



Perceptions of the Vision Benefit Amidst Change



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Outline

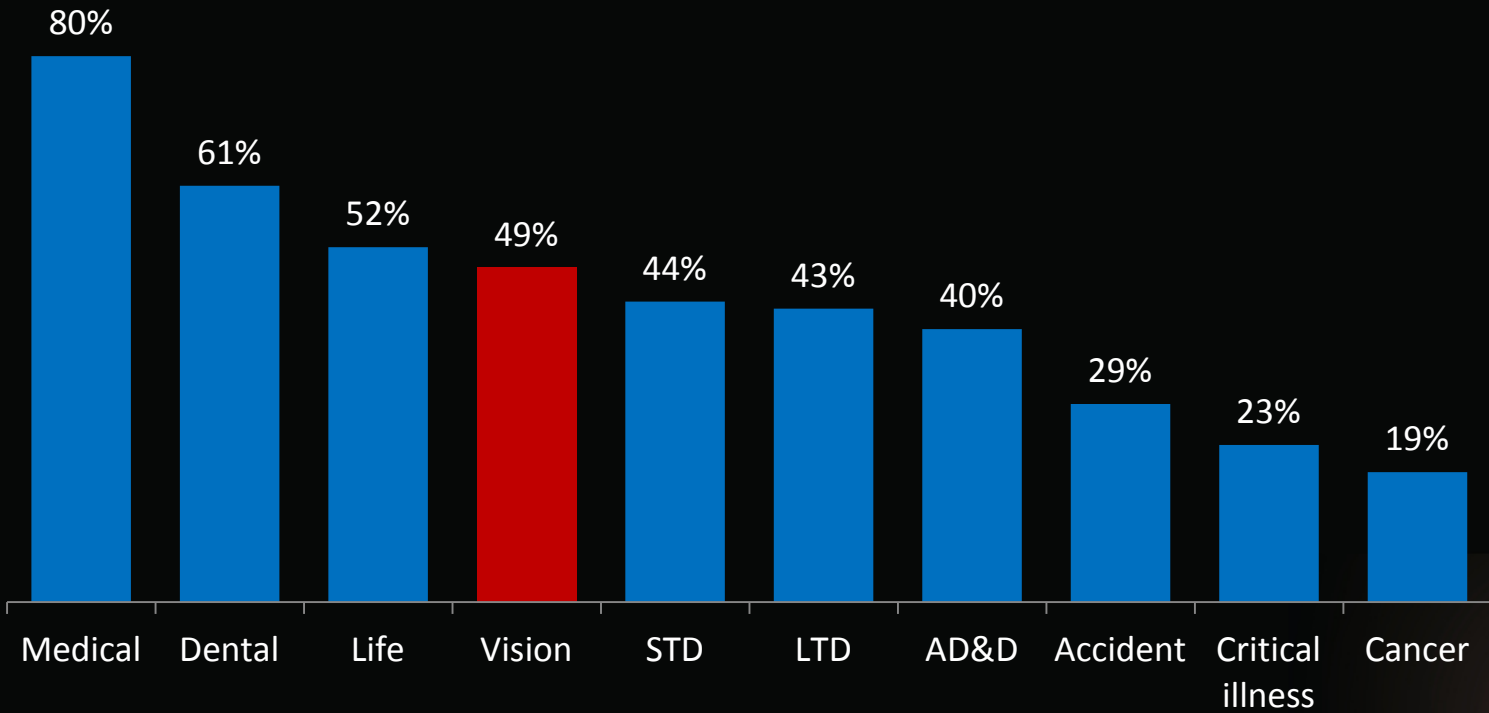
- ✓ Current Benefits Landscape
- ✓ Employer Views
- ✓ Employee Views
- ✓ The Future



The Current Benefits Landscape



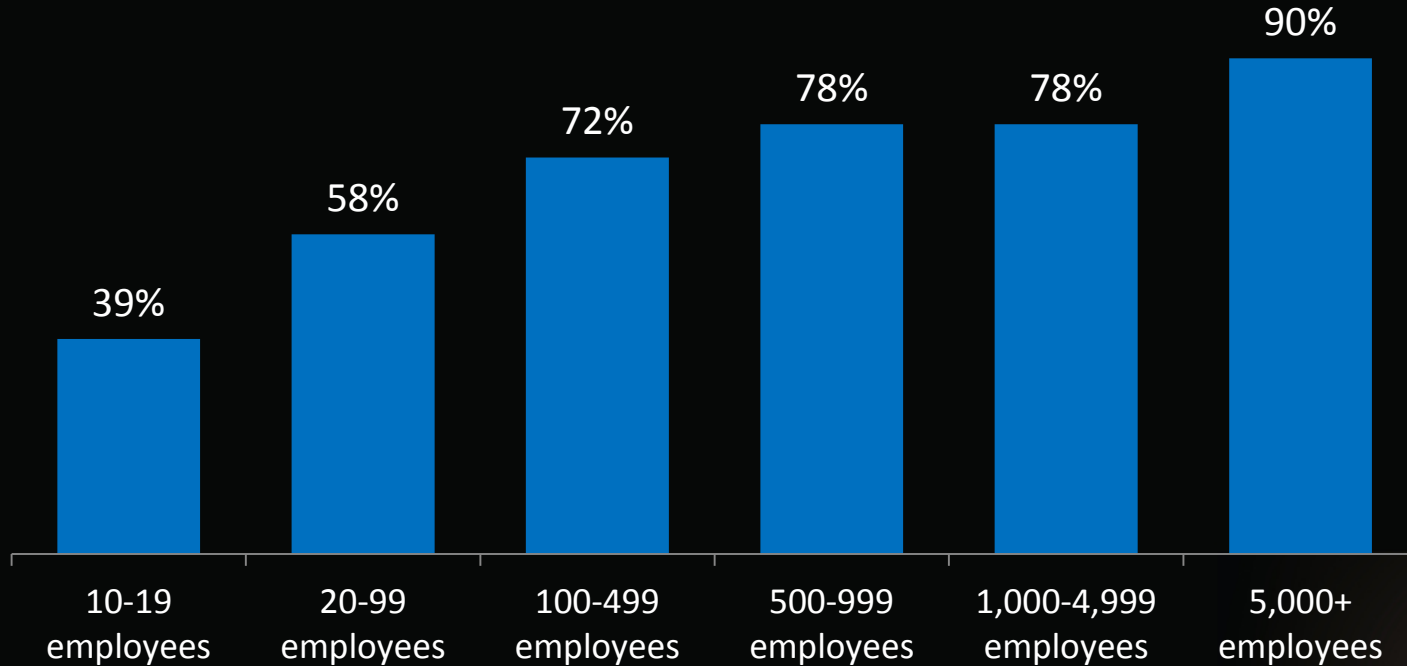
Insurance Benefit Penetration



Base = U.S. private employers with 10+ employees.
Source: Preliminary LIMRA Employer Data, 2013.



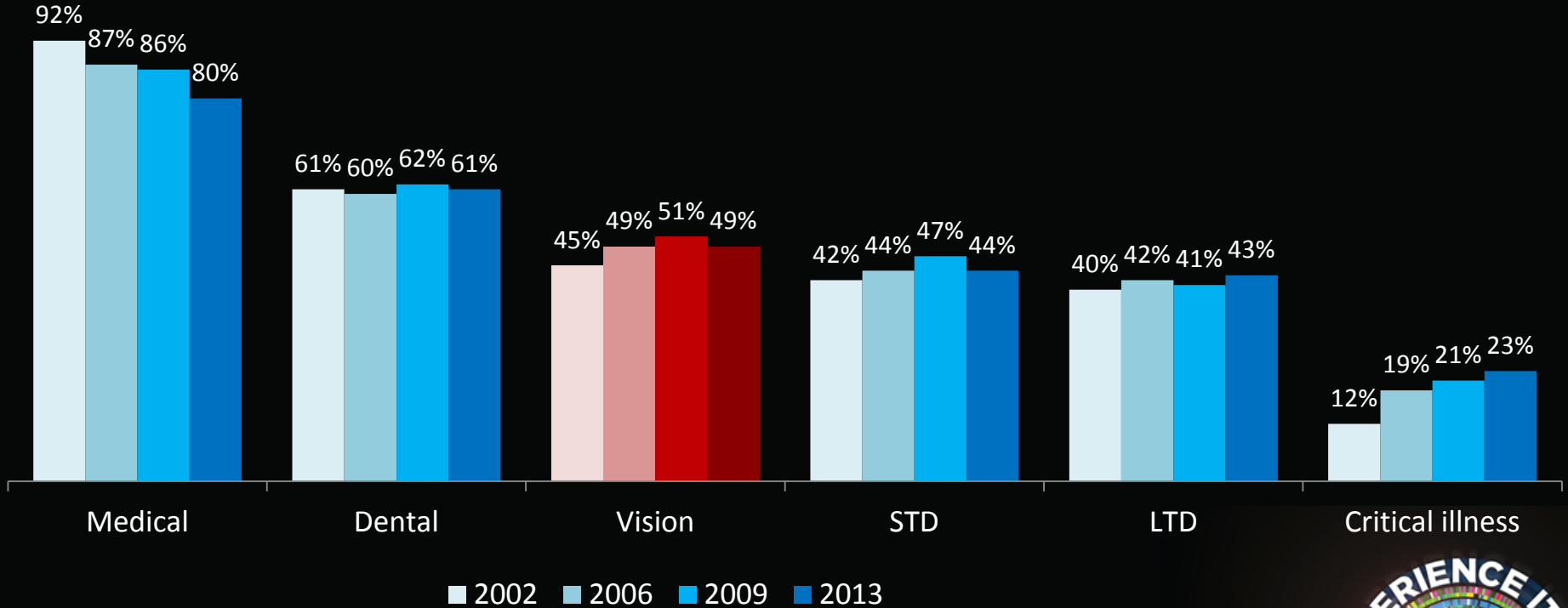
Vision Penetration by Size



Base = U.S. private employers with 10+ employees.
Source: Preliminary LIMRA Employer Data, 2013.



The Market over Time



Base = U.S. private employers with 10+ employees.

Source: *Weathering the Storm*, LIMRA, 2011; Preliminary LIMRA Employer Data, 2013.



Benefit Funding Methods

<u>Percent of Premium Covered by Employer</u>					
	100%	60 – 90%	50%	10 – 40%	0%
Medical	24%	45%	20%	10%	1%
Dental	26%	31%	15%	10%	18%
Vision	24%	32%	14%	10%	20%
Short-term disability	35%	21%	11%	10%	23%
Long-term disability	37%	18%	9%	8%	28%
Critical illness	13%	23%	12%	12%	40%



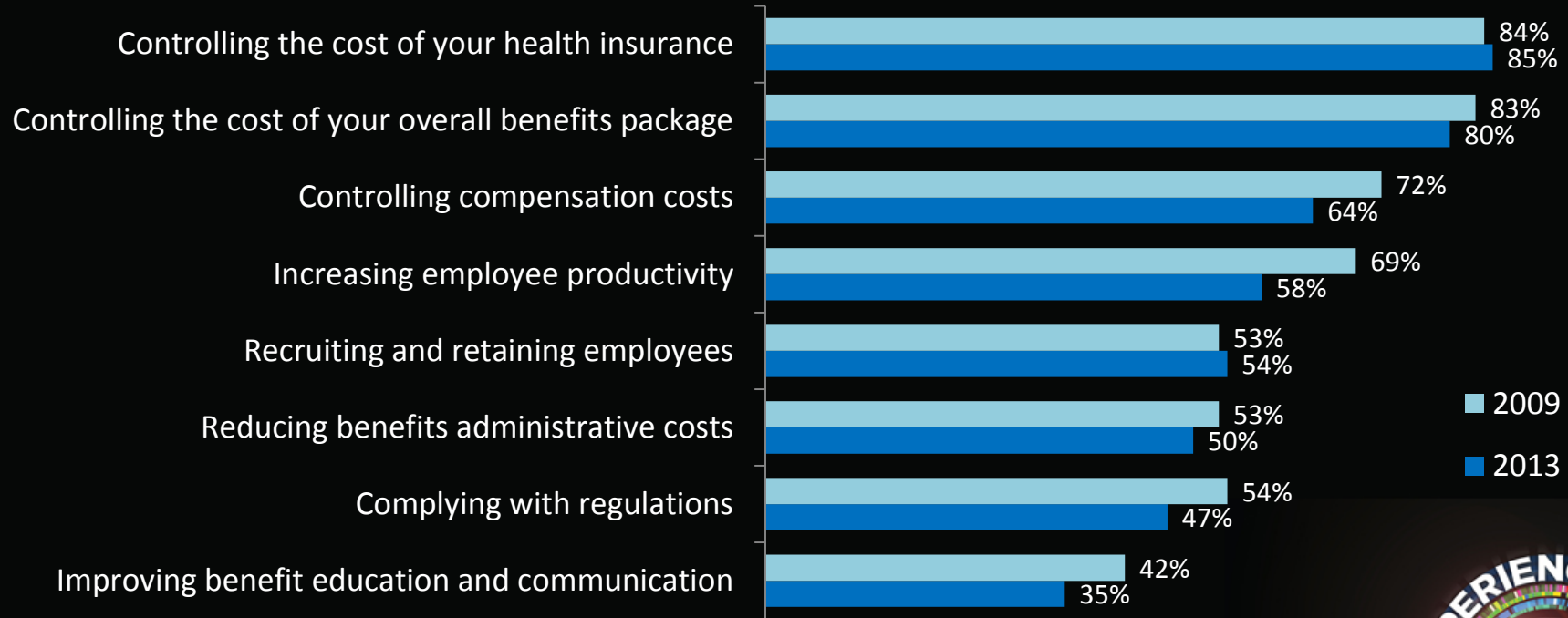
Source: Preliminary LIMRA Employer Data, 2013.



Employer Views



Top Issues/Challenges Facing Employers



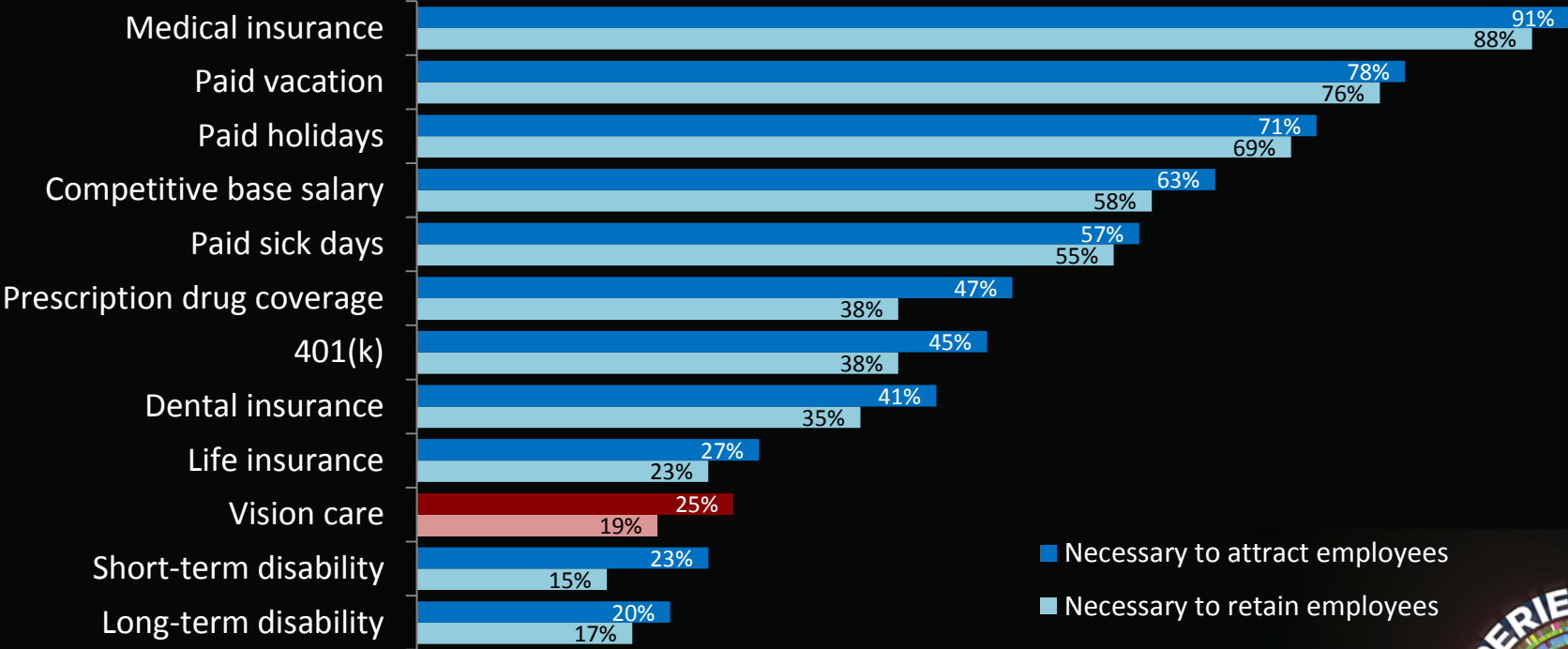
■ 2009
■ 2013



Base = Firms offering benefits.
Source: *The Best Laid Plans*, LIMRA, 2009; Preliminary LIMRA Employer Data, 2013.



Importance for Attraction & Retention

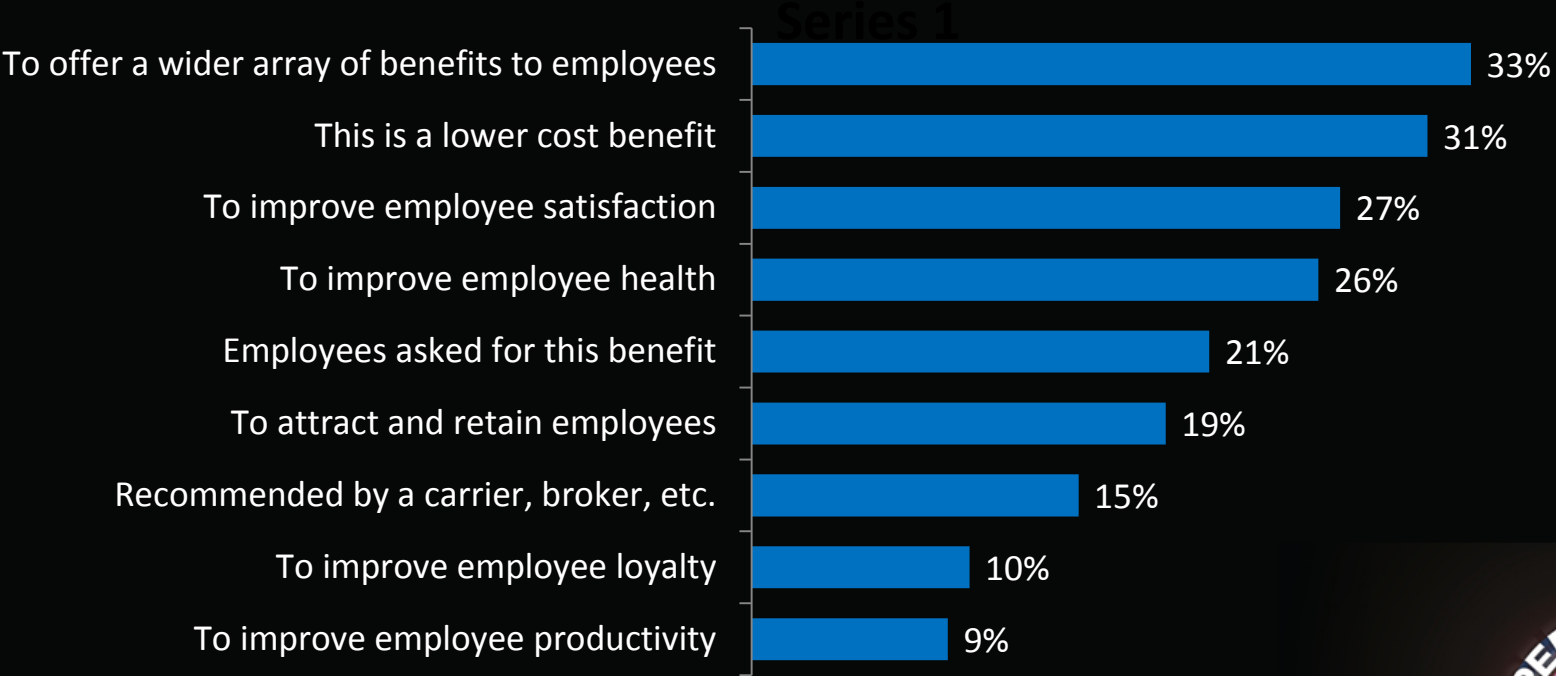


- Necessary to attract employees
- Necessary to retain employees

Source: Preliminary LIMRA Employer Data, 2013.



Employer Reasons for Offering Vision Benefits

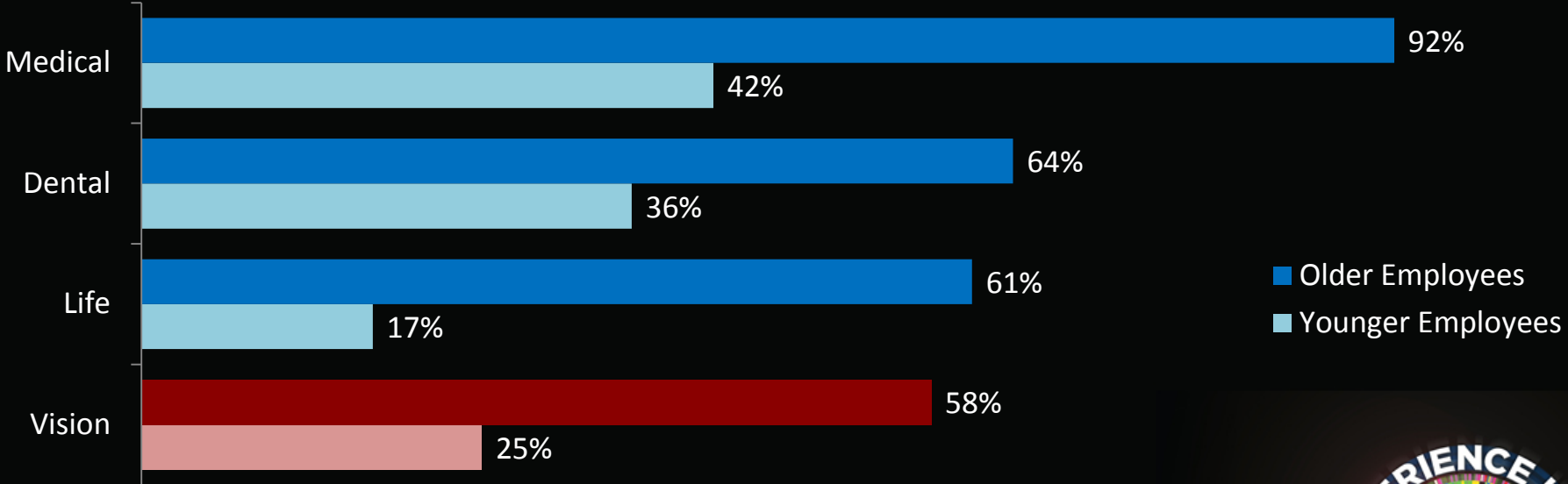


Base = Firms offering vision benefits.
Source: Preliminary LIMRA Employer Data, 2013.



Perception: Importance of Benefits to Employees by Age

Percent of Employers who Think Benefits are Important to their Employees*



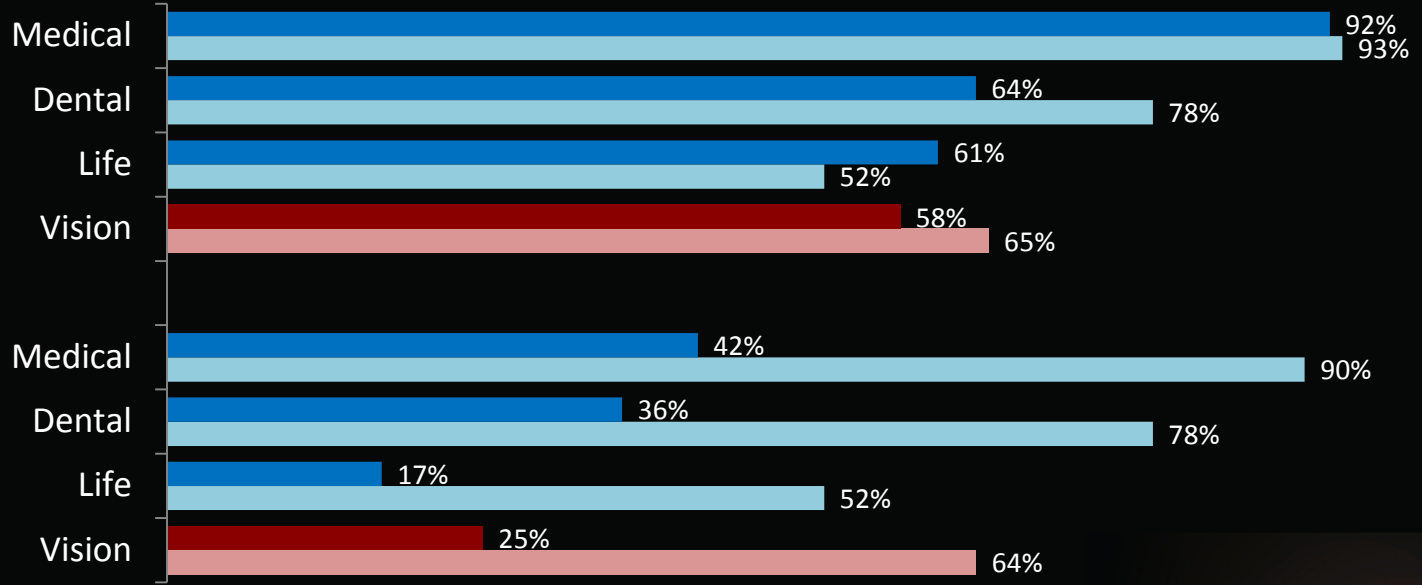
*Ranked 4 or 5 on a 5-point scale
Source: Preliminary LIMRA Employer Data, 2013.



Actual: Importance of Benefits to Employees by Age

Older Employees

Younger Employees



■ Employers' Perception
■ Percent of Employees

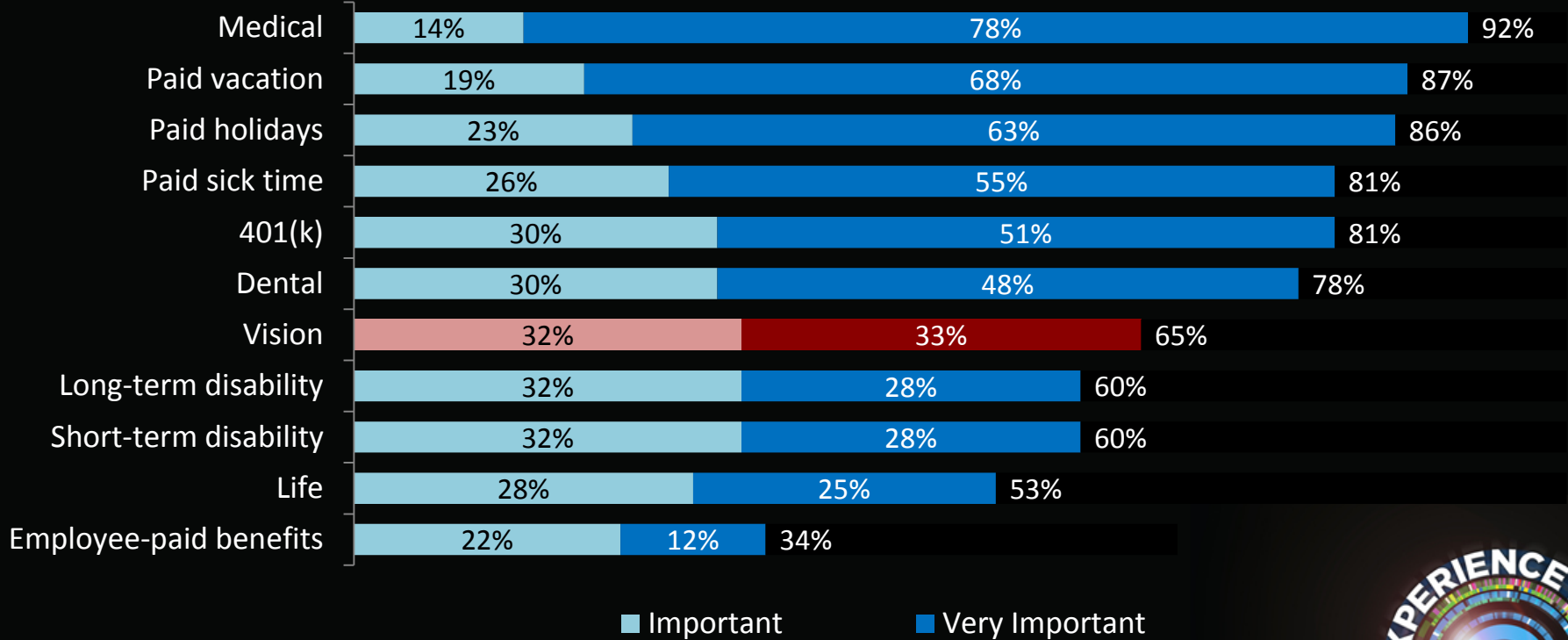
*Ranked 4 or 5 on a 5-point scale
Source: *What is \$1 Billion an Hour Worth?*, LIMRA, 2011; Preliminary LIMRA Employer Data, 2013.



Employee Views



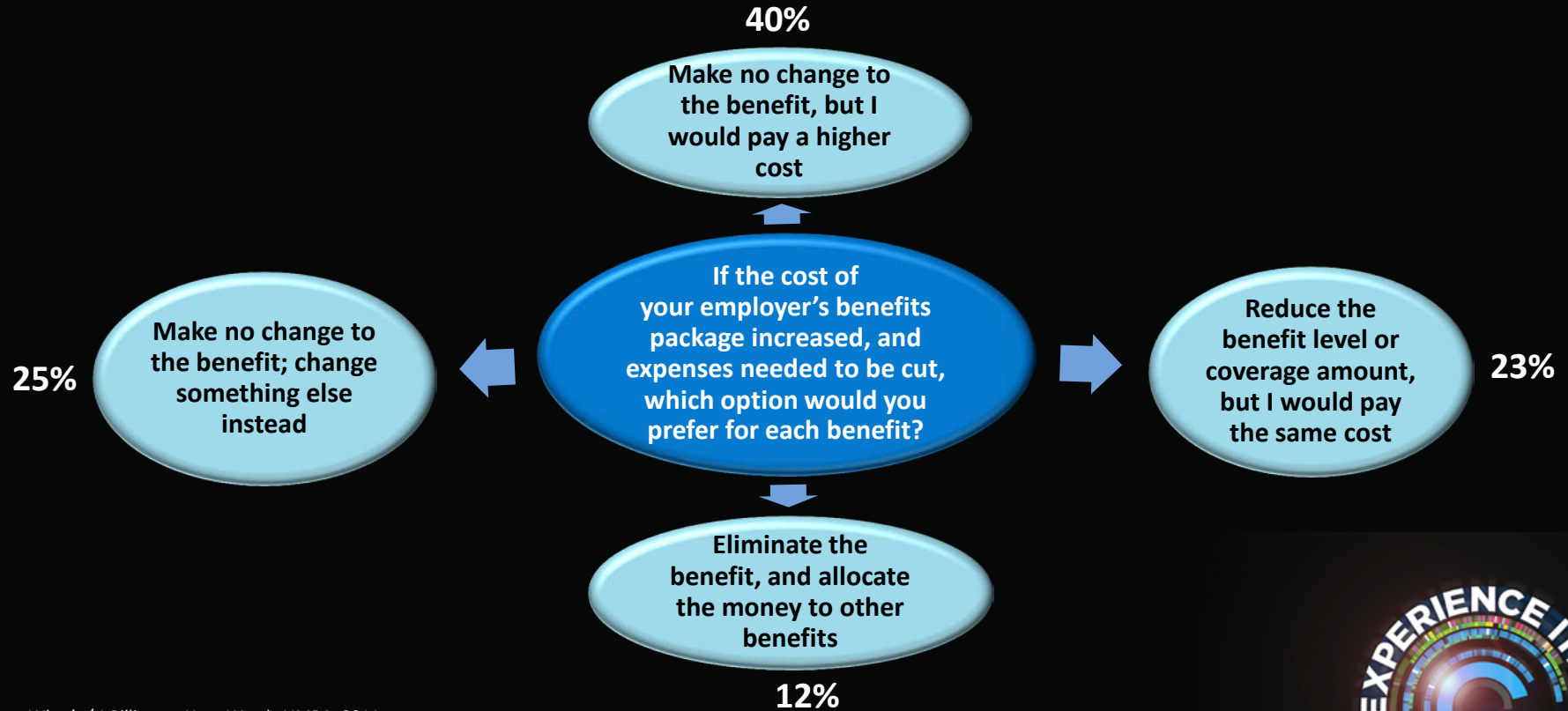
Importance of Benefits to Employees



Based on all employees.
 Source: *What's \$1 Billion an Hour Worth*, LIMRA, 2011.



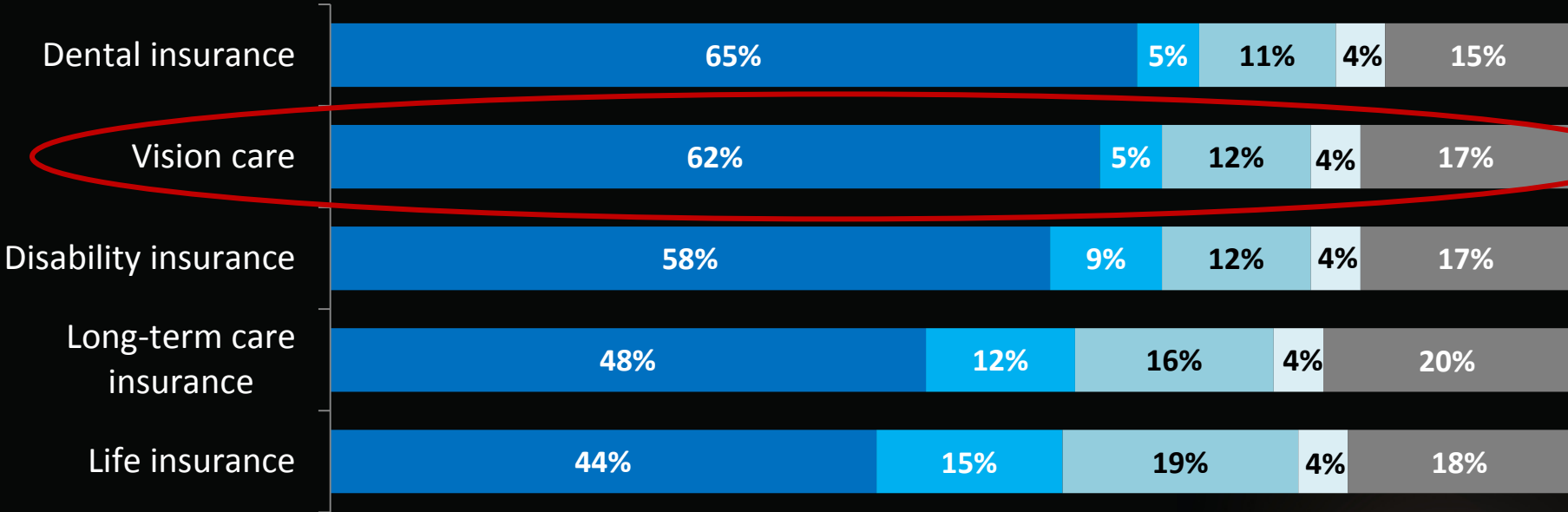
The Benefit/Cost Trade-Off



Source: *What's \$1 Billion an Hour Worth*, LIMRA, 2011.



Preferred Source of Coverage



■ Employer
 ■ Agent/Broker
 ■ Direct from company
 ■ Internet
 ■ No preference

Source: *What's \$1 Billion an Hour Worth*, LIMRA, 2011.



Reasons for Not Participating in Vision Benefits

27%	Have coverage through my spouse/partner
25%	Do not need the benefit
14%	Other reason
13%	Not able to afford the benefit at this time
10%	Not eligible for the benefit
7%	Have coverage through another source
4%	Purchased coverage on my own

Source: *What's \$1 Billion an Hour Worth*, LIMRA, 2011.



The Future



Plans to Add or Drop Benefits



- Top Benefits to Drop***
- Medical
 - Prescription drug
 - Dental
 - Vision
 - AD&D

- Top Benefits to Add***
- Life insurance
 - Retirement plan
 - Long-term disability
 - Prescription drug
 - Short-term disability

Base = Firms offering benefits.
Source: Preliminary LIMRA Employer Data, 2013.

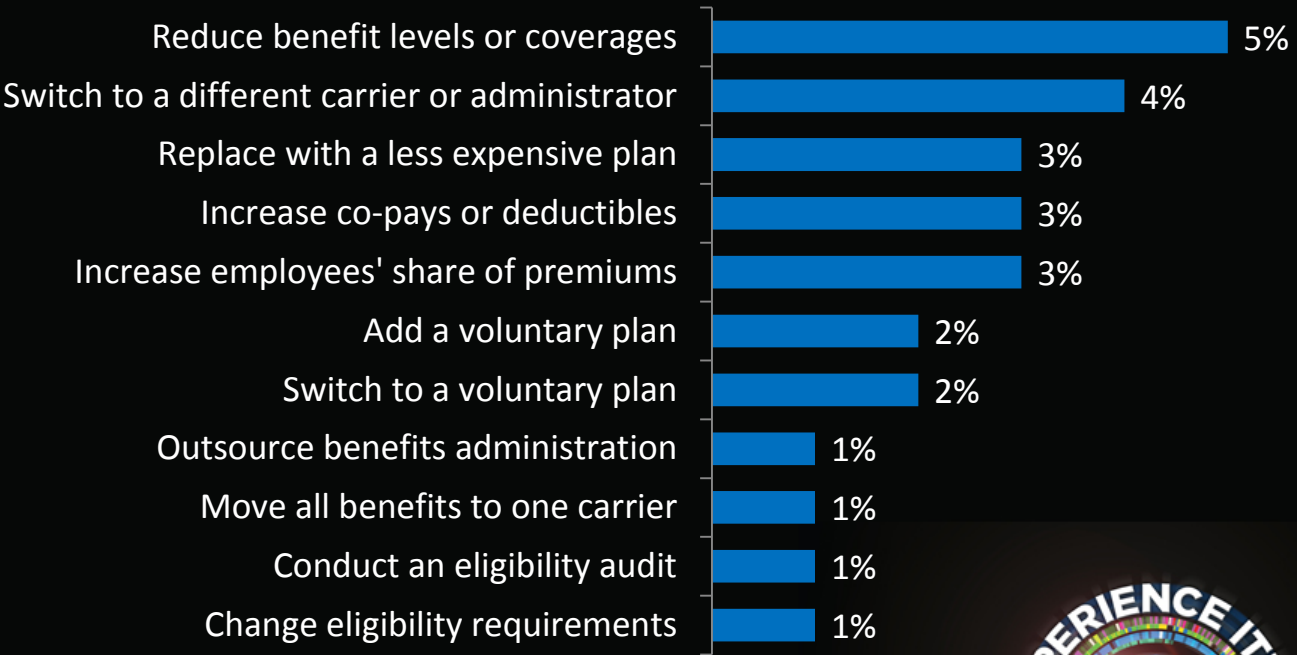


Employers Possible Changes to Vision Benefits

74%
of employers are
NOT planning ANY
changes to their vision
benefit

12%
are NOT SURE
about changes

Possible Changes

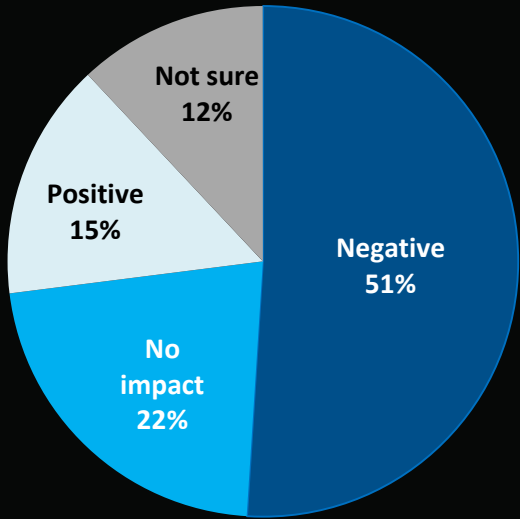


Base = Firms offering vision benefits.
Source: Preliminary LIMRA Employer Data, 2013.



Expected Impact of Health Reform

...on your overall business



...on your ability to offer medical benefits



...on your ability to offer nonmedical benefits



...on employees' ability to financially afford health care



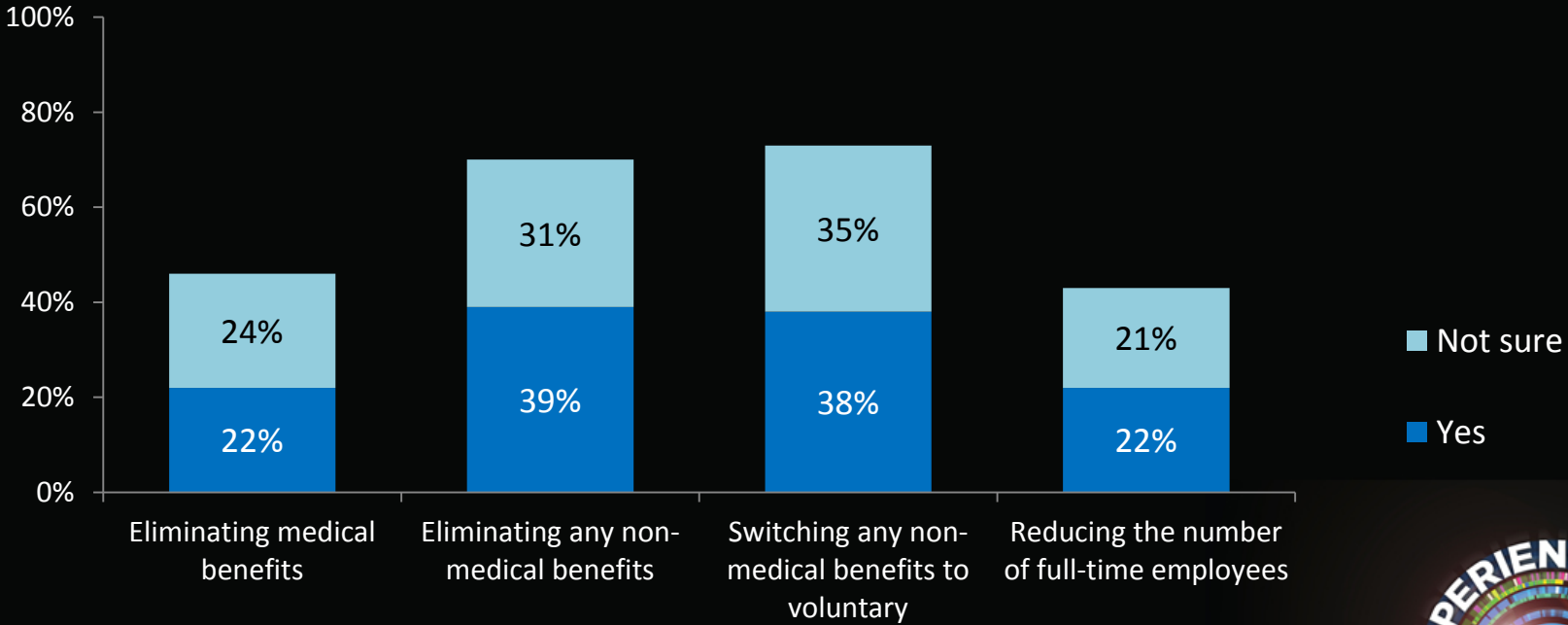
■ Very negative
 ■ Somewhat negative
 ■ Neutral
 ■ Somewhat positive
 ■ Very positive

Base = Firms offering benefits.
Source: Preliminary LIMRA Employer Data, 2013.



Possible Changes: Small Employers

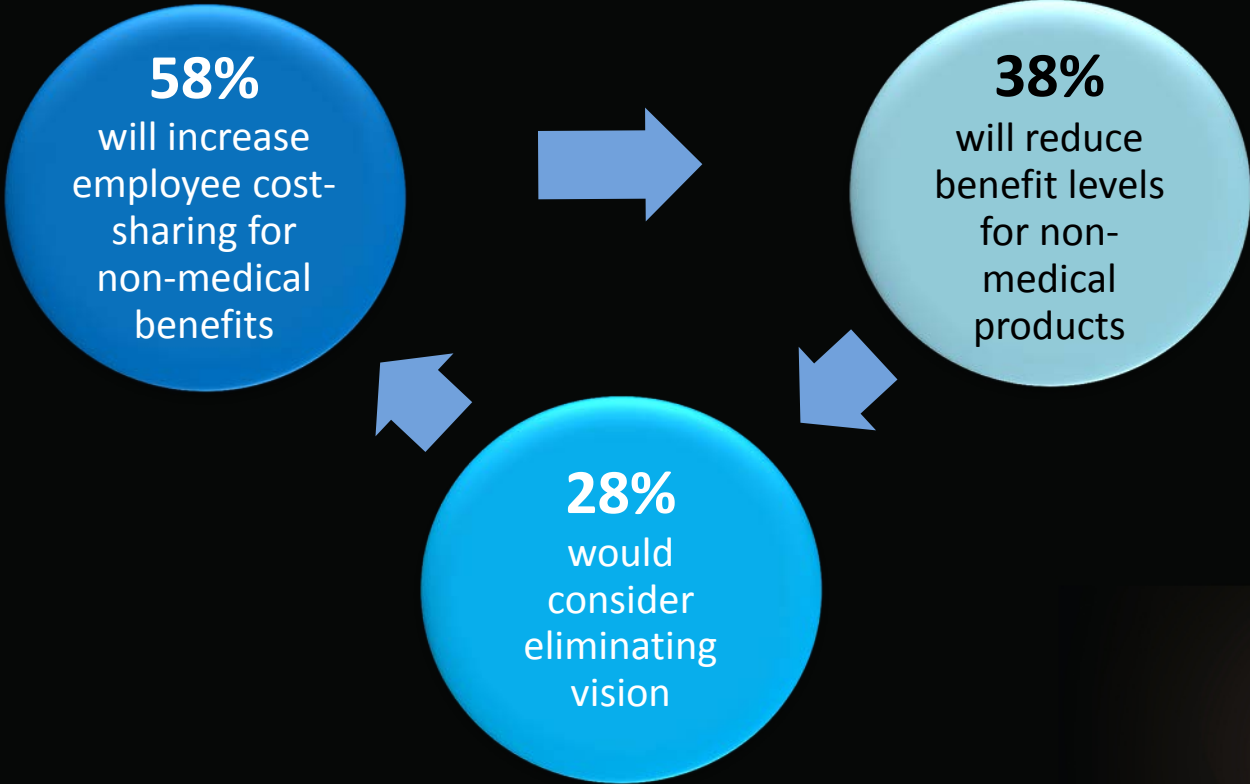
If the cost of your health benefits increased 8 percent annually over the next 3 years, would your company consider:



Base: Small employers with benefits.
Source: *No Small Matter*, LIMRA, 2013.



Possible Changes: Large Employers

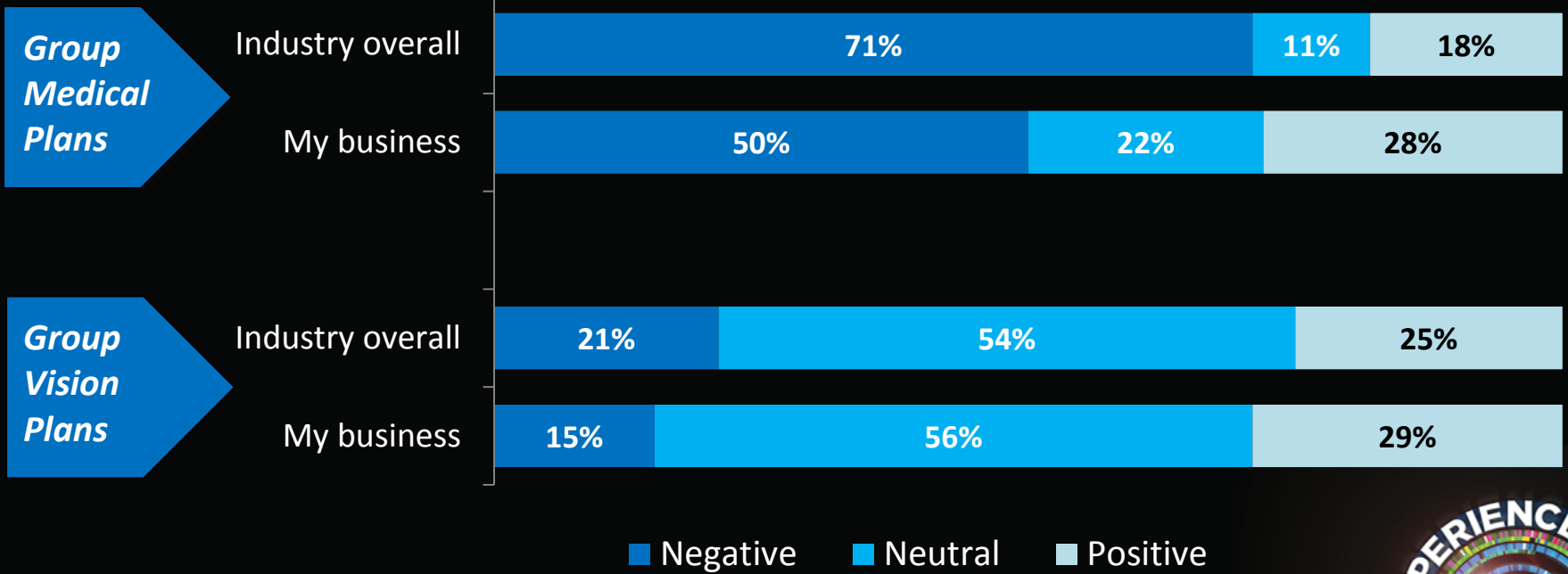


Base: Employers with benefits.
Source: *Employers Facing Transition*, LIMRA, 2013.



Producer Predictions: Impact of Health Reform

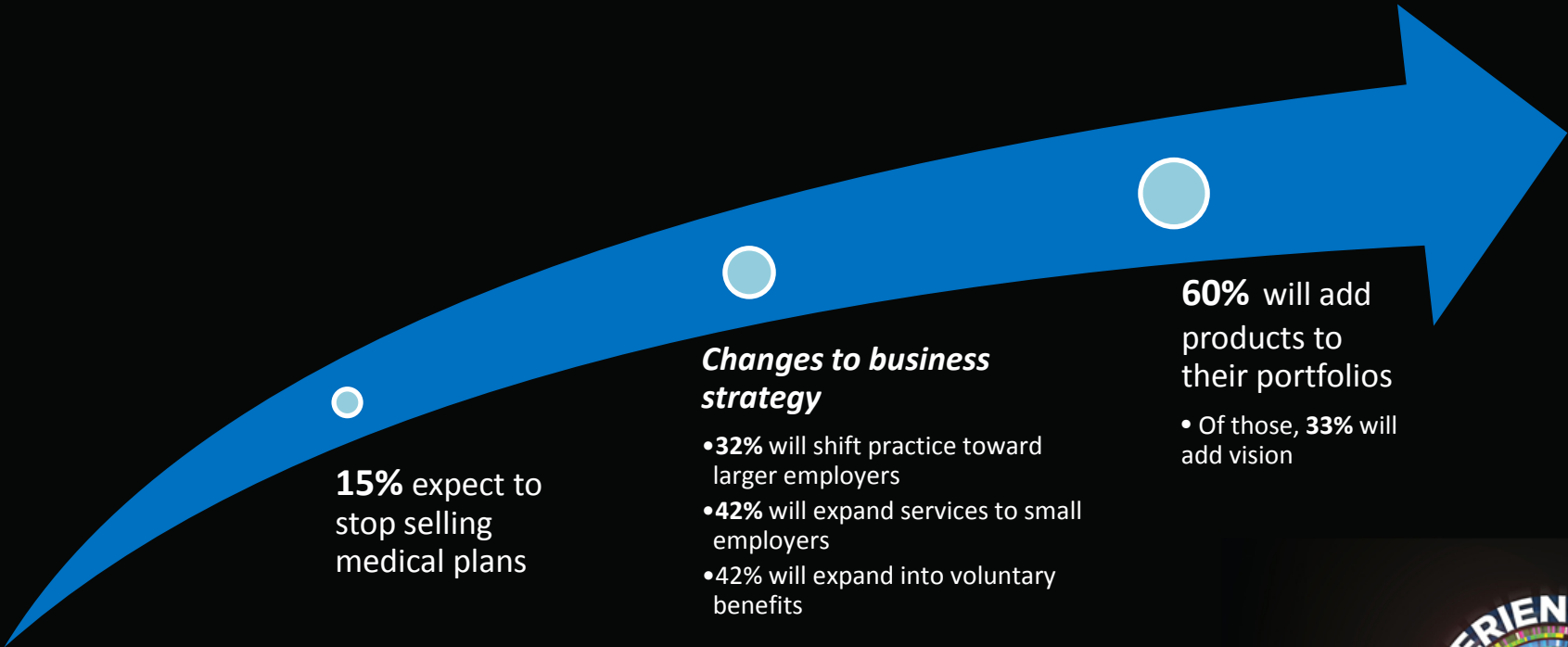
What impact will health reform have on...?



Source: Preliminary LIMRA Producer Data, 2013.



Possible Changes: Producers



15% expect to stop selling medical plans

Changes to business strategy

- 32% will shift practice toward larger employers
- 42% will expand services to small employers
- 42% will expand into voluntary benefits

60% will add products to their portfolios

- Of those, 33% will add vision

Source: Preliminary LIMRA Producer Data, 2013; Agent/Broker Community Opinion on Health Care Exchanges and Health Care Reform, LIMRA, 2011.



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