

Taking the Facts OUT of Benefits Communications

When it comes to enrollment, employees are responding and acting based more on emotional cues than factual ones.

By Dan Johnson | August 07, 2018 at 10:41 AM

Details and facts matter when it comes to communicating with employees about benefits, but it's definitely not among the key reasons they're enrolling in these benefits. I've been in the insurance industry for 30-plus years. During that time, I've worked with hundreds of clients and companies in the voluntary benefits space. Obviously, a big piece of offering voluntary benefits is communicating with employees about those benefits. And, throughout most of my career, we've focused those communications on the facts and details of benefit plans.

That's just not the case anymore. We recently completed research that told us employees prefer the exact opposite of what has been focused on in the past. Okay, maybe they don't "prefer" fewer facts, but employees are responding and acting based more on emotional cues than factual ones.

According to our research, only 13 percent of employees cite the details of their insurance plan as their primary reason for enrollment. Just 18 percent of those polled said that liking the details of the plan was even a factor in their decision. Certainly, details and facts matter when it comes to communicating with employees about benefits, but it's definitely not among the key reasons they're enrolling in these benefits.

What's more, forty percent of employees said the primary reason they enrolled in benefits was, "It's important to have peace-of-mind." Another 25 percent said, "It's the responsible thing to do." Today's employees are increasingly making benefit choices with their heart—not their mind. And, benefits professionals and brokers should be communicating accordingly.

The insurance gap

Another factor in all of this: The “insurance gap.” Over the last number of years, many in our industry have spoken at length about the rise of high-deductible health plans (HDHPs) and how they’ve created a gap between what’s covered by insurance and what’s not. And, for years, we’ve put a lot of emphasis on this message.

It’s a case of missing the forest for the trees. Just like any other industry, we get hung up on the details of our day-to-day professional lives. As benefits professionals, we’re often talking about the finer points and nuances of benefits with employees each day. What exactly does your plan cover? Which physician can you see? What is your out-of-pocket maximum for the year? All of these details are a big part of our jobs.

Except employees don’t care about those details (at least, until they need to care). Employees are making benefit purchase decisions the same way they make other purchase decisions—with emotion and often without rational thought. Think about the way people react to leading consumer brands such as Apple, Netflix, Amazon and others. It’s almost always based on emotion, with the features and benefits playing a supporting role.

Play to employee peace of mind

What does all this mean for benefits professionals and brokers? When communicating with employees about benefits, resist the urge to rely on facts, figures and details. Sure, you need some measure of those in all communications—just don’t lead with them. Instead, drive home a sense of responsibility and play to that “peace of mind” 40 percent of employees mentioned in our survey.

One way you can do this is by making it personal – provide an illustrative example to make your point. Consider different experiences and observations you can draw upon. We all have different comfort levels with sharing information, so it doesn’t necessarily need to be about you.

For example, a member of my team started experiencing shortness of breath during exercise. Tests ultimately revealed he needed immediate triple bypass surgery to treat an 80 percent blockage to his “widowmaker artery.” As he went through the treatment and recovery, my colleague got a real-life introduction to the financial challenges that arise from a serious medical condition. I share his experience as a way to remind people that something like this could happen to any of us and it’s important that we are adequately protected.

Ultimately, it’s the difference between playing on the feeling of concern employees have for themselves, their finances and their families versus talking about the rational calculation of the benefit features or how the benefits mesh with the employees’ existing medical coverage.