

Seize the Opportunity to Engage Millennials with Voluntary Insurance

By the year 2020, one in two employees will be a Millennial. This level of age density, which has not been seen since the Baby Boomers, is starting to influence the way employers interact with their employees. According to the Pew Research Center, the moniker, “Millennials” refers to those born between 1981 and 2000 who have come of age in the new millennium. A trend that brokers are using to their advantage in the current marketplace that also affects Millennials is voluntary benefits.

As employers cover the increasing cost of health care, many are shifting the scope of benefit coverage for



their employees. Where this shift is highly evident is the transition from employer-sponsored life and disability insurance benefits to voluntary insurance. This shift allows employers to have additional products and services available for employees to purchase. It doesn't cost the employer a penny and it presents a new sales opportunity for brokers.

Currently, one out of every three employers is considering replacing employer paid benefits with voluntary benefits. While voluntary coverage is playing a larger role in employers' benefit offerings, it is crucial for brokers to find fresh, engaging ways to educate and assist employees. For the Millennial generation, that demands instant technology access and information right at their fingertips. Using an online educational module is an opportunity to inform them of the need for coverage and, in turn, encourage enrollment.

The Outlook for Millennials

Tech-savvy Millennials are part of the first generation in history to view social media and Internet technology as an everyday part of their lives and use it to better understand the world around them. Although they excel with technology, they have also been subjected to the pressures of an uncertain economy and a lackluster working environment. This group is especially vulnerable to risks against which disability and life insurance protect.

According to the Pew Research Center, the median wealth of households headed by adults younger than 35 has 68% less wealth what their same-aged counterparts had in 1984. This decrease in income makes it seem unlikely that they will have the savings to help them withstand interruptions in their household incomes.

They also have a lot at stake: Millennials tend to have more to protect than those in the same age range did 30 years ago. In fact, in 2009, 38% of adults under age 35 owned their own homes, compared to 4% of the same age group in 1984. Additionally, 17% of this same group has an IRA compared to 1% in 1984, according to the Pew Research Center.

Bringing Information to Millennials

Brokers can turn these insights into action. By harnessing this generation's demand for instant information and educational training, they can inform HR managers on bridging the information gap and educating Millennial employees on the importance of voluntary disability insurance. Two types of communications initiatives can assist HR managers in this mission and encourage enrollment.

First, brokers can work with HR managers to help workers better understand the financial challenges that may arise if they experience a disabling disease or injury by using an online educational program. More than two thirds of workers do not have private

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long-term disability insurance. Industry wide educational initiatives, such as the Council for Disability Awareness' Defend Your Income Campaign, can equip this generation to take the important steps necessary to preserve their ability to earn an income. According to a survey taken by the Council for Disability Awareness, over half of survey respondents thought only one in 100, or one in 50 working Americans are likely to become disabled during their working careers. Because many young workers think they will never experience a disability, they have not taken the proper steps to protect their critical need to earn an income.

Second, brokers also can work with employers to better engage Millennials in the voluntary market by using an online interactive educational module to help them understand the voluntary life and disability benefits available to them. These modules offer employees a go-to benefit resource that can help them overcome enrollment

barriers and allow them to make the right decision. Many modules can be customized and tailored to include specific employer benefits and features. They can also help employees learn the basics of how their unique policies work, including how to estimate their needs, select appropriate coverage and, ultimately, enroll.

Online interactive educational modules give employees an opportunity to take full advantage of their benefits, and understand how their coverage meets their needs.

Preparing Millennials for the Future

Implementing these two online educational tools can protect employees, especially those in the Millennial generation, from the financial risks of serious illness or injuries. Educating them, in a manner in which they are accustomed to learning, on the need for voluntary life and disability insurance also can lessen the risk of the financial impacts of a disability, better preparing them for the future.

By helping HR managers understand the educational needs and inherent characteristics of the Millennial generation entering the workforce, they can sell unique tools to help employers adequately prepare for this new generation. Learning how to connect this generation with information on the needs of voluntary insurance translates into a win for both employers and brokers. □

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