

2024 Employee Benefits

MARKET TREND REPORT

Executive Summary

As we prepare for 2025, the employee benefits industry remains fast-paced. Innovation continues to ramp up, giving both employees and employers exciting opportunities; however, rising costs remain front and center. Further, the scrutiny of plan sponsors and their role as fiduciaries has cast a spotlight on certain industry areas needing refinement. Managing finances, delivering a superior user experience, and staying compliant will require companies to walk a fine line.

Benefit leaders must stay abreast of industry trends. Assurex Global remains committed to providing insights into these trends to help employers address their challenges and improve their workforce well-being. Once again, we have collaborated with thousands of employers through webcasts and interactive polling, diving into crucial topics related to employee benefits and human capital management. This report serves as a comprehensive resource, presenting the findings of these polls in reverse chronological order, including any industry-specific insights.

In offering this summary, we trust the data and trends provided will assist employers in establishing and refining their short and long-term benefit strategies. We encourage plan sponsors to be proactive in all aspects of their program. Stay ahead, stay informed, and let Assurex Global and its Partner Firms elevate your employee benefits strategy for 2025 and beyond.

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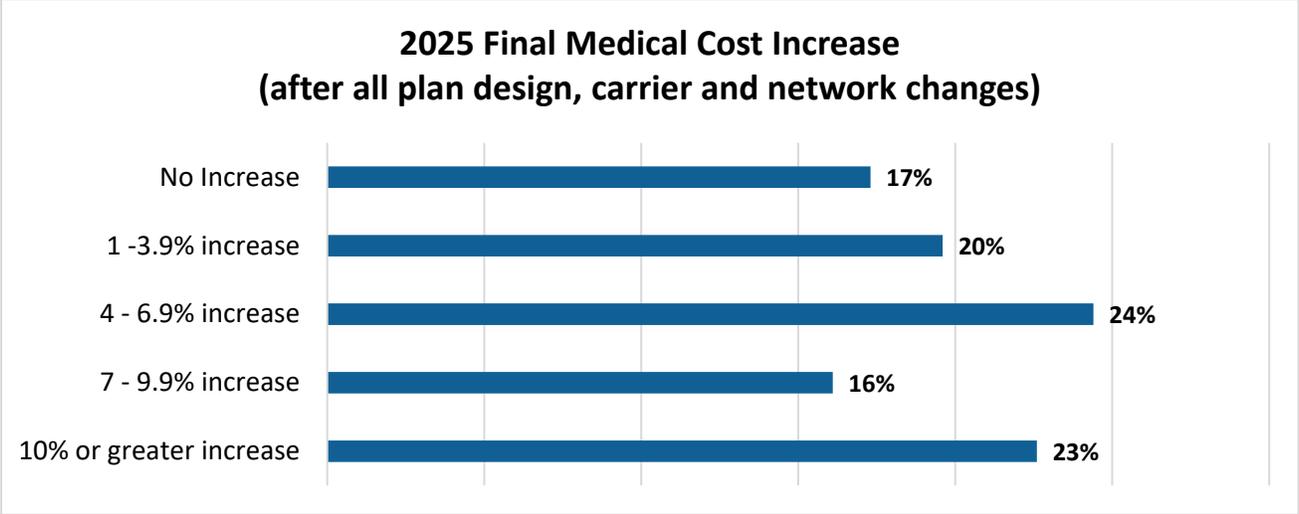


2025 Medical Plan Cost Increase

Employee Benefits Market Check Survey - December 2024

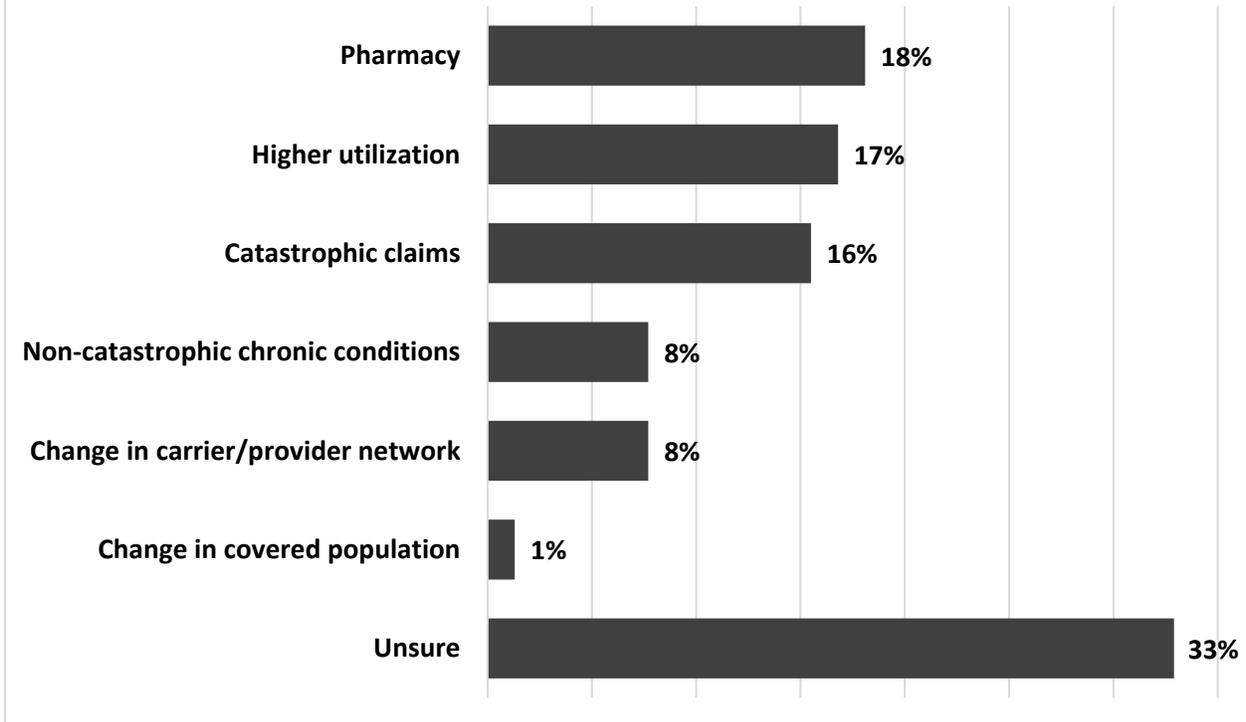
As we prepare to conclude the year, many companies have finalized their medical plan for 2025. Costs continue to increase at a challenging rate. Some market conditions driving rate increases include provider consolidation, an increasing rate of chronic conditions, higher utilization and costs for pharmaceuticals, elevated usage of behavioral health services, and general price inflation.

We conducted a survey on December 12 to confirm the final cost impacts for employers. The results are in the charts below.

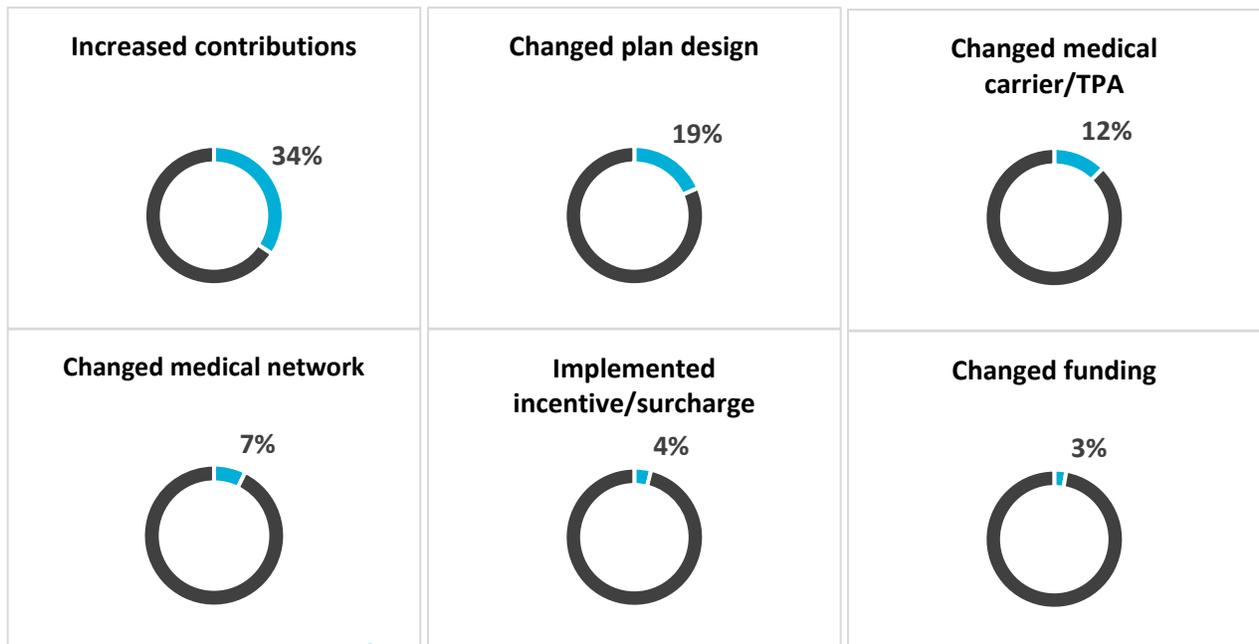


**Results based on 178 employer respondents.*

Primary Driver of Medical Cost Increase



Medical Plan Changes Implemented For 2025



35% elected to make no changes

Industry Spotlight

	Most common renewal increase	Most prevalent cost driver	Most common plan change
Education	7 – 9.9%	Higher utilization	Increase contributions
Healthcare	4 – 6.9%	Pharmacy	Increase contributions
Manufacturing	4 – 6.9%	Catastrophic claims	Increase contributions
Non-Profit	10% or more	Change in network	Increase contributions

Key Findings

At the beginning of the year, we asked employers what strategies they would implement to help manage their actual costs in 2024, and 60% said they were not taking specific action. With costs escalating significantly, the time to implement a specific plan is now. 2025 may be one of the more disruptive years the industry has seen in some time.

As the data above illustrates, employers are confronted with sizable premium increases, as 63% will have their medical costs rise by 4% or more in 2025 after making any changes. While it is encouraging that 35% of employers did not have to modify their plans, most were less fortunate. Increasing payroll contributions and plan design elements were the most common adjustments and were felt by all employees.

Based on headlines over the past two years, it should be no surprise that pharmacy was the #1 renewal cost driver for those employers who could pinpoint specific problem areas. For the 33% of companies that did not know what led to their renewal increase, the opportunity to explore alternate funding and claims data tools should be on the roadmap.

Whatever strategy an employer decides to implement, it likely will not produce quick results. Benefit leaders must be patient and allow their planning and investment time to have an impact.

Should you have any questions regarding any of this information or want to discuss your health plan costs, please contact your local Assurex Global adviser.

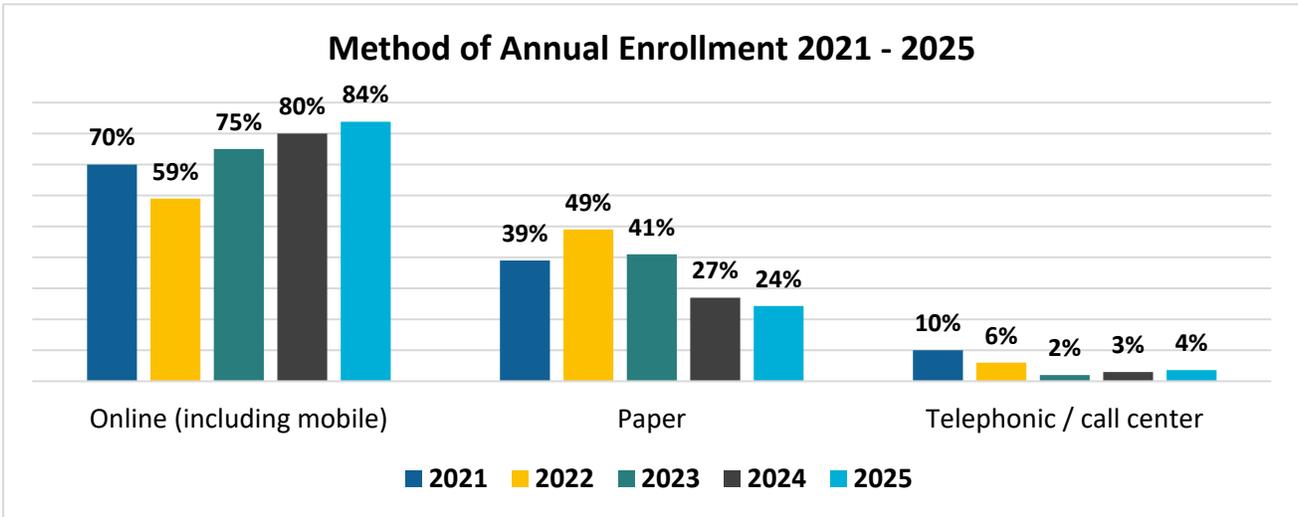


2025 Annual Enrollment Methods

Employee Benefits Market Check Survey - November 2024

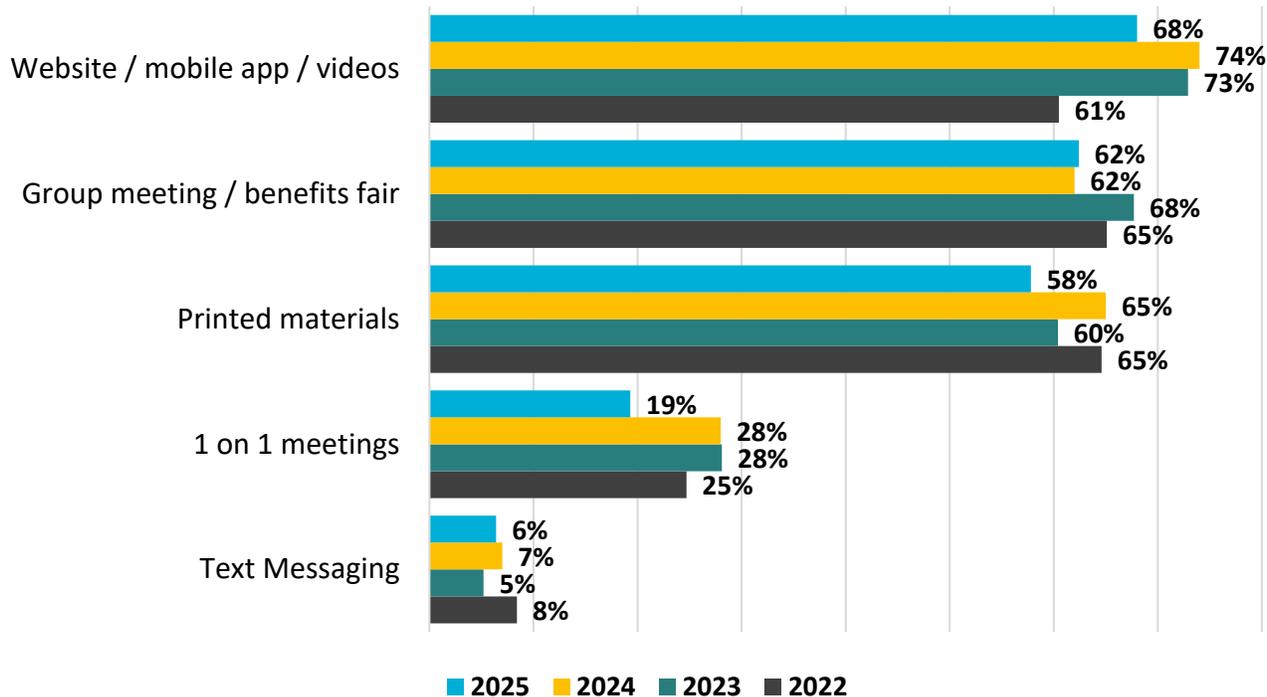
Annual enrollment season is critical for employees to assess and purchase the health, financial, and wellness coverage they need for themselves and their families. Making informed choices during enrollment can help workers manage costs, plan for the future, and access programs that promote total well-being and work-life balance. How the employer deploys enrollment and communicates it can greatly impact the coverage an employee selects and their overall satisfaction with their benefits.

Employers take various approaches to their enrollment and communication approach. We conducted a survey on November 14 to better understand current practices. The results are in the charts below.



*Results based on 111 employer respondents.

Communication Methods



Key Findings

The data highlights a clear and ongoing shift toward digital and self-service options for benefits enrollment. The increasing adoption of online solutions comes as no surprise, as these platforms are efficient, enhance the employee experience, and reduce administrative errors. Digital tools are now more accessible than ever, making them a viable option for employers of all sizes. Many already have access to digital enrollment solutions through their broker or payroll / human capital management (HCM) software providers.

How companies communicate their benefit offering remains diverse. Digital options are the most widely used, but group/in-person events are still prominent, indicating that employers and employees find value in human interaction when conveying and learning about the benefits package. Employees have diverse preferences and needs, necessitating a mix of digital and traditional formats.

The annual enrollment process often shapes employees' overall perception of the benefits program. By adopting a comprehensive, employee-centric approach, employers can boost engagement and ensure employees fully understand and appreciate their benefits offerings.

Should you have any questions regarding any of this information or want to discuss your enrollment method, please contact your local Assurex Global adviser.

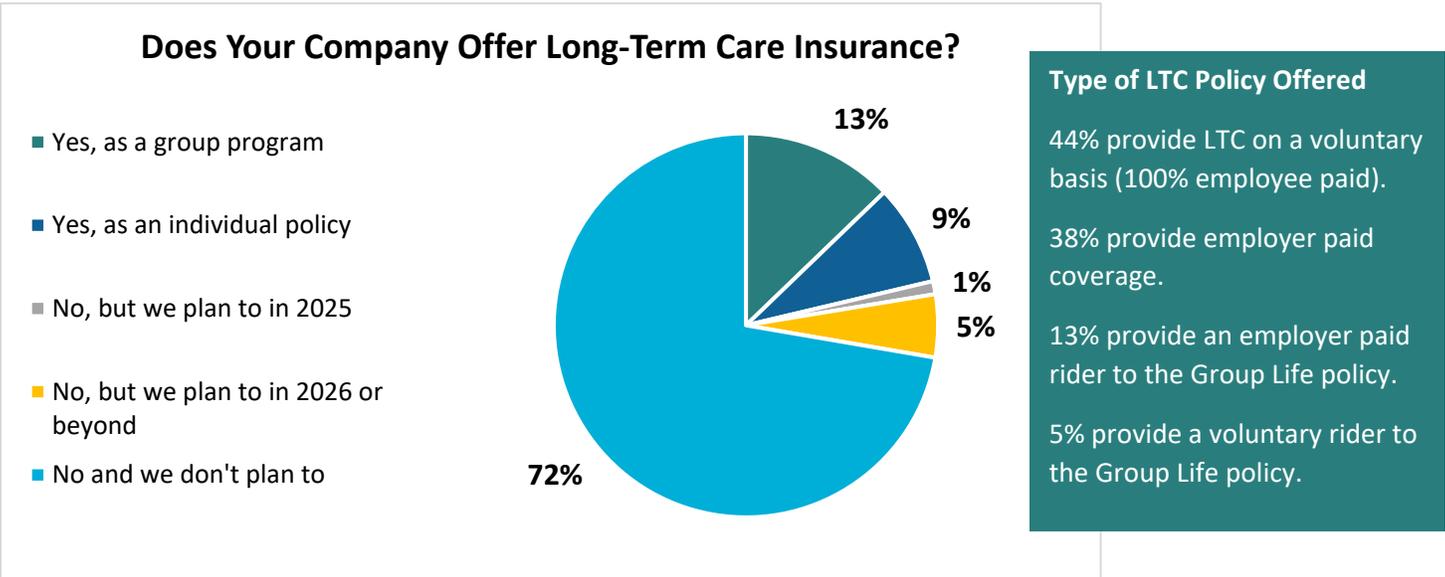


Long-Term Care Coverage

Employee Benefits Market Check Survey - October 2024

Long-term care insurance (LTC) is designed to help those people who receive custodial care in a facility or their home and require assistance with certain activities of daily living (bathing, dressing, etc.). LTC insurance has been around for a long time, but the products in the market have changed significantly over the past 20 years. The need for LTC coverage has always been prominent, but legislative activity at the state level has brought the topic back to the spotlight.

On October 17, we conducted a survey to better understand how employers approach LTC within their employee benefit packages. The results are in the charts below.



*Results based on 188 employer respondents.

Primary Reasons for Offering/Not Offering LTC Insurance

For Those That Offer LTC

54% As a complement to our voluntary benefit portfolio

17% It is a core component to our broader financial wellness strategy

17% To provide employees access to meaningful and affordable with GI and group pricing

12% To address employee needs and request for LTC planning

For Those That Do Not Offer LTC

32% Lack of employee interest/demand

25% Cost to the company

23% Availability of other benefits deemed more important

20% Not aware of LTC options

Key Findings

Most employers do not offer long-term care insurance as part of their benefits package. While some provide access to voluntary or employer-paid options, comprehensive coverage remains uncommon. As the need for long-term care continues to grow with an aging workforce, offering this benefit could set employers apart and help support employees' future well-being and retirement goals.

The odds that individuals will need long term care at some point are quite high. Unfortunately, many still believe that long term care services will be covered by some form of Medicare/Medicaid, long-term disability or health insurance. Since these products provide minimal to no protection for long-term care, many will turn to retirement savings to help cover the costs or go into debt. LTC insurance can not only help cover some of the expenses, it can also help in alleviating financial and mental stress.

LTC insurance offers significant benefits by providing financial protection and peace of mind to employees and their families. As more states look to enact some type of public LTC plan, the conversations regarding long-term care will only increase. Public plans may not provide substantial coverage and may add additional taxes to workers and/or businesses. While this isn't the only reason to consider offering LTC insurance, employers should be prepared for a possible increase in demand from its workforce.



Should you have any questions regarding any of this information or want to discuss your LTC offerings, please contact your local Assurex Global adviser.



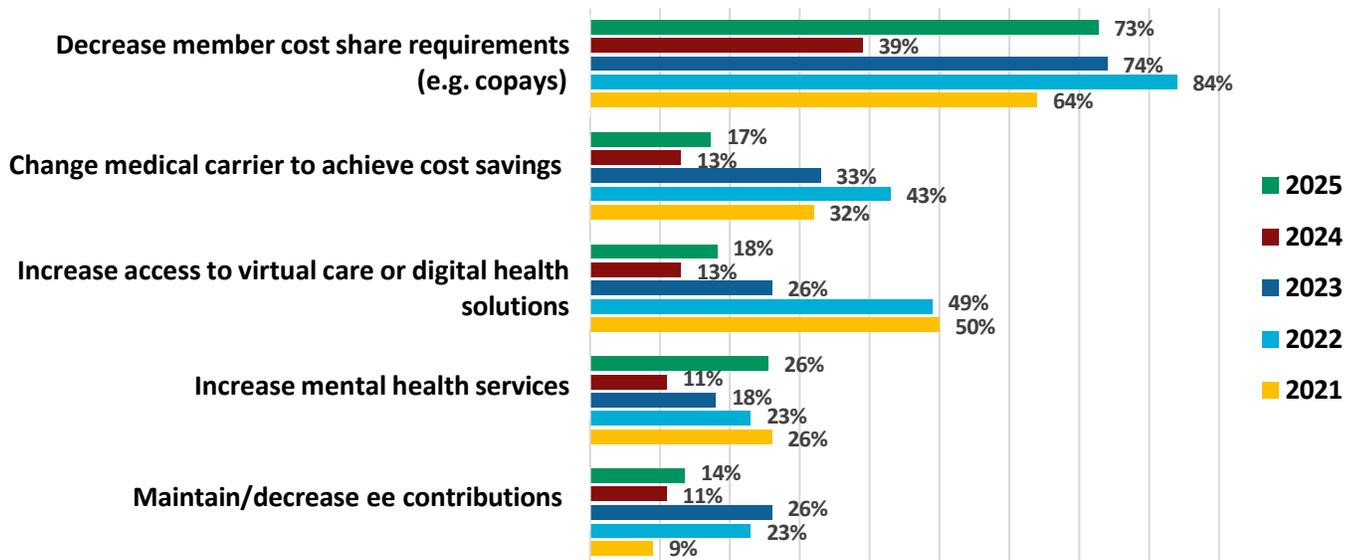
Employer Health & Well-Being Strategies

Employee Benefits Market Check Survey - September 2024

As employers plan for 2025, strategic decisions around medical and non-medical benefit offerings are top of mind. With evolving employee needs and rising healthcare costs, companies are exploring various approaches to their employee benefits programs.

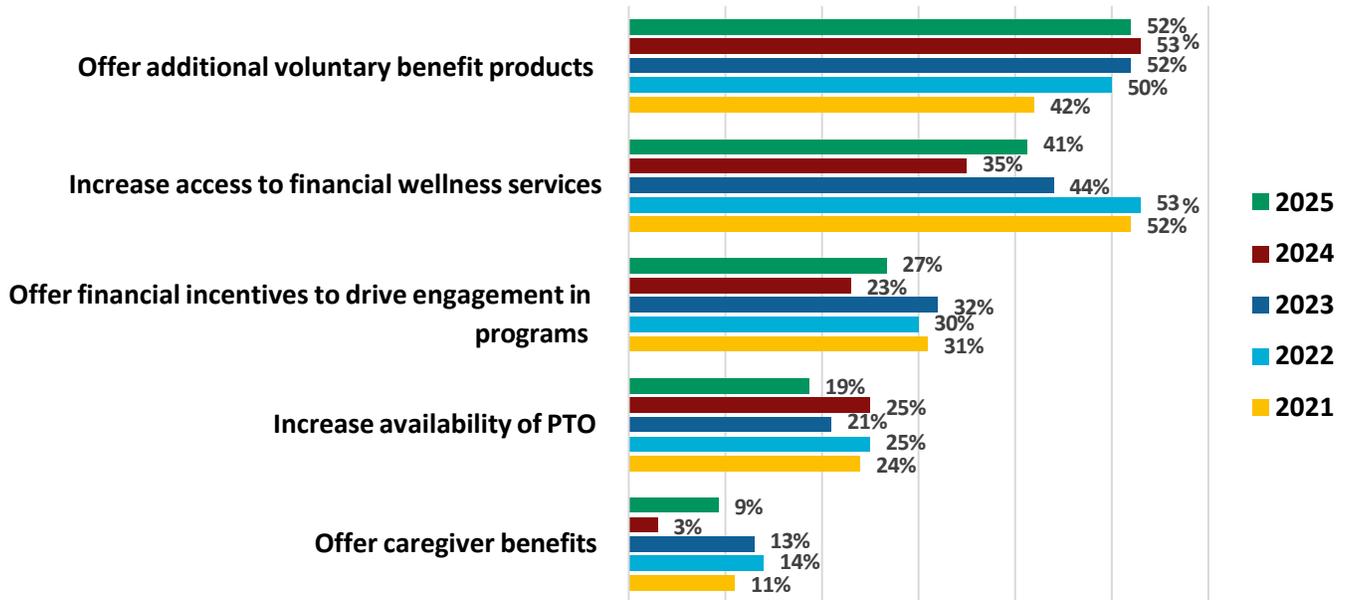
We hosted a webinar in September and asked employers to share their intended actions regarding two critical areas of focus: medical and non-medical plan strategies. The results are in the charts below.

Employer Medical Strategies



*Results based on 110 employer respondents.

Employer Non-Medical Strategies



Industry Spotlight

When examining by industry, we learned the following:

- Manufacturing employers were the least likely to change their medical carrier (0%) and the most likely to maintain or decrease the employee contribution amount (90%). They are also leading in the desire to increase access to financial wellness services.
- Non-profit employers are the most focused on increasing access to virtual or digital health solutions.



Key Findings

As employers brace for significant medical premium increases in 2025, many are faced with the challenge of balancing rising costs with tighter budgets. While some organizations may be limited in offering the same level of services as in previous years, the overall approach to managing employee contributions and benefits is evolving.

Despite these financial pressures, many companies are not planning to shift additional costs to employees. In fact, a strong majority—73%—intend to maintain or even decrease employee contribution levels, a significant increase from last year, when only 39% of employers chose this option. However, 26% of respondents indicated plans to change their medical carrier to achieve cost savings. This shift could have a notable impact on employees, potentially altering provider networks and overall plan experiences.

In addition, more than half of employers are focusing on expanding voluntary benefits, a flexible strategy that allows employees to select personalized coverage options without requiring significant employer investment. A robust voluntary benefit offering can serve a workforce with people in various life stages.

As organizations navigate these complex choices, the primary challenge remains balancing cost containment with the need to offer competitive, comprehensive benefits packages. The strategies employers adopt will be key in maintaining employee satisfaction and supporting retention in a competitive labor market.

There are many health and well-being strategies available to employers. Please contact your local Assurex Global adviser to discuss these and other avenues to explore.



Medicare Part D Creditable Coverage

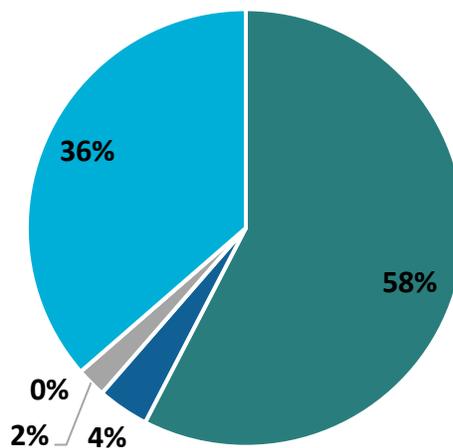
Employee Benefits Market Check Survey - September 2024

The Inflation Reduction Act imposed changes to Medicare Part D for 2025. The changes reduce an individual’s out-of-pocket amount and remove the coverage gap (“doughnut hole”). These changes may affect the creditable coverage status of an employer’s group prescription drug coverage as the actuarial value of coverage through Part D will increase.

On September 19, we conducted a survey to better understand how employers’ creditable coverage status is changing (or not) for the coming year. The results are in the charts below.

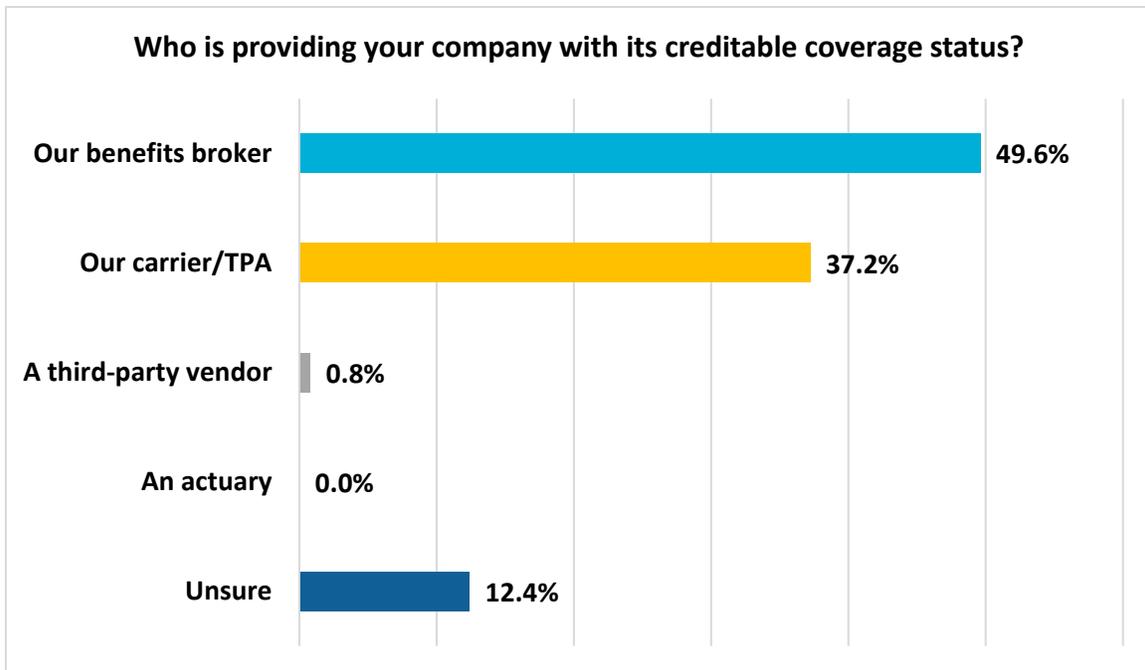
What will be the status of your pharmacy coverage for 2025?

- Currently creditable and will remain so
- Currently creditable but will be non-creditable in 2025
- Currently non-creditable and will remain so
- Currently non-creditable but will be creditable in 2025
- Unsure



Creditable Coverage – coverage is deemed creditable if the actuarial value of the employer plan is equal or greater than the actuarial value of the standard prescription drug coverage under Medicare Part D.

**Results based on 133 employer respondents.*



Key Findings

Employers are not required to offer creditable coverage, but they are required to notify plan participants of the plan’s status annually. This information allows anyone eligible for Medicare Part D to decide whether to elect coverage and whether there will be any late enrollment penalties.

From the data provided, most employers who have already completed their determinations will remain creditable for the 2025 plan year. Almost 40% are still unsure of their status as determinations must be made upon plan renewal, and those employers with calendar year plans are still making final decisions. We anticipate that when those employers complete their analysis, the vast majority will keep their creditable coverage status for 2025. The reason behind this belief is the availability of the simplified method for determining creditable status. This method provides an easier path for employers to achieve creditable standing. There are indications that this method may not be at the employer’s disposal in 2026, so we may see a greater change in plans losing creditable status next year.

Employers are overwhelmingly turning to their benefit advisers or health plan administrators for assistance in determining whether their plans are creditable.

It is important to include the analysis in renewal planning for employers that have not yet performed it. All employers should be prepared to conduct a more thorough analysis for their 2026 plan year.

Should you have any questions regarding any of this information or want to discuss your plan’s status, please contact your local Assurex Global adviser.



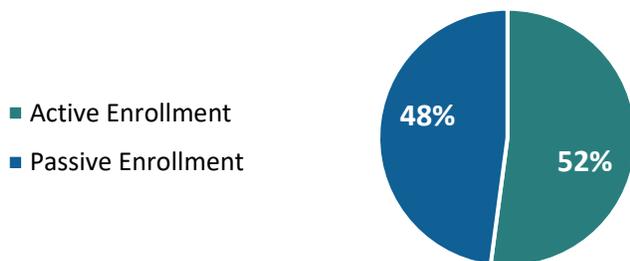
Annual Enrollment Practices

Employee Benefits Market Check Survey - August 2024

Annual benefits enrollment is a crucial period for both employers and employees. It sets the stage for the coming year's benefits plans and significantly influences employees' overall perceptions of their benefits packages specifically and their employer holistically. During this time, employees can review and make informed decisions about their options and costs, ensuring they have the coverage and support they need for the upcoming year.

Employers take various approaches to annual enrollment. On August 22, we conducted a survey to better understand current practices. The results are in the charts below.

What enrollment process will you use this year?

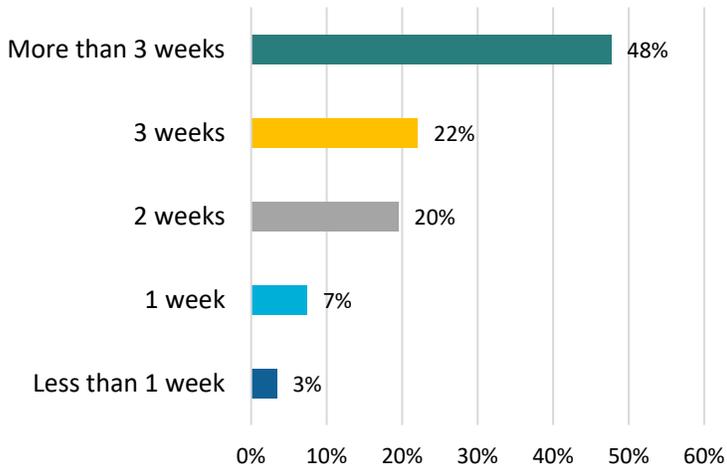


Active Enrollment requires employees to actively review and select their benefits options each year, even if they wish to keep the same plans.

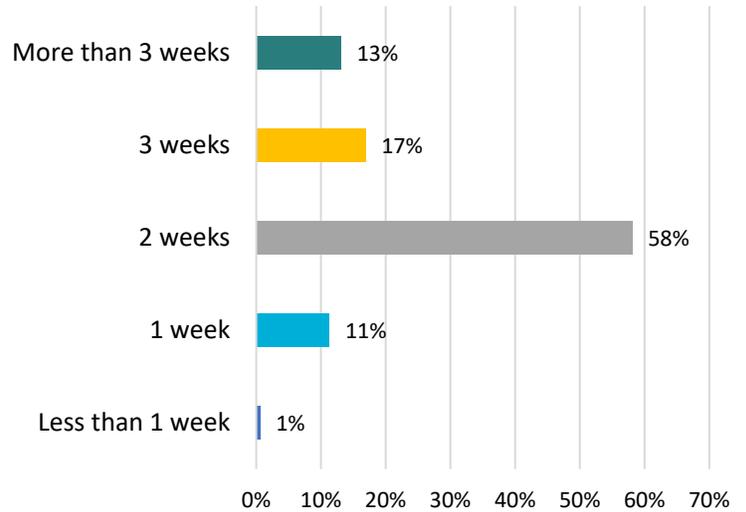
Passive Enrollment automatically renews employees' existing benefits selections, unless they choose to make a change.

**Results based on 163 employer respondents.*

How far in advance do you begin communicating with employees about enrollment?



How long is your enrollment period this year?



Industry Spotlight

When examining enrollment practices by industry, we learned the following:

- Education (67%) and Construction (58%) employers were most likely to employ an active enrollment process.
- Tech/Life Science companies were most likely to use a passive enrollment (66%).
- No industry deviated significantly from the aggregate data regarding the length of the enrollment period or advance communications.

Key Findings

The methods and strategies employers adopt for annual enrollment play a critical role in shaping the employee experience and ensuring that workers are well-informed and adequately covered. We found that an active enrollment process was slightly more common than a passive process. Both have pros and cons, and each employer's strategies will vary based on their demographics, benefits goals, capacity of the HR team, and more. Active enrollment ensures employees are aware of changes or new offerings and make conscious choices about their coverage each year. Passive enrollment is more convenient for employees but can lead to complacency and less awareness of benefit options.

Earlier this year, we asked employers about their opportunities to improve their annual enrollment. The number one response was "increase education of the benefit program" followed by "change how we communicate the program." Employers know that annual enrollment is a critical time to educate employees about the benefits programs, and they must be very strategic to maximize this opportunity.

Most employers prefer communicating changes more than three weeks before annual enrollment. Communicating changes to the benefits program well before annual enrollment allows employees more time to understand and evaluate their options. Still, it can also lead to information overload and a longer period of uncertainty, while waiting until enrollment opens ensures information is fresh but may rush employees into making decisions without ample consideration. Regardless of your active/passive stance, clear communication of the benefit offerings is critical and must occur across multiple channels.

Two weeks was the most common annual enrollment window among respondents. A shorter window can streamline the process and reduce administrative burden, but it may limit employees' time to thoroughly review and choose their benefits. A longer window allows for more informed decision-making but can prolong the administrative efforts and potentially delay finalizing enrollments.

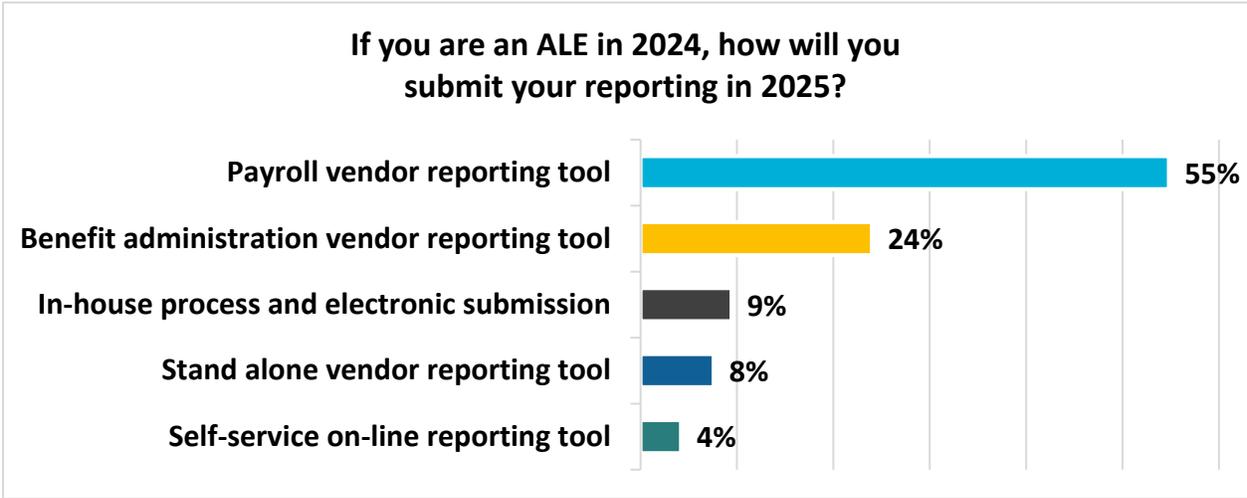
Should you have any questions regarding any of this information or want to discuss your enrollment practices, please contact your local Assurex Global adviser.



Employer Reporting Methods

Employee Benefits Market Check Survey - July 2024

One of the provisions of the Affordable Care Act requires applicable large employers (those with an average of 50 full-time employees over the previous calendar year) to report health plan information and participant coverage data to the IRS via Forms 1094 and 1095. The reporting is done annually and needs to be done early in the year. There is no requirement on how the data is submitted, so various options are available. We conducted a poll on July 25. The results are in the chart below.



**Results based on 212 employer respondents. ALE = Applicable Large Employer*

Industry Spotlight

Employers across most industries overwhelmingly indicated that their payroll vendor reporting tool was their method of choice. The one industry that is not leading in that is education. Thirty-six percent of those employers use their benefits administration platform to handle the reporting.

Key Findings

The data shows that most employers submit their data to the IRS using a reporting tool. Most employers find success utilizing their existing payroll or benefit administration providers' solutions. Payroll vendors are familiar with filing tax forms, while benefit administration vendors already maintain the necessary information. Those with particularly complex needs may look to a standalone vendor specializing in ACA reporting, but they should note that these solutions may require more intervention from the employer.

While there is no correct method to use when submitting reports to the IRS, employers must ensure their reporting is accurate, and it is important to understand that most reporting tool vendors take on little to no liability for the accuracy of the reports. The IRS has increased its enforcement of the reporting requirements, so employers should partner with a trusted vendor and thoroughly review and approve any submission to the IRS.



Should you have any questions regarding any of this information or want to discuss your reporting needs, please contact your local Assurex Global adviser.



HSA Contribution and Administration Perspectives

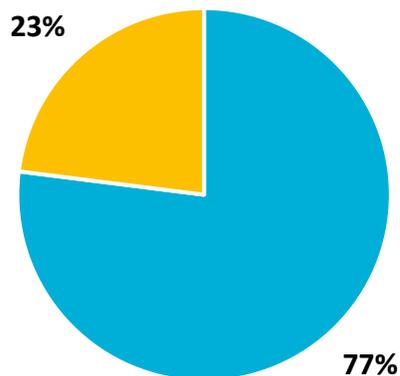
Employee Benefits Market Check Survey - June 2024

Twenty years after health savings accounts (HSAs) became effective, employers continue to offer them as an option with great frequency (see our [October 2023 Market Check Survey](#) for more information). Further, many are also providing an employer contribution to the account. There are several strategies a company can take when deciding how and when to fund an HSA.

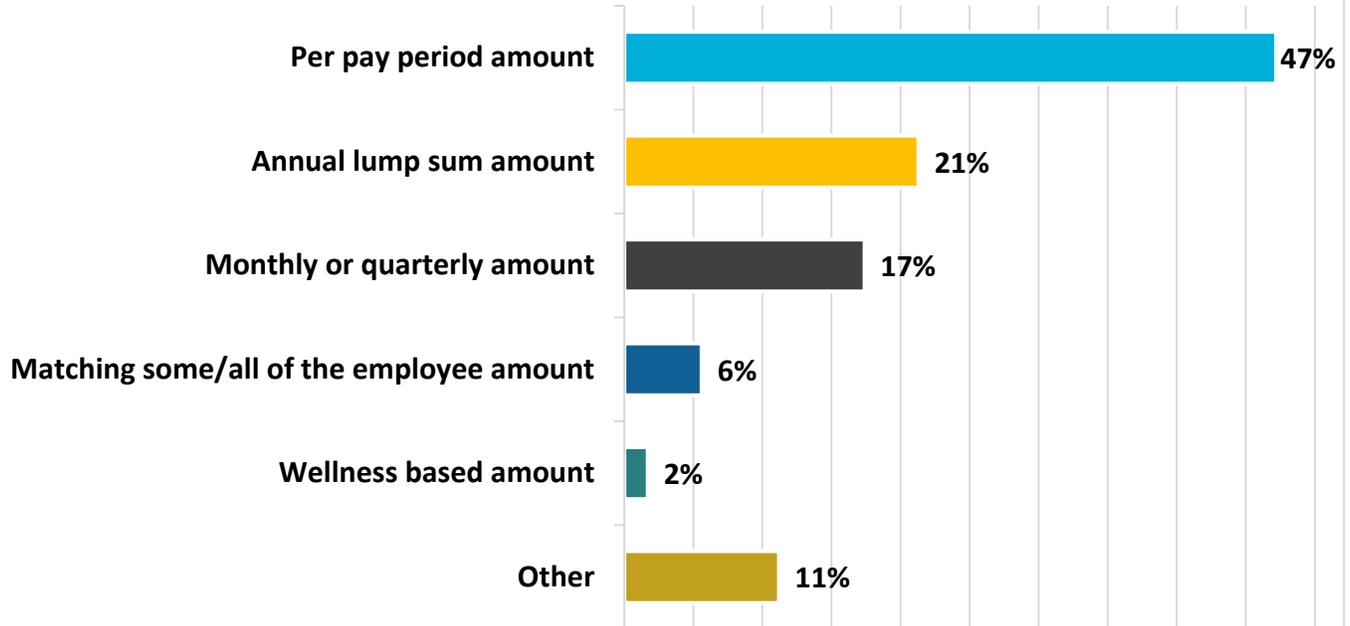
We conducted two polls on June 20. The results are in the chart(s) that follow.

Do you direct your employees to a specific HSA administrator/bank or allow employees to choose their own?

- We direct employees to a specific HSA administrator/vendor
- We allow employees to choose their own HSA administrator/vendor



If you provide an employer contribution to employee HSAs, what funding method do you use?



**Results based on 183 employer respondents.
Respondents were allowed to select multiple answers to the second question.*

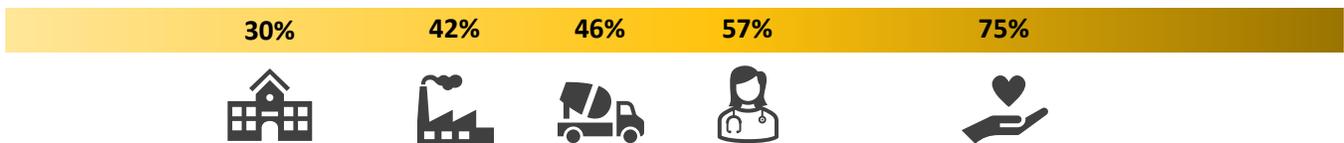


Industry Spotlight

Employers, regardless of industry, are similarly likely to provide an HSA account administrator or vendor for their employees to utilize.

We found that the “per pay period” funding method is the most common across industries. However, its prevalence varies: non-profit employers overwhelmingly prefer this method, while education employers are less likely to use it.

Prevalence Of Per Pay Period Funding Method Across Industries *Education, Manufacturing, Construction, Health Care, and Non-Profit*



Key Findings

The way employers fund and administer their HSA will significantly impact employee usage and satisfaction with the offering. With most employers offering an HSA option and well over half making an employee contribution, many things must be considered to ensure employees' needs are met and ease the employer's administrative and financial burden.

Most employers provide their employees with an HSA account administrator or vendor, likely to lessen the confusion around HSAs and ensure ease of enrollment and contribution deposits.

Many employers fund their employees' HSA accounts on a per-pay period basis, which offers several advantages, such as consistent cash flow for employees and ease of budgeting for employers. Each funding scenario presents unique pros and cons, and employers should continue to evaluate their HSA strategy to confirm it fits within their broader financial wellness philosophy.

Should you have any questions regarding any of this information or want to discuss HSAs, please contact your local Assurex Global adviser.

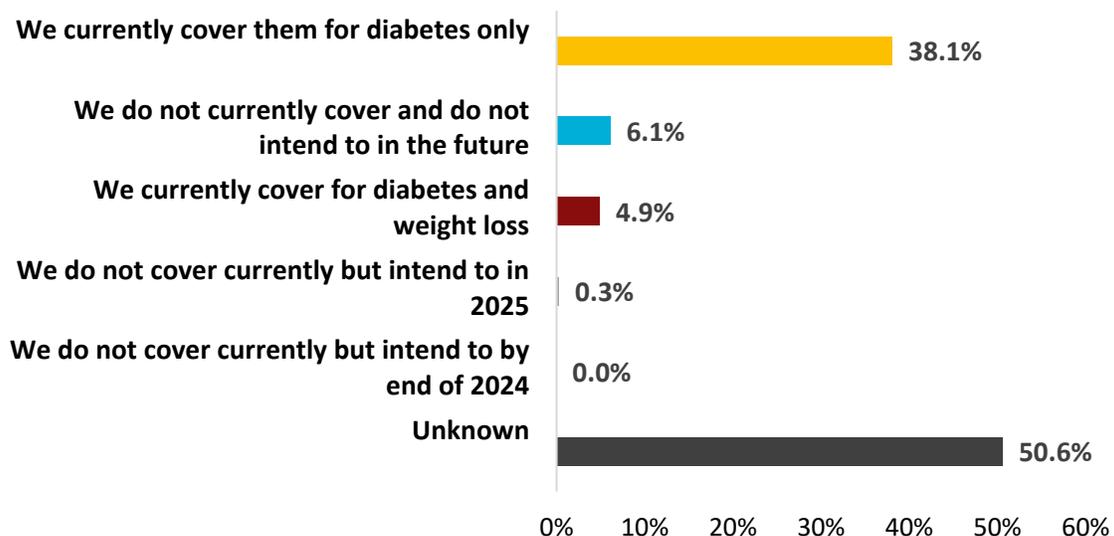


Employer Strategies for GLP-1 Drugs

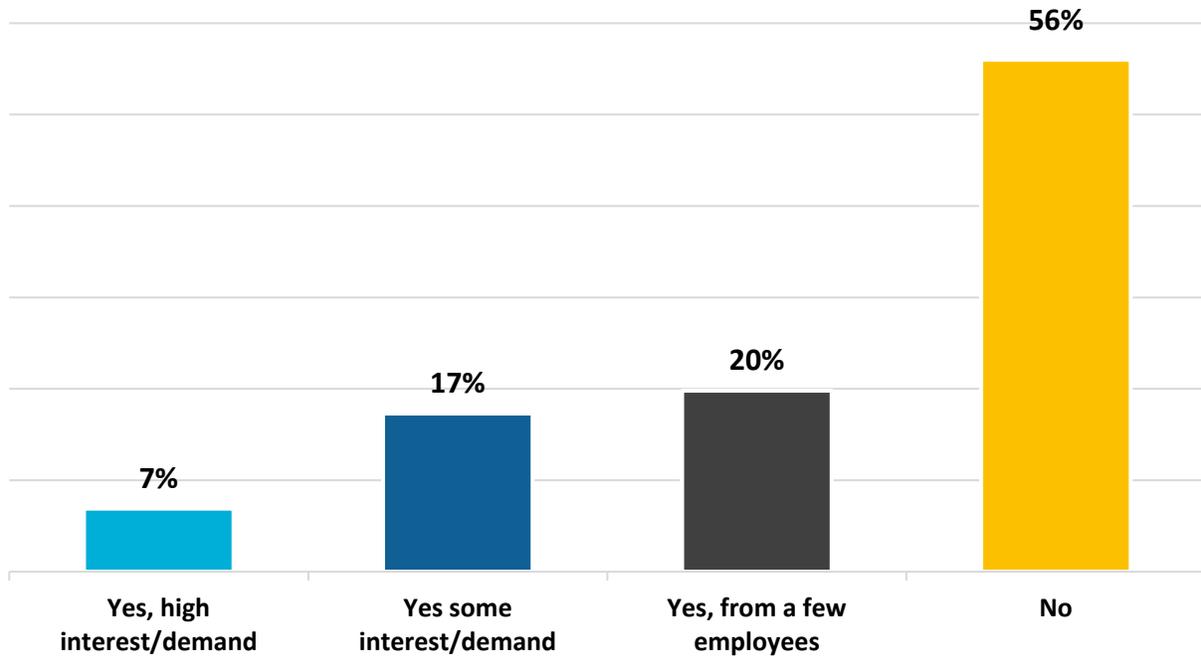
Employee Benefits Market Check Survey - May 2024

As benefit plan sponsors monitor industry trends, one topic that has grown in popularity the past year is the coverage of GLP-1 drugs (e.g. Ozempic, Wegovy). These drugs were initially developed to help treat Type 2 diabetes. What has emerged is their ability to also assist individuals with weight management. As pharmaceutical companies continue to invest in developing drugs in this category and as more data becomes available, employers and employees will need to adapt to the evolving landscape of GLP-1 drug utilization and coverage. We conducted two polls on May 23. The results are in the chart(s) that follow.

How does your plan currently cover GLP-1 drugs?



Are you receiving inquiries from your employees about covering GLP-1 drugs for weight loss under the plan?



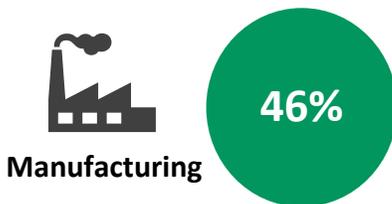
**Results based on 247 employer respondents*



Industry Spotlight

Like many other areas, employers across industries are currently taking various positions on how they cover GLP-1 medications. Along with industry and geography, whether the employer is fully insured or self-funded will also influence coverage.

Most likely to cover GLP-1 medications only for diabetes



Most likely to cover GLP-1 medications for diabetes and weight loss:



Additionally, employers in the Healthcare industry reported the highest demand from employees regarding coverage for weight loss. Considering their roles in the care spectrum, this outcome is not unexpected. Healthcare workers can see the cause and effect of diverse types of treatments, and their exposure to this pharmaceutical class provides a unique perspective.

Key Findings

With all the recent attention being given to this class of drugs (advertising, social media coverage, celebrity usage, etc.), it was surprising to find half of the respondents did not know how their medical plans currently covered GLP-1 medications. This reality presents an immediate opportunity for these plan sponsors to review their benefit documents. Should the plan be amended if these treatments are not currently covered for weight loss? If the decision is yes, employers should consider implementing controls such as step therapy, quantity limits, or prior authorization.

The discussion around GLP-1 drugs will increase during the next several years as more drugs are manufactured and brought to market as well as researched and developed to treat additional conditions. As obesity rates remain high, individuals will look for any solutions available to aid them in battling this condition. Certainly, companies have other options regarding weight loss support to provide for their workforce. Employers must develop an approach that balances costs with their overall population health goals.

Should you have any questions regarding any of this information or want to discuss your pharmacy strategy, please contact your local Assurex Global adviser.

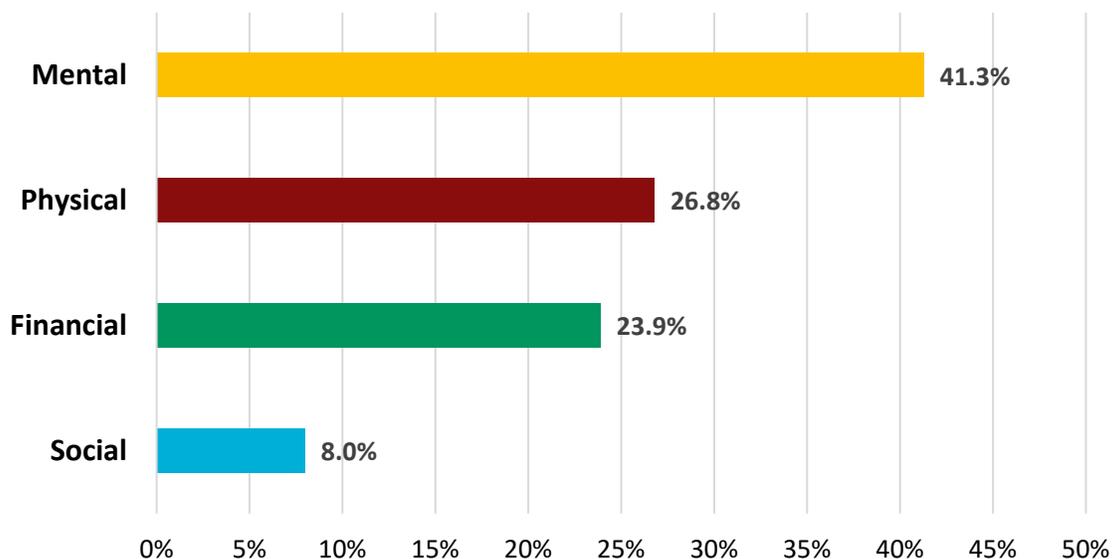


Employer Well-Being Perspectives

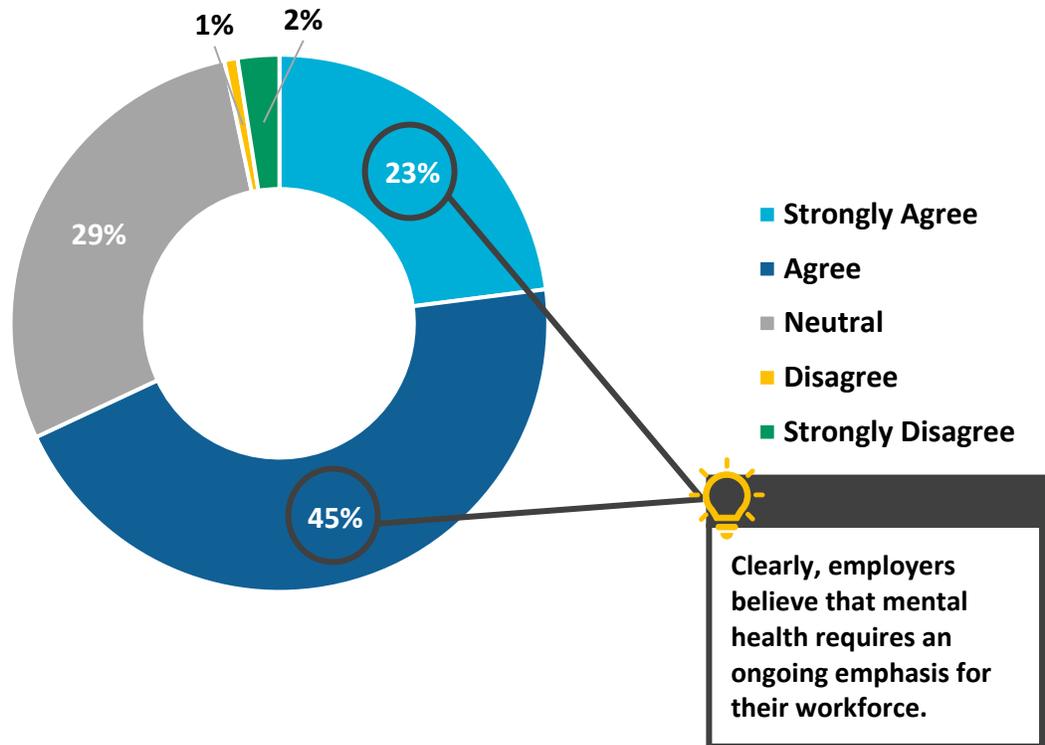
Employee Benefits Market Check Survey - April 2024

Employers continue to recognize the profound impact of employee well-being on organizational success and productivity. Investing in the well-being of employees is not merely an altruistic endeavor; it's a strategic imperative. A comprehensive approach to well-being encompasses four key pillars: physical, mental, financial, and social. Mental health has had an increased focus over the last several years in light of the challenges posed by the pandemic, economic uncertainties, and other stressors of the workforce. Employers concentrating on all pillars can create a harmonious workplace where employees thrive, driving innovation and achieving business objectives. We conducted two polls on April 25. The results are in the chart(s) that follow.

What pillar of well-being will you invest the most in 2024?



Having more mental health tools and resources is a higher priority than two years ago

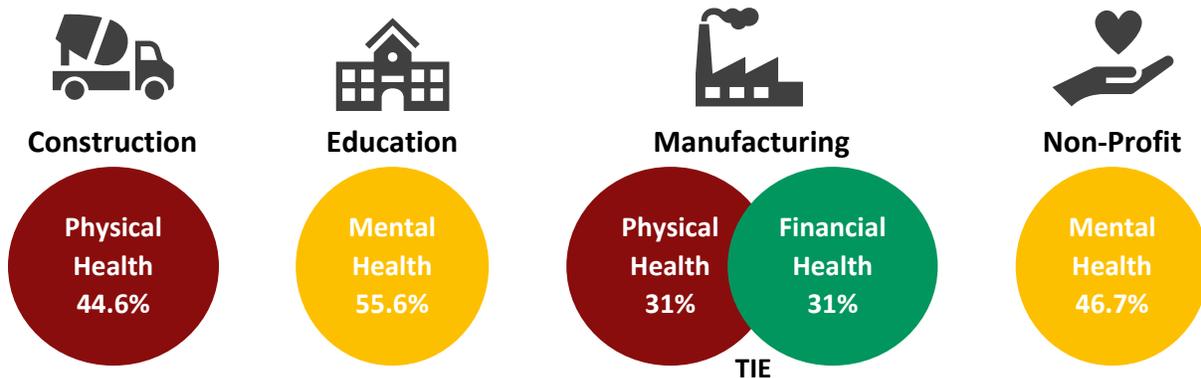


**Results based on 138 employer respondents (allowed to select multiple answers)*



Industry Spotlight

Employers across different industries prioritize the well-being of their workforce in diverse ways. When asked which pillar of well-being their organization will invest in the most this year, we found response varied by industry:



Additionally, education and non-profit employers overwhelmingly told us that having more mental health tools and resources is a higher priority than two years ago: 80% of employers in the education sector and 76% of employers in the non-profit sector agreed or strongly agreed with this sentiment.

As the employee demographics can significantly vary from industry to industry, it is not surprising that we found different focuses. However, regardless of industry, employers must recognize the significance of prioritizing all pillars of employee well-being to foster a productive and healthy workforce.

Key Findings

Employers are still investing in mental health as their main pillar of well-being, but fewer are doing so than in the previous year (41% vs. 52% in 2023). Despite the drop in those concentrating on mental health as their #1 category, employers overwhelmingly told us that having more tools and resources to address mental health is more critical than two years ago. Physical well-being saw the biggest increase in employer attention over the prior year.

This emphasis on mental health, particularly in the wake of the pandemic, highlights its enduring importance in the workplace. With May being Mental Health Awareness Month, employers have a great opportunity to demonstrate their openness to discussing the subject and highlight available resources, fostering a supportive environment for their staff.

Amidst this evolving landscape, organizations must recognize the importance of prioritizing all pillars of well-being. This approach ensures that the dynamic needs of the workforce are met effectively. Maintaining a holistic approach to employee well-being remains crucial to encouraging a resilient, engaged, and productive workforce as organizations navigate these changes.



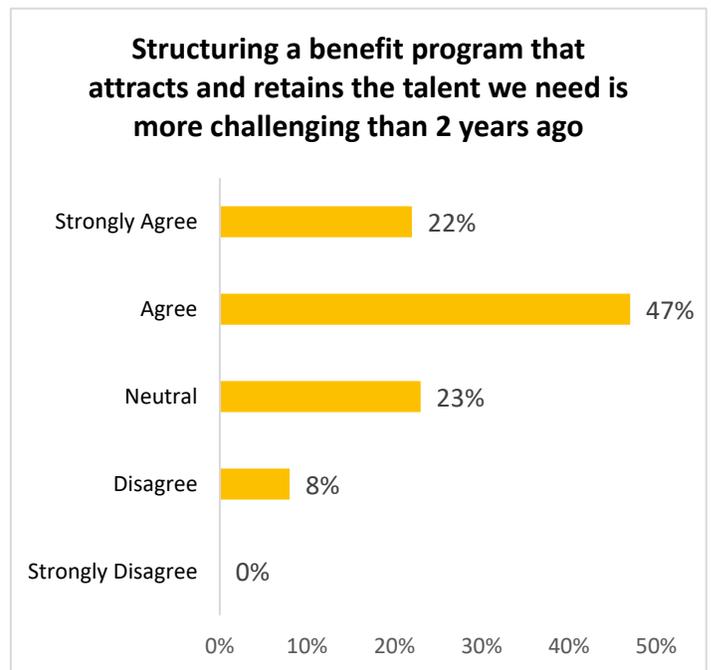
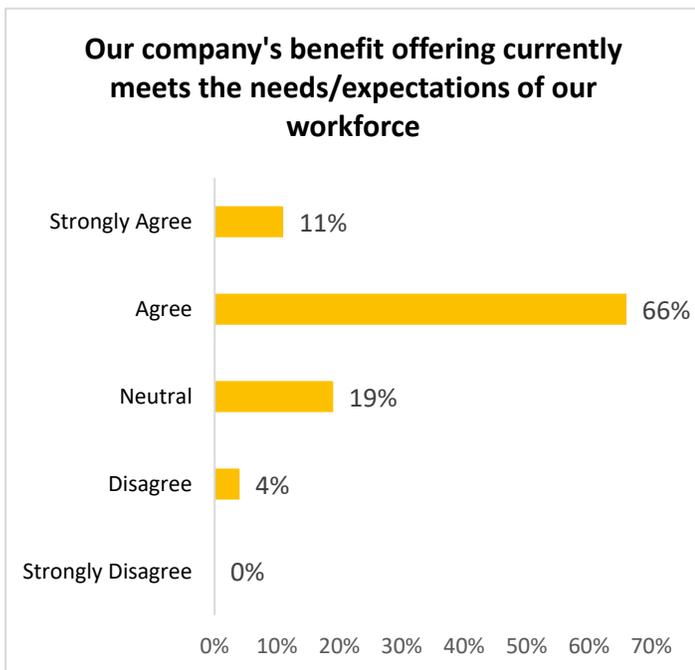
Should you have any questions regarding any of this information or want to discuss your well-being strategy, please contact your local Assurex Global adviser.



Employer Perspectives Towards Benefit Offerings

Employee Benefits Market Check Survey - March 2024

Over the past four years, it has become increasingly evident that a robust employee benefit package is more valued by employees than ever. Whether influenced by the global pandemic, inflation, skyrocketing pharmaceutical costs, or a decline in well-being, to name a few, workers are demanding high-quality benefit offerings from their employers. Recognizing this trend, we sought to gauge employers’ perspectives about the impact of their employee benefit programs. We conducted a poll during a webcast on March 21 to understand employers’ points of view. The results are in the charts that follow.



*Results based on 258 employer respondents



Strategies to Manage Benefit Costs

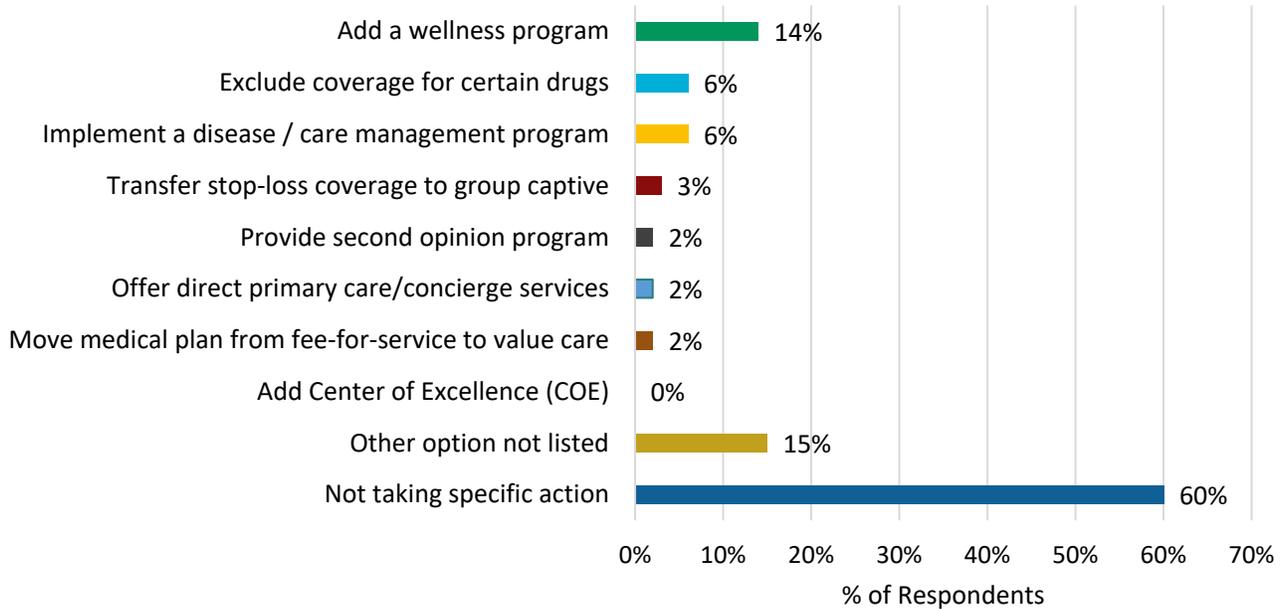
Employee Benefits Market Check Survey

February 2024

At the beginning of the year, we asked companies about their [top employee benefit priority in 2024](#). “Managing costs to meet budget” was the top priority, with 38% of employers indicating this was their leading concern. This is consistent with the responses we received when asking employers the same question in years past.

There are several tactics that employers can take to assist with managing costs. We conducted a poll during a webcast on February 22 to learn which strategies plan sponsors were utilizing the most. The results are in the chart that follows.

In order to help manage actual benefits costs to meet budget this year, what strategy(ies) did or will your company implement?



**Results based on 209 employer respondents*



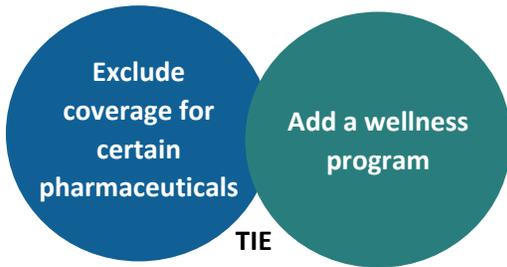
Industry Spotlight

Manufacturing employers are the most likely to enact a cost-saving strategy, with 55% indicating they would take some type of action, compared to 40% of the total respondents. Employers in the non-profit and construction sectors are the least likely to take a specific action, with only 15% and 19%, respectively, indicating they would do so.

Action each industry is most likely to take:



Health Care



Construction



Manufacturing



Education



Non-Profit



Key Findings

For various reasons, employee benefit costs continue to increase, which can challenge employers in trying to keep expenses within their budget. The traditional levers of increasing employee payroll contributions or reducing benefit coverages are always a route for plan sponsors, but there are numerous other options for companies to explore.

Employers should adopt a strategic approach to managing employee benefits costs, considering short-term savings and long-term sustainability. A proactive and adaptive approach to benefit management mitigates financial strain and fosters a healthier and more engaged workforce. Working closely with your benefits consultant and frequently comparing costs to the budget will help dictate if revisions need to be considered.



Should you have any questions regarding any of this information or want to review your cost mitigation strategies, please contact your local Assurex Global adviser.



Mid-Year Election Changes

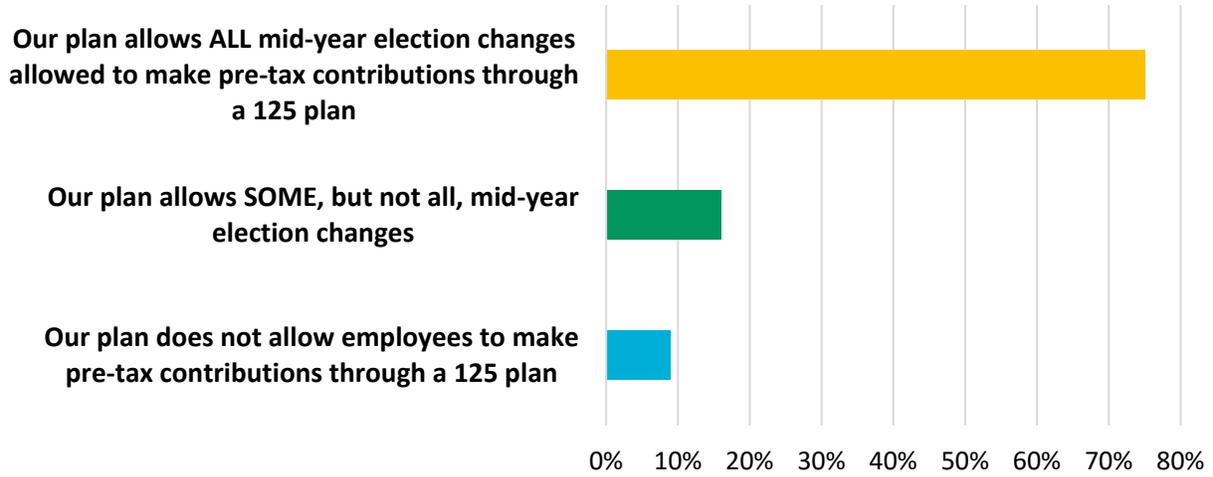
Employee Benefits Market Check Survey

February 2024

Companies that provide employee benefits to their workforce usually offer an enrollment period every year, allowing workers to purchase new coverages or change/drop coverages they currently have. While much of the benefit selection activity happens during that enrollment window, there are still times throughout the remainder of the year when employees will want to make changes. Some mid-year changes are based on life events that require the employer to allow the employee to make a change, while others are at the plan sponsor's discretion.

For those instances where the employer may permit a mid-year election change to employee pre-tax contributions, we wanted to learn how employers have structured their cafeteria plan. The results are in the chart that follows.

Which statement best describes how your cafeteria plan is set up to handle mid-year election changes



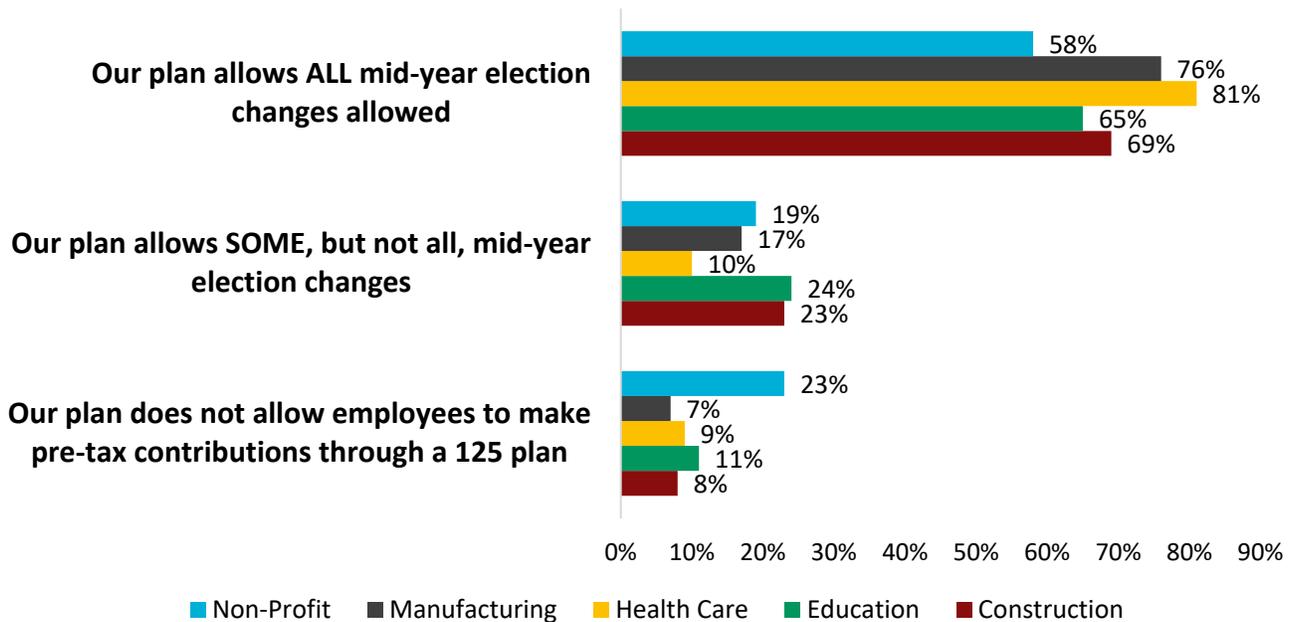
**Results based on 233 employer respondents*



Industry Spotlight

We found a variety of approaches when we examined the data by industry. Employers in the non-profit sector had the highest prevalence of not allowing contributions through a cafeteria plan, with 23% indicating they do this today compared with 9% of overall respondents. The industries most likely to allow all mid-year changes permitted under §125 election change rules are health care (81%) and manufacturing (76%).

Which statement best describes how your cafeteria plan is set up to handle mid-year election changes (Industry Data)



Key Findings

Our experience has shown that most employers allow all permitted mid-year election changes, and the data above supports that hypothesis. Permitting all scenarios is the easiest way to administer and communicate life event changes and provides employees the most flexibility.

Employers that allow some but not all mid-year election changes should ensure that the cafeteria plan documents and summary plan descriptions are clear on what is allowed and what is not.

Regardless of whether your plan allows for some or all the events to trigger an election change, it is important to note that rules vary by benefits. Ensure you know which benefit the employee wants to change before determining if the plan will permit it.



Should you have any questions regarding any of this information, want to review which events permit election changes, or review your plan documents, please contact your local Assurex Global adviser.



Top Benefit Priority in 2024

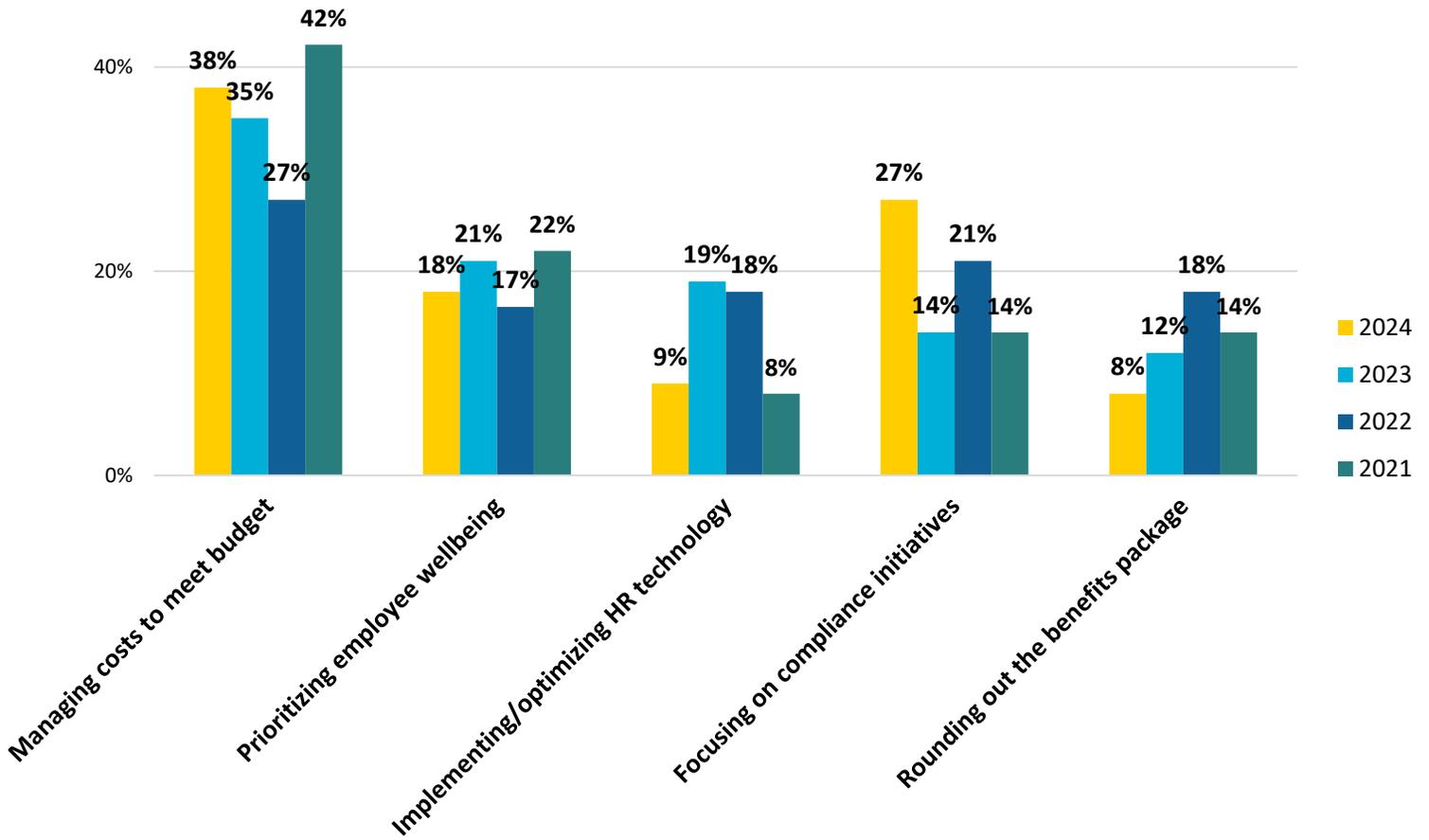
Employee Benefits Market Check Survey

January 2024

Like any other year, 2024 will bring several benefit issues that employers must confront, including escalating costs, new pharmaceuticals and how to cover them, improving engagement in the benefits plan, and an increasingly complex regulatory landscape.

We conducted a poll during a webcast on January 25 to gain insight into employers' top benefits priorities for 2024. We compare these results against responses we received to a similar question we posed in the last several years. The results are in the chart that follows.

Top Employee Benefit Priority by Year



January results based on 559 employer respondents; 2023 based on 216 responses, 2022 based on 164 respondents 2021 results based on 265 employer respondents.

Industry Spotlight

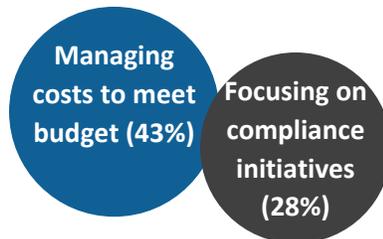
When examining the data across industries, we found a generally consistent pattern with overall responses, with the majority citing managing costs as their primary concern. However, construction and non-profit employers identified focusing on compliance as their top concern. We identify the top two priorities by industry below:



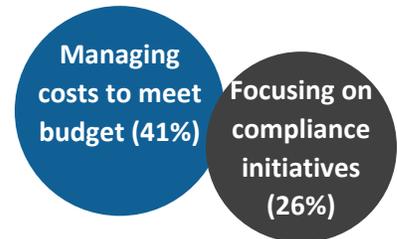
Construction



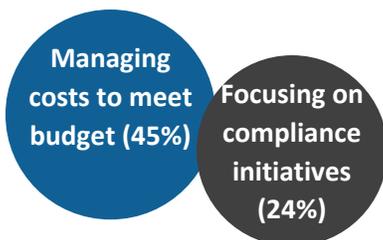
Education



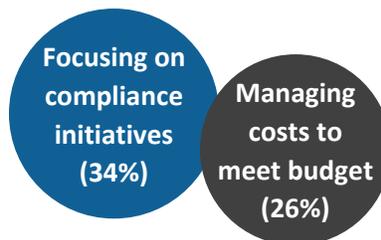
Health Care



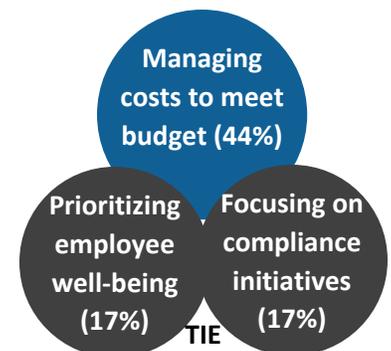
Manufacturing



Non-Profit



Tech/Life Sciences



Key Findings

As the 2024 renewal season was more challenging than the past three years, it is no surprise that managing costs is the #1 priority. What was surprising was that only 38% of employers chose this option. Focusing on compliance initiatives saw a significant increase this year, with 27% of employers declaring this their top priority, a larger percentage than we have seen in the past. Additional scrutiny on fiduciary obligations, PBM oversight, and potential changes in tax treatments to hospital indemnity plans are just some of the areas at the federal level that may test companies. Couple that with increased activity at the state level on various issues, and plan sponsors will have their hands full remaining compliant.

Beyond tactical priorities, 18% of employers are concentrating on employee well-being. Physical and mental health effects from the pandemic, coupled with rising cancer diagnoses, mean employers cannot take their focus off employee total well-being.

Regardless of which area a company targets as its top objective, employers must take a very active role in managing the benefits program to ensure it maximizes the return on investment.



Should you have any questions regarding any of this information or want to review your priorities, please contact your local Assurex Global adviser.



Annual Enrollment Opportunities

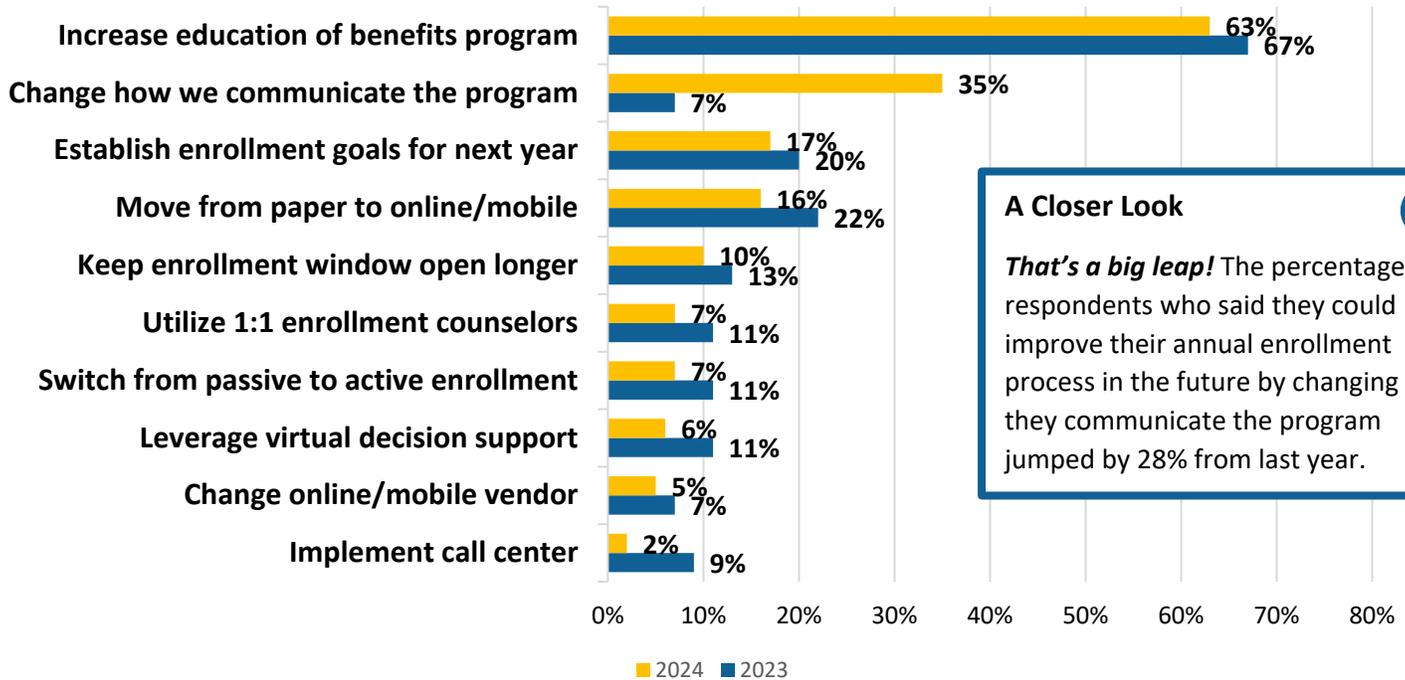
Employee Benefits Market Check Survey

January 2024

As another benefits year unfolds, employers have an opportunity to review how their annual enrollment process performed. The benefits package that a company offers is a critical component of an employee's total compensation, and as such, employers should ensure those benefits are being maximized. An easy and efficient enrollment experience will help ensure a high level of employee satisfaction.

We conducted a poll during a webcast on January 25 to determine where employers felt they could improve their enrollment experience. The results are in the charts that follow. We compared the results to the same question we posed last year.

As you reflect on annual enrollment, what opportunities do you have to improve in the future?



A Closer Look

That's a big leap! The percentage of respondents who said they could improve their annual enrollment process in the future by changing how they communicate the program jumped by 28% from last year.

*Results based on 512 employer respondents (allowed to select multiple answers)

Industry Spotlight

When we examined the data by industry, we found the data to be consistent with the overall responses. We then reviewed each area of opportunity and which industry was most likely to select that area.

Area of Opportunity for Improvement	Industry
Increase education of the benefits program	Tech/Life Sciences
Move from paper to online/mobile	Tech/Life Sciences
Keep enrollment window open longer	Education
Change online/mobile enrollment vendor	Education
Utilize 1:1 enrollment counselors	Tech/Life Sciences
Leverage virtual decision support	Health Care
Switch from passive to active enrollment	Manufacturing
Establish enrollment goals for next year	Tech/Life Sciences
Implement a call center	Education
Change/refresh how we communicate the benefits program	Education



Key Findings

Consistent with last year, the leading opportunity employers feel they have to improve enrollment is to increase the education of the benefit program. Benefits can remain confusing for many consumers. Improving the education process remains critical to ensuring employee understanding and satisfaction with their benefits program.

The biggest takeaway is the substantial increase in the number of respondents who indicated their other opportunity for improvement is changing the way they communicate the benefits. Thirty-five percent chose this as an area to focus whereas very few selected this option a year ago. Employers in healthcare and manufacturing are focused on this opportunity the most. The change will look different for each plan sponsor, but recognizing that there is room to revise or refresh how benefits are communicated is welcome. As employee needs have evolved, so must the enrollment process and how the benefit offering is messaged.

Annual enrollment remains an essential component of the employee benefit program. We encourage employers to continuously review their strategies to find areas of improvement, set goals every year, utilize technology wherever possible, and communicate through multiple channels. The result will be a more engaged workforce that will benefit all stakeholders.



Should you have any questions regarding any of this information or want to discuss your enrollment strategy, please contact your local Assurex Global adviser.