

Fact Sheet

National Trends

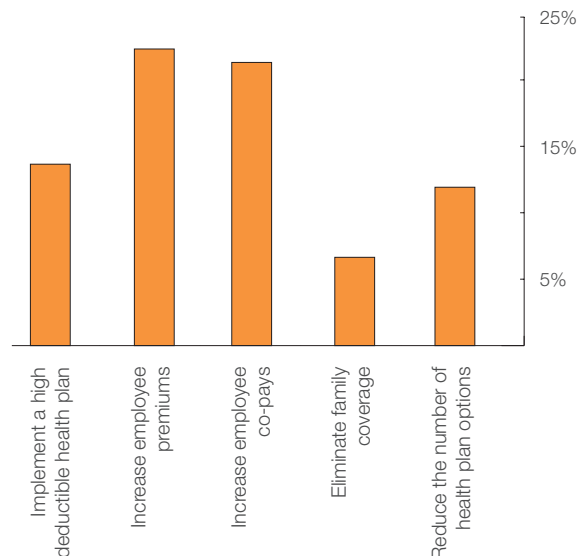
The 2013 Aflac WorkForces Report is the 3rd annual Aflac employee benefits study examining benefit trends and attitudes. The study, conducted by Research Now in January 2013, captures responses from 1,884 benefits decision-makers and 5,299 employees across the U.S.

Key findings are:

- » Offering robust benefits while staying within budget/cost constraints is a top benefits challenge for 68% of businesses. Understanding the changing health care landscape is the following top benefits challenge for 40% of businesses.
- » Nearly 3-in-4 (72%) of employees say they have not heard of the phrase “Consumer-Driven Health Care”; and only 5% understand the concept of Consumer-Driven Health Care extremely well.
- » 75% of employees agree health care reform is too complicated to understand.
- » Additionally, 76% of employees say they are not very/not at all knowledgeable about Federal and State Exchanges.
- » More than half of employees (54%) at least somewhat agree that “I would prefer not to be more in control over my health care expenses and options because I will not have the time or knowledge to effectively manage it.”
- » Additionally, 53% of employees agree “I believe I may not adequately manage my health insurance coverage, leaving my family less protected than we currently are.”
- » 60% of businesses use a broker or benefits consultant to help determine benefits options.

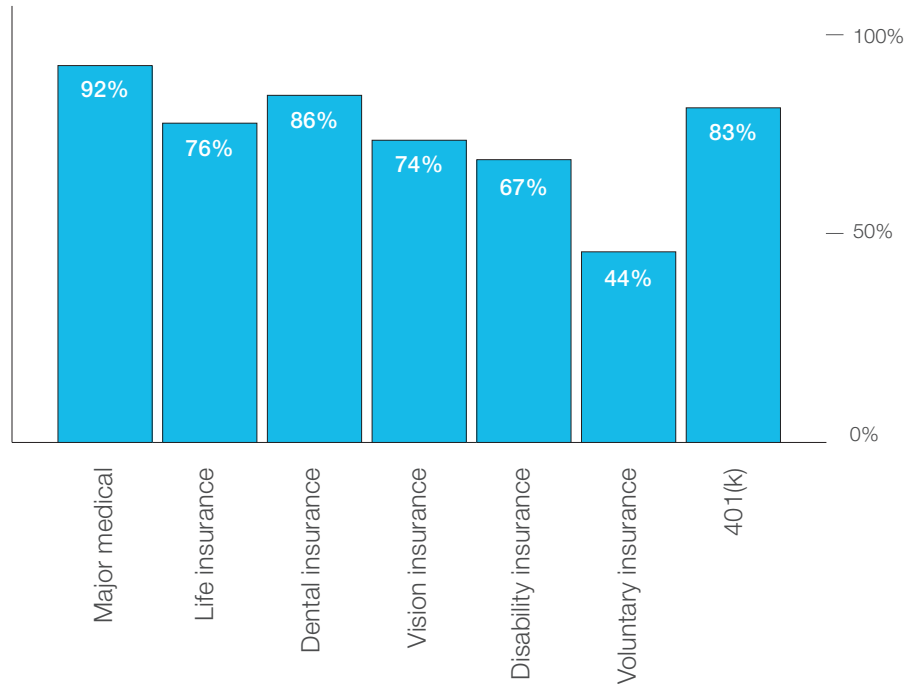
Thinking of my company's major medical/health care plans, we plan to implement the following in the coming year...

■ U.S.



U.S. Company Benefits Offerings At-A-Glance

Which of the following benefits does your company offer?



The Role of Benefits in Key HR Outcomes

Talent Attraction

- » 58% of employees say they are likely to accept a job offer with slightly lower compensation, but better benefits.
- » 85% of workers say a benefits package is important to their willingness to refer a friend to their organization.

Satisfaction

- » Only 14% of workers say they are extremely satisfied with their overall benefits package.
- » When employees are offered voluntary insurance, they are much more likely to say their current benefits package meets their needs extremely/very well (60%), compared to those not offered voluntary benefits options (45%).

Employee Well-being

- » 31% of workers say their current benefits package only meets their family's needs somewhat, and 11% say their benefits package does not meet their needs.
- » When asked if they feel fully protected by their current insurance coverage, 47% of employees say they only somewhat agree, and 22% say they strongly/completely disagree.

Retention

- » Nearly half of employees (48%) are at least somewhat-to-extremely likely to look for a new job in the next 12 months.
- » 46% of employees say that improving their benefits package is one thing their employer could do to keep them in their job.
- » 79% of employees agree that a well-communicated benefits program would make them less likely to leave their jobs.

Disconnects on Key Benefit Issues

Employers respond that:

55% of employers strongly/somewhat agree that, "Our workers are taking full advantage of the benefits we offer."

Believes benefits are extremely or very influential on:

- » Job satisfaction – 56%
- » Loyalty to employer – 52%
- » Willingness to refer friends – 37%
- » Work productivity – 35%
- » Decision to leave company - 34%

50% of companies strongly/somewhat disagree with the statement "our workers are not adequately informed about their benefit choices."

62% of companies strongly/somewhat agree they effectively communicate the value of their benefits to employees.

Only 13% of companies named "educating our employees about health care reform" as an important issue for their organization.

52% of companies named "having employees interested in purchasing voluntary benefits as top challenge in offering voluntary benefits.

Employees say:

42% of employees completely/strongly agree with the statement "I am taking full advantage of my employee benefits."

Believes benefits are extremely or very important to:

- » Job satisfaction – 78%
- » Loyalty to employer – 65%
- » Willingness to refer a friend – 54%
- » Work productivity – 63%
- » Decision to leave company – 54%

78% of workers at least somewhat agree with the statement "I would be more informed about my benefit choices if I sat with an insurance consultant."

43% of workers say their HR department communicates extremely/very effectively about benefits offered by their employer.

75% of workers agree "I believe my employer will educate me about changes to my health care coverage as a result of the health care reform."

60% would be likely to purchase voluntary benefits if offered.

Conclusions

We are witnessing the reshaping of the health benefits landscape. As new health care reform regulations go into effect, workers have more health care choices than ever before and businesses have many complex strategies to manage. Key findings from this year's report provide insight into four significant workforce and benefit themes:

1. **The Uphill Road to Consumer-Driven Health Care:** While more business leaders are embracing cost-friendly consumer-driven models, workers reveal they may not be ready to effectively take the reins.
2. **The Competitive Edge:** A small percentage of companies are leveraging key human resources best practices to gain a competitive edge in the changing benefits landscape.
3. **Benefits Matter:** Benefits are key essential to job satisfaction, retention and demonstrating a commitment to workforce wellbeing.
4. **The Hidden Rewards of Voluntary Benefits:** When businesses offer voluntary benefits, there are hidden rewards for the businesses and even greater advantages for workers who are enrolled.

To learn more about the Aflac WorkForces Report, visit AflacWorkForcesReport.com.

