



## American Workers Waste Months' Worth of Grocery Costs Due to Poor Benefits Choices

*Aflac study reveals that employers fall short on educating workers about benefits options, which takes a significant toll on employees' finances.*

**Columbus, Ga. – Aug. 21, 2012** – New research reveals that 56 percent of employees estimate they waste up to \$750 because of mistakes made with insurance benefits elections, which could represent up to four months of an individual's critical grocery budget.<sup>1</sup> In fact, nearly 1-in-4 respondents (24 percent) say they chose the wrong level of insurance coverage or benefits options they didn't need, and only 16 percent of employees feel confident they aren't making mistakes during the enrollment process. These new findings are part of the 2012 Open Enrollment Survey of the Aflac WorkForces Report (AWR), an online survey of 2,500 U.S. consumers conducted in July 2012 by Research Now and released by Aflac, the No. 1 provider of supplemental and guaranteed-renewable insurance in the United States.

### Common Mistakes

The Open Enrollment Survey found that consumers are on auto pilot when it comes to the benefits selection process and aren't even aware of the options they have. Reported mistakes of American workers include:

- More than 6-in-10 consumers (61 percent) are only sometimes or not at all aware of changes to their policies each year.
- 89 percent say they simply elect the same benefits options every year.
- Almost half (47 percent) rarely or never exceed deductible costs.
- Only 16 percent contribute the right amount to flexible spending accounts.

**"Workers cannot afford to be in the dark about benefits options,"** said Audrey Boone Tillman, executive vice president of Corporate Services at Aflac. **"Consumers today need every dollar they have, with many clipping coupons and looking for ways to save. It's critical that employees understand their benefits options during open enrollment to ensure that they don't make mistakes that cost them money."**

### Health Care Costs Cause Worry

In addition to confusion related to the open enrollment process, rising health care costs remain top-of-mind among employees. Almost half of American workers (43 percent) identified rising out-of-pocket medical expenses and health insurance costs as the most important issues to them right now. Nearly 4-in-10 workers (38 percent) say they are very or extremely concerned about the possibility of an unanticipated medical expense.

Many Americans have made changes in their everyday lives to meet the high cost of unexpected out-of-pocket medical expenses. Forty percent have had to cut back on social activities, 28 percent say they have not been able to take a vacation and 22 percent have had to work more hours.<sup>2</sup>

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<sup>1</sup>[Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average](#), February 2011.

<sup>2</sup>2012 Aflac WorkForces Report, a study conducted by Research Now on behalf of Aflac, January 24-February 23, 2012.



## **Marketing Benefits**

While many American employers surveyed feel they are adequately educating their workers about benefits options, employees disagree. The Open Enrollment Survey found that nearly two-thirds (65 percent) of employees feel they are only somewhat prepared or not prepared for open enrollment. However, almost half (49 percent) of employers believe they communicate very to extremely effectively with their workers about company benefits.<sup>2</sup> More than half of workers (52 percent) say that their company has not communicated with them at all about the open enrollment process according to the recent survey.

**“The 2012 AWR demonstrates a disconnect** between how well companies are communicating benefits and how prepared workers feel to select the right options. Without understanding the benefits options available, employees risk making costly mistakes. If employers do not regularly educate workers about **benefits offerings, their employees could face difficult financial challenges,”** added Tillman. **“Workers want to understand their insurance options, but many don’t believe they have the information or the tools they need. Open enrollment is a crucial time for employers to help workers make smart choices about their physical and financial health.”**

Half of employees would feel more informed about health insurance choices if they sat down with an insurance consultant during enrollment, and 47 percent typically look to resources other than HR/benefits professionals for advice about their benefits.<sup>2</sup>

Tillman recommends that business owners and HR executives take a cue from successful marketing campaigns and consider how to communicate with employees about benefits in ways that will engage and empower them. Some of her best practice recommendations for employers include:

- Choose the right products. Survey employees to determine what they need and want in order to offer the right mix of benefits options to meet their needs.
- **Consider including more benefits options that don’t have direct cost to the company by** offering voluntary plans. The 2012 AWR showed that more than half of employees (60 percent) say they would be at least somewhat likely to apply for voluntary insurance plans if they were made available to them by their employer.<sup>2</sup>
- Choose the right time to market benefits offerings to employees. Plan to reach employees when **they’re most receptive to learning about their options and how they can get the most for their money.** The most innovative employers use a mix of online benefits portals, agent/broker enrollment sessions, employee newsletters, lunch-and-learn sessions, customized benefits booklets, frequently asked questions and other educational materials to help employees **understand what’s available and how each plan works.**

## **Complimentary Article and Infographic Download**

To help make this year’s open enrollment a success, [click here](#) to download article on the top nine benefits enrollment tips for small businesses. Also, to gain even more insight about common mistakes employees make during open enrollment, [click here](#) to download infographic.

To see the 2012 study results and learn more about how people can better protect themselves and their families against the unknown, visit [AflacWorkForcesReport.com](http://AflacWorkForcesReport.com).



### **About the Aflac WorkForces Report**

The Aflac WorkForces Report is an annual employee benefits study examining the forces impacting the trends, attitudes and utilization of employee benefits. Surveying both American workers and business decision-makers, the Aflac WorkForces Report reconciles the perceptions and realities of benefits in the workplace. The insights aim to help businesses make informed decisions about benefits to better protect their employees and their bottom line.

### **Methodology**

The 2012 Open Enrollment Survey of the Aflac WorkForces Report was conducted online within the United States in July 2012 among 2,516 consumers ages 18 and older, of whom 2,004 were employed full time and 512 were employed part time and, responsible for insurance decisions. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact Aflac Media Relations at [mediarelations@aflac.com](mailto:mediarelations@aflac.com) or 706.243.5543.

### **About Research Now**

Research Now is the leading global online sampling and online data collection company. With over 6 million panelists in 38 countries worldwide, Research Now enables companies to listen to and interact with real consumers and business decision-makers to help them make key business decisions. Research Now offers a full suite of data collection services, including social media sampling, and operates the Valued Opinions™ Panel and e-Rewards® Opinion Panels. The company has a multilingual staff located in 24 offices around the globe and has been recognized for four consecutive years as the industry leader in client satisfaction. For more information, please visit [researchnow.com](http://researchnow.com).

### **About Aflac**

When a policyholder gets sick or hurt, Aflac pays cash benefits fast. For more than 55 years, Aflac insurance policies have given policyholders the opportunity to focus on recovery, not financial stress. In the United States, Aflac is the number one provider of guaranteed-renewable insurance. In Japan, Aflac is the number one life insurance company in terms of individual policies in force. Aflac individual and group insurance products provide protection to more than 50 million people worldwide. For six consecutive years, Aflac has been recognized by *Ethisphere* magazine as one of the World's Most Ethical Companies. In 2012, FORTUNE magazine recognized Aflac as one of the 100 Best Companies to Work For in America for the 14th consecutive year. Also, FORTUNE magazine included Aflac on its list of Most Admired Companies for the 11th time in 2012. Aflac Incorporated is a Fortune 500 company listed on the New York Stock Exchange under the symbol AFL. To find out more about Aflac, visit [aflac.com](http://aflac.com) or [espanol.aflac.com](http://espanol.aflac.com).

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