

Educate And Engage: Connecting With Millennials About The Importance Of Disability Protection

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Introduction

Recent changes to the employee benefits landscape have many employers looking for ways to reallocate costs while still providing a strong benefits offering to attract and retain top talent.

Some employers have found cost savings by shifting what traditionally have been employer-paid ancillary benefits — including long-term disability (LTD) insurance — to employees as a voluntary offering and letting them elect coverage. This allows employers — at little or no expense — to offer additional products and services to their employees.

During a time when voluntary coverage is playing a larger role in employers' benefit offerings, it is important to find ways to educate employees about the need for coverage. A smart enrollment strategy includes outreach to millennial employees, who may not understand the need for LTD coverage. This lack of understanding can translate to lower enrollment and end up hurting an employer financially.

Reaching this group mandates a fresh and engaging approach to education. As the millennial generation demands instant technology access and information right at their fingertips, employers should consider implementing online educational modules to inform them of the need for coverage and, in turn, encourage enrollment.



A photograph of a person sitting in a wheelchair, wearing a yellow long-sleeved shirt and blue jeans. The person is looking towards the right. The background is blurred, showing other people and what appears to be an outdoor setting.

The Reality Of A Disability

Although many millennials have the “this can’t happen to me” mentality about the chances of becoming disabled, the reality is quite different. According to the Social Security Administration, 1 in 4 of today’s 20-year-olds will become disabled before they retire.¹ In December 2012, more than 2.5 million disabled workers were in their 20s, 30s and 40s.²

The Benefits Safety Net

Many employers may not consider a side effect of shifting employer-sponsored LTD coverage to employees: the potential for them to not elect coverage and work through a disabling illness or injury. Employees who lack coverage could actually affect employee productivity and increase an employer’s health care costs.

Consider the possibilities for an employee who becomes disabled and does not have voluntary LTD coverage:

- He or she could take a leave of absence from work and apply for Social Security Disability Insurance (SSDI). The chance for receiving SSDI benefits right away is low, however, as 65 percent of initial claims were denied in 2012.²

- He or she could continue working through the illness or injury as long as possible.

With the initial low approval rate for SSDI claims, many employees without disability coverage choose to stay at work through their illness or injury, as they don’t have an income replacement safety net. This health-related lost productivity can contribute to decreased employee productivity, which can cost employers up to 6.1 percent of their payroll.³

¹ U.S. Social Security Administration. Fact Sheet. February 7, 2013.

² U.S. Social Security Administration. Disabled Worker Beneficiary Data. December 2012.

³ Kronos/Mercer. Survey on the Total Financial Impact of Employee Absence. 2010.



Get To Know The Millennials

Tech-savvy millennials are the first generation 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 also have been subjected to the pressures of an uncertain economy and a lackluster working environment.

This group is especially vulnerable to risks disability insurance protects against. According to the Pew Research Center, millennials are the first in the modern era to have higher levels of student loan debt, poverty and unemployment, and lower levels of wealth and personal income than their two immediate predecessor generations (both Generation X and baby boomers) had at the same stage of their life cycles.⁴

At the same time, fully a third of older millennials (ages 26 to 33) have a four-year college degree or more—making them the best-educated cohort of young adults in American history.⁴

⁴ Pew Research Center website. Available at: <http://www.pewsocialtrends.org/2014/03/07/millennials-in-adulthood>. Accessed May 5, 2014.

Encouraging Enrollment Among Millennials

As a benefits offering is only as strong as its enrollment strategy, employers that ensure voluntary benefits are backed by a strong educational campaign and supported through online enrollment can help increase participation and help decrease health care costs elsewhere.

By harnessing the millennial generation's demand for instant information and educational training, employers can bridge the information gap and educate millennial employees on the importance of voluntary LTD insurance. Two types of communications initiatives can assist HR managers and encourage enrollment.

#1: Educate Millennials in Their Preferred Way: Online

Especially for employers with young employee populations, it's important to find fresh, engaging ways to educate and assist employees about their benefits needs. Using an online educational module is an opportunity to inform them of the need for coverage and, in turn, encourage enrollment.

Insurance carriers and industry groups have communication and education resources that demonstrate the value and potential of the coverage employers are providing to their workforce. Consider passing along tools such as the Council for Disability Awareness' (CDA) Personal Disability Quotient⁵ calculator and Earnable Income Quotient⁶ tools to help employees understand the financial impact of a disabling illness or injury.

⁵ Available at: www.disabilitycanhappen.org/chances_disability/pdq.asp.

⁶ Available at: www.whatsmyeiq.org.

#2: Paperless Enrollment – And Benefits Administration

Once employees are aware of the need for disability insurance, employers can better engage millennials in the voluntary market by using online modules to help them understand the disability benefits available to them and complete online enrollment. These modules offer employees a go-to benefits resource that can help them overcome enrollment barriers.

Many modules can be customized to include specific employer benefits and features. They also can help employees learn the basics of how their unique policies work, including how to estimate their needs, select appropriate coverage and, ultimately, enroll. Online modules give employees an opportunity to take full advantage of their benefits and understand how their coverage meets their needs.

Encouraging online enrollment also can benefit an HR department, as this process streamlines the paperwork for benefits administrators. Employees can update their medical information and beneficiary designations and make life updates (such as marriages, divorces, children, etc.) to their benefits profile — reducing the amount of time HR has to spend sending updates to the carrier.

Preparing Millennials For The Future

Implementing an online educational module and enrollment platform 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 disability insurance also can lessen the risk of the financial impacts of a disability, better preparing them for the future.

**About Alison Daily**

Alison Daily, second vice president of clinical and vocational services, oversees the clinical and return-to-work staff and works closely with Standard Insurance Company's medical director, physician staff and consultants. Alison earned a Bachelor of Science degree in nursing from Oregon Health Sciences University in Portland. She also holds a Bachelor of Arts in psychology and management from Sonoma State University in Rohnert Park, Calif.

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