased as well. **EBA**

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Employers drive toward open enrollment

While overall readiness scores rose 15 points, many employers still not up to speed.

By John McCormack

The overall open enrollment readiness score for employers with 2019 first quarter start dates increased significantly to 63 in December from 48 in November, according to the latest data collected by *Employee Benefit Adviser* in its monthly Open Enrollment Readiness Benchmark (OERB) survey.

While it looks as if many employers shifted into high gear at the 11th hour, the score indicates that a sizable number of employers still are not as far along as they should be at this late stage in the readiness cycle.

As such, some employers were feeling quite a bit of pressure as they struggled to get ready for 2019 first quarter start dates, while also trying to get a jump start on future planning.

Indeed, one employer who participated in the survey lamented that "December is the middle month, the time when we are closing out everything from the previous year and preparing for the next year to begin. That can be pretty hectic."

Another survey respondent stated that "December is a challenging month with all things year end going on and holidays and trying to get everything completed."

Still another said that "wrapping everything up and ensuring everything was submitted on time and preparing to analyze our processes for the year" emerged as a significant challenge.

Some of this stress could emanate from the fact that many employers don't give benefits planning the attention it is due throughout the year.

"Indeed, employers need to take a more proactive approach and should recognize the fact that benefits planning is a year-round process, not a one-time event," said Jack Kwicien, managing partner at Daymark Advisors, a Baltimore-based consultancy that works with benefit advisers.

"Benefits planning is a year-round process, not a one-time event," says Jack Kwicien, managing partner at Daymark Advisors. Employers need to "coordinate activities between the carrier and the broker to make sure they are getting the proper service."

More specifically, employers should continually focus on the "three Cs — cost control, coordination and communication," Kwicien advised.

To start, employers could zero in on "cost control" by making a point of "getting the best plan design that will ultimately help to save money."

Employers also need to "coordinate activities between the carrier and the broker to make sure they are getting the proper service, and the proper forms. It's important to communicate information back to the carriers to confirm who is eligible for benefits," Kwicien pointed out.

And, employers need to "have a formalized employee communication campaign that starts early in the process and is implemented throughout the entire year," Kwicien said.

Too little, too late?

Addressing the "three Cs" at the end of the year is likely to be too little, too late.

"All of these things should have been addressed a long time ago. By December it is really late in the game and employers should not be dealing with all of these issues," Kwicien said.

Unfortunately, though, many employers face this scenario and are still struggling with readiness activities that should have been completed many months ago.

For instance, the score for "selecting wellness plans" – a task that should have been addressed during the benefit plan design phase many months ago — was just 63.

Similarly, the score for "planning/designing employee communication" — an activity that ideally should be checked off the list during the open enrollment preparation phase — came in at 52. And, finally "measuring enrollment engagement metrics," an open enrollment management phase activity, received a score of just 56.

To arrive at these scores, the OERB tracks 26 open enrollment activities and asks employers to submit self-assessments of the progress they have made in each **EBA**

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OERB

EMPLOYERS STARTING BENEFITS IN Q1 2019				
Overall Readiness (as of DECEMBER 2018)				63
PHASE	ACTIVITY	ACTIVITY SCORE	PROGRESS	
Phase 1 **Benefit Plan Design**	Selecting benefit brokers/advisers	78		73
	Selecting health plans	75		
	Selecting voluntary plans	72		
	Selecting pharmacy plans	73		
	Selecting retirement plans	78		
	Selecting wellness plans	63		
Phase 2 **Open Enrollment Preparation**	Enrollment timing	81		59
	Planning/designing employee communications	52		
	Reviewing compliance/eligibility issues	54		
	Setting goals	54		
	Documenting processes/procedures	52		
Phase 3 **Open Enrollment Management**	Managing meetings with advisers/brokers	76		66
	Enrolling employees	75		
	Answering employee questions	75		
	Documenting worker feedback	57		
	Measuring enrollment engagement metrics	56		
	Boosting enrollment engagements	59		
Phase 4 **Open Enrollment Design Analysis & Follow-up**	Reviewing enrollment engagement metrics	54		55
	Reviewing worker feedback	57		
	Soliciting additional feedback	44		
	Reviewing plan design	69		
	Reviewing communications strategy	65		
	Tracking benefit usage	60		
	Reviewing enrollment engagement analytics	50		
	Reviewing/improving the process	52		
	Planning year-round employee engagement	46		

Note: Scores are based on the progress employers with benefit start dates in the first quarter say they have made in each activity. Responses range from no progress, which equates to a score of 0, to completed, which equates to a score of 100.

ADOBE STOCK

Helping HR pros practice hiring and firing — virtually

Talespin puts workers in the shoes of an HR manager who has to terminate an employee.

By Caroline Hroncich

What if HR professionals could practice hiring and firing someone, before they even set foot in the office? Virtual reality and artificial intelligence may be closer to making that a reality for some employers.

Talespin, a developer of virtual reality technology has released a new platform that allows employees to practice challenging social situations. The platform, called its Virtual Human Technology, is meant to mimic typical conversations that an employee might have at work. The software can simulate anything from performance reviews, to leadership training, sales conversations or even firing.

"We're thinking holistically about the employee life cycle and how spatial computing is going to affect that," says Kyle Jackson, CEO of Talespin.

Talespin aims to evoke real human emotions and give employees a sense of the best way to handle a difficult situation, Jackson says. The platform demo, for example, puts users in the shoes of an HR manager and asks them to fire an employee named Barry. Barry is an AI-powered virtual character that displays realistic human responses, like anger, when a user tells him that he has been terminated.

Users can be successful or unsuccessful at terminating Barry and the platform provides feedback on how they can improve these skills over time.

The system can be tailored to provide responses based on the specific needs of the employer, Jackson says.

"The system can record all sorts of things: from your sentiment, to what you say, what branches did you activate, what different paths of process did you go down. With all that data it's a question of what's the learning objective and what's the learning outcome that you're looking for?" he says.

While the platform is best used in virtual reality, users can access it via desktop, mobile or audio only. Jackson says the company is deploying the platform with five employers in the telecommunications, automotive, insurance and consumer packaged goods industries.

Farmers Insurance is already using Talespin technology to train new hires. Employers using the software pay per monthly active user plus the cost of the module, Jackson says.

Some employers are investing in AI and virtual reality as a way to attract and retain new talent.

Pharmaceutical company Takeda, for instance, combined 360-degree photographs and an interactive map of its Cambridge, Massachusetts campus to create a virtual reality office tour for current and potential employees.

Jackson says they've heard from employers that poor treatment from a manager has in some cases, led to employee turnover. A VR platform like the Virtual Human Technology can help managers develop their soft skills for interacting with employees and potentially improve retention.

"It's not a technology problem, it's not an efficiency problem. It's really a people problem," he says. "It's the one area that's really hard to fix." **EBA**

Caroline Hroncich *is an associate editor of* Employee Benefit Adviser. *Follow her on Twitter @chroncich1.*

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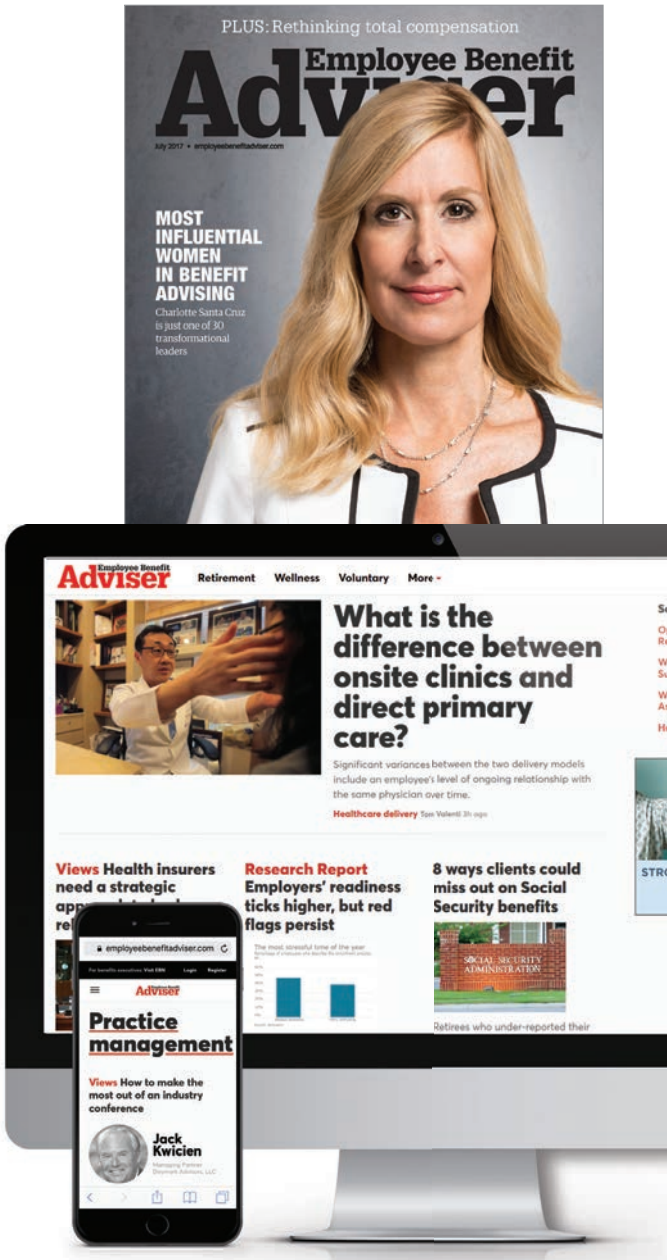

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Fitbit expands offerings to new employers, health plans

The company expanded a partnership with Solera Health, and says Adobe and Domino's Pizza are now offering its business devices to employees

By Caroline Hroncich

NEW YORK — Fitbit is continuing to take steps to expand its offerings for both employers and health plan clients.

The company — which recently released new wearable devices, the Inspire and Inspire HR, designed exclusively for corporate and health plan clients — said Wednesday that Adobe, Domino's Pizza and Limeade are among the employers who are now offering the devices to employees.

The Inspire and Inspire HR are also offered to members through 100 health plans, including providers UnitedHealthcare and Humana, Fitbit said during a meeting with reporters in New York.

Integrated benefit network Solera Health will also be making Fitbit's newest wearable devices available to all of its diabetes prevention program participants including Medicare and Medicaid beneficiaries, the company said Wednesday. Solera has more than 100,000 individuals enrolled in its diabetes prevention program.

See also: Fitbit launches wearables for employers, health plans

"Our ability to empower, inspire and insight behavior change is really applicable to a healthcare setting," said Amy McDonough, chief operating officer of Fitbit Health Solutions. "Whether you're working on eating better, getting better quality sleep or tracking your level of activity, those are all very applicable to a healthcare setting. We designed our Inspire and Inspire HR [devices] with health plans first in mind."

Solera has been working with Fitbit since 2017, offering other Fitbit devices to plan participants. The company conducted an analysis with 1,700 participants enrolled its program and found that those who used wearables lost a larger percentage of their starting weight and were more active than non-Fitbit participants. McDonough told Employee Benefit News that employers and health plans have a big responsibility providing health benefits to workers.

"We're thinking holistically about the employee life cycle and how spatial computing is going to affect that."

"It's connecting those dots on how wellness solutions support benefits goals," she said.

As part of its employer wellness offerings, the company also released Fitbit Care, a wellness platform for employers and employees, late last year. With employee consent, employers can use the platform to view individual steps, distance and active minutes for individual workers, McDonough said. They can also see aggregated sleep data — although that information is not available on an individual basis.

Employers including BP and and Emory University have had success with wearable programs in the past. Incorporating wearable technology into a wellness program can provide employers with data about where they can make the biggest impact on the health of their employee population, according to a case study from Springbuk.

Employees who opted to use a wearable cost on average $1,242 less than non-wearable users, Springbuk found.

Fitbit will be making the Inspire and Inspire HR devices available to consumers, expanding beyond the initial health plan and employer market. They also released two additional wearables, the Versa Lite smartwatch and the Ace 2, for children ages six and up. McDonough said the new offerings can help to improve the overall health and engagement of workers over time.

"This is just a really fantastic example of using proactive healthcare solutions to help integrate and find better healthcare outcomes and better results," McDonough said. **EBA**

Caroline Hroncich *is an associate editor of* Employee Benefit Adviser. *Follow her on Twitter @chroncich1.*

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