



**Solutions for Today's Challenges**

## Today's Benefits Landscape



### Complex Challenges

Employers today face complex challenges that can at times seem overwhelming. Rising insurance costs, an uncertain economy with persistently high unemployment and regulatory reform—all of these factors make it difficult to navigate today's benefits landscape.

Even so, you feel an obligation to provide your employees with safety nets that can help them protect their finances.



## **Simple Solutions**

AIG Benefit Solutions has the resources and experience to help you navigate this challenging environment, meet your employees' needs and control costs.

With one of the largest portfolios of employer-funded and employee-paid products available in today's market, we have the solutions to help you address these challenging times.

**Rising healthcare and insurance costs cause employers to reduce benefits, switch to plans with higher deductibles, shift more costs to their employees or find alternatives to traditional insurance plans.**

#### **DID YOU KNOW?**

- Twenty-six percent of U.S. CFOs and senior comptrollers surveyed in spring 2011 said they planned to reduce their healthcare benefits.<sup>1</sup> The percentage of workers enrolled in high-deductible plans more than doubled between 2009 and 2011.<sup>2</sup>
- Between 2001 and 2011, workers' contributions to premiums rose 131 percent while wages increased 34 percent. The inflation rate was 27 percent during this 10-year period, eroding most of the income gains.<sup>2</sup>
- Ninety percent of employers predict healthcare reform will increase their organization's medical benefit costs.<sup>3</sup>

## Consider packaged or bundled products to allow for additional savings.

Our multi-product bundled solutions and our ProtectPak<sup>SM</sup> series of packaged products offer significant savings to employers and employees. And with one of the insurance industry's broadest portfolios of employer-funded and employee-paid products, we can help you create a robust benefits offering that meets your employees' needs while reducing costs.

## Look for indemnity-based programs and plans that are outside the scope of healthcare reform.

Our Group Limited Healthcare program helps minimize employer costs while opening the door for alternative benefits, such as indemnity-based products, that can accommodate employees' personal needs. Our indemnity-based products, such as Critical Illness, Accident and Hospital Indemnity insurance products, help employees offset higher deductibles, co-pays and out-of-pocket costs by paying benefits for covered illnesses or injuries.

## Consider self-insuring to reduce healthcare costs.

Our Stop Loss and Stop Loss Captive products help protect companies' self-funded healthcare plans from potentially catastrophic losses, while our Organ Transplant insurance helps protect self-funded employers from large catastrophic organ transplant claims on a fully insured basis.



**Dealing with benefits and enrollment has become more complicated and time-consuming. Employers may not have the time or human resources to administer benefits and are struggling to manage their absence management programs because of complexity and regulatory requirements. In the meantime, employees want more information about the choices available to them.**

### **DID YOU KNOW?**

- Coordinating benefits can be complicated, and requires a significant time commitment from key HR personnel to learn about new benefits and develop communications strategies for employee enrollments.
- Three-quarters of employers surveyed said family and medical leave (FML) administration was a “challenge” for their organization.<sup>4</sup>
- More than 80 percent of companies surveyed indicated that healthcare reform has increased the administrative burden on their HR departments.<sup>5</sup>



**Challenge:**  
Rising Costs

**Challenge:**  
Lack of Resources

**Challenge:**  
Uncertain Economy

**Challenge:**  
Employer Obligations

## **Look for benefit providers with resources that can make enrollments easier and more efficient.**

Through our e-Solutions (Enrollment Solutions), we can work with you and your broker on the effective communication and delivery of your benefits offerings to provide a seamless enrollment experience, which can improve employees' understanding and appreciation of their benefits and lead to increased participation.

Also, our multi-product bundled and packaged solutions are an efficient way to provide employees with more choices without placing additional strains on internal staff, as several products can be selected with just one application.

## **Look for carriers providing administrative services and resources that can take the burden off of HR staff.**

FML administration services are offered as a part of absence-management services through our Disability Service and Claims Center, a best-in-class facility that offers administrative and case-management services for our Short-Term Disability and Long-Term Disability plans.

**In this uncertain economy, more employees are living paycheck to paycheck while many employers are forced to reduce employee benefits. Still, employers look to attract and retain valuable employees.**

#### **DID YOU KNOW?**

- A serious illness, accident or disruption of income could be devastating for many workers, and a growing number of workers report they have virtually no savings or investments. Twenty-four percent of Americans have no emergency savings at all; another 22 percent said their emergency savings would cover, at best, three months' worth of expenses.<sup>7</sup>
- One in five Americans reported trouble paying medical bills over the past year. Those with the most problems paying off their medical bills fell in low- to middle-income levels and averaged around \$6,500 in medical debt.<sup>8</sup>
- In one survey, 62 percent of employees cited benefits such as medical, dental and retirement plans as a "critically important" factor when deciding to accept a job offer.<sup>9</sup>



**Challenge:**  
Rising Costs

**Challenge:**  
Lack of Resources

**Challenge:**  
Uncertain Economy

**Challenge:**  
Employer Obligations

**Expand your employee benefits offering to include “core” employer-funded plans and voluntary, employee-paid plans, which allow employees to select a coverage that best suits their needs.**

Our Dental, Vision, Term Life and Disability products can form the “core” of a benefits offering. Employees can manage the cost of dental and vision care with access to thousands of vision practitioners and optical retailers, and flexible dental plan designs. Term life and disability insurance allows employees to protect their families by providing a financial cushion in the event of a disability or death.

Our portfolio also includes voluntary plans that can be offered on employee-paid platforms, including Critical Illness, Accident, Hospital Indemnity and Cancer insurance products. These indemnity-based products can help employees offset their exposure to out-of-pocket costs with benefits for covered illnesses and accidents.

**Employers have a significant “duty of care” obligation to provide for the safety and well-being of employees traveling on their behalf. Employers also may feel an obligation to provide the best possible benefits to help offset unexpected expenses and loss of income, and provide protection into retirement.**

#### **DID YOU KNOW?**

- Companies of all sizes have employees regularly travelling in a heightened risk environment. In 2009, U.S. residents logged an estimated 432 million person-trips for business reasons.<sup>10</sup>
- Americans age 55 to 64 now plan to delay retirement to an average age of 69—up from age 64 in 2001.<sup>11</sup>
- Many consumers don’t understand the benefits of life insurance and how it can help protect them financially, including as a possible supplement to retirement income. According to a 2010 study, ownership of life insurance has hit a 50-year low in the United States, and three in 10 households carry no life insurance on anyone in the household.<sup>12</sup>



**Challenge:**  
Rising Costs

**Challenge:**  
Lack of Resources

**Challenge:**  
Uncertain Economy

**Challenge:**  
Employer Obligations

Offer travel insurance that provides coverage for employees traveling on your behalf.

Our Ambassador plan leads the industry with innovative features that help an employer provide safety and peace of mind for employees traveling on business, either domestically or overseas. Value-added benefits include worldwide concierge services, an out-of-country medical program, security planning and evacuation benefits.

Consider offering several targeted benefits allowing employees to select the plan(s) that best suit their needs.

- With our Group Term Life and Universal Life insurance products, you can provide a basic term life policy to your employees while giving them the opportunity to invest in a permanent life plan that can give them added security now and into retirement.
- Adding our Critical Illness insurance to the Life products mentioned above in a bundled package provides an additional safety net for the employee. The insurance provides lump-sum cash benefits to help offset out-of-pocket costs.



## The AIG Benefit Solutions Difference

### About Us

At AIG Benefit Solutions, we offer simple, affordable and flexible solutions that help employers meet the needs of their employees.

We are part of AIG, one of the largest insurance organizations in the world. Millions of people worldwide rely on the AIG companies to help protect themselves and their families.

AIG Benefit Solutions was formed in 2012 through a merger of American General Benefit Solutions and Chartis Accident & Health's Corporate Benefits unit.

Our collective history stretches back 160 years, and we have been serving clients in the group benefits market for decades.



### **Innovative products and services**

Our products and services are designed to meet the needs of the benefits market. As the market changes, our plan designs are adapted to provide optimal choices for employers and employees. Among our recent innovations are our **ProtectPak** series, which offers three, four or five important insurance plans in an affordable, easy-to-understand package, and our Income PLUS lump-sum disability rider, which offers the industry's first lump-sum benefit paid regardless of any other income sources.

### **Choice and flexibility**

With one of the industry's **broadest and most diverse portfolios**, we offer a one-stop shop of products and services that can be adapted for companies of any size. Many of our products are available as both employer-funded and employee-paid, providing additional flexibility and options for employers.

### **Making things simple**

Our products and enrollment services are geared toward keeping things simple and easy to understand. Through **e-Solutions (Enrollment Solutions)**, we offer complete turnkey support and services to employers for a customizable communications campaign—including short product videos and other resources that can be powerful tools for educating employees about their benefits.

### **A higher level of expertise**

We have been in the group benefits business since 1967, and were an early pioneer in the group voluntary benefits market. Our distribution, underwriting, claims and product teams all include members with decades of experience in serving our customers and providing solutions in changing markets.



## **Tools for Employers**

We offer many tools and resources to help employers educate employees about the value of their benefits, and make enrollments productive and hassle-free.

### ■ **Employee Access Advantage Program**

With our unique Employee Access Advantage program, we will waive minimum participation requirements for employers who work with us to promote and educate their employees about their benefits options. This simplifies the enrollment process, improves employees' experience, increases participation and makes implementation easier.

### ■ **e-Solutions**

Our e-Solutions (Enrollment Solutions) provides access to the people, technology and communications that can help employers and producers meet their enrollment needs. Tools and resources include customizable communications and product materials, such as videos that can be hosted on company intranet sites and accessed via links emailed to targeted groups.



## Sources

1. National CFO Survey; Grant Thornton LLP. Spring 2011
2. 2011 Employer Health Benefits Survey; The Henry J. Kaiser Family Foundation and the Health Research and Educational Trust. 2011.
3. Health Care Reform Survey; Towers Watson. May 2010
4. 2011/2012 Staying@Work™ Survey Report; Towers Watson/ National Business Group on Health. December 2011.
5. Shaping Health Care Strategy In a Post-Reform World; Towers Watson/National Business Group on Health. March 2011.
6. Employer Costs for Employee Compensation Summary; U.S. Department of Labor. Dec. 7, 2011.
7. Financial Security Index; Bankrate.com. June 2011.
8. Tracking Report No. 28; The Center for Studying Health System Change. December 2011
9. What Is \$1 Billion an Hour Worth? Employee Perspectives on Benefits; LIMRA. April 2011.
10. U.S. Travel Answer Sheet; U.S. Travel Association. November 2010.
11. The SunAmerica Retirement Re-Set Study; SunAmerica Financial Group. 2011.
12. "Household Trends in U.S. Life Insurance Ownership"; LIMRA. 2010.

Policies issued by:

**American General Life Insurance Company of Delaware**

Wilmington, Delaware

Policy form numbers: C11657, C22438, GCA60001-FL-1006, GCI50001, G-DEN-42000, G-DIS-41000, G-LAD-40000, N20000, N20001, N20005, N20009 and N20010

**American General Life Insurance Company**

Houston, Texas

Policy form numbers: 02181, 02182, 02183, 03800, 04120, 04500, 05002 and 08463

**The National Union Fire Insurance Company of Pittsburgh, PA**

New York, New York

Policy form numbers: C11860DBG, M20005-NUFIC, M20001-NUFIC and OT-2009

**The United States Life Insurance Company in the City of New York**

New York, New York

Policy form numbers: 08450N, 08451N, C11960NY, C22553NY, G-DEN-32000, G-DIS-31000, G-19015-DBL and G-L-60000

[www.aigbenefits.com](http://www.aigbenefits.com)

AIG Benefit Solutions® is the marketing name for the domestic benefits division of American International Group, Inc.

The underwriting risks, financial and contractual obligations, and support functions associated with products issued by American General Life Insurance Company of Delaware, American General Life Insurance Company, The National Union Fire Insurance Company of Pittsburgh, PA, and The United States Life Insurance Company in the City of New York are the issuing insurer's responsibility. The United States Life Insurance Company in the City of New York is authorized to conduct insurance business in New York. Policies are not available in all states.

An employer-funded program may be funded 100 percent by the employer or a combination of both employer and employee funding.

This is a summary only of products and services offered. Actual offerings may vary by group size and are subject to state insurance law, and the benefits/provisions as described may vary due to such law. All products are subject to the terms, conditions, limitations and exclusions of the policy. Please see policy and certificate for details.

Group Cancer is the marketing name for the Group Critical Illness Insurance Policy/Cancer Indemnity Expense Certificate Rider. Group Critical Illness is the marketing name for the Group Critical Illness Insurance Policy. Group Hospital Accident is the marketing name for the Group Accident Indemnity Insurance Policy. Group Hospital Indemnity is the marketing name for the Group Accident and Sickness Indemnity Insurance Policy.

For critical illness, comprehensive medical coverage may be required in some states in order to apply for or maintain this coverage.

An employer-funded program may be funded 100 percent by the employer or a combination of both employer and employee funding.

\* These companies do not solicit business in New York.

© 2012. All rights reserved.

AGLC104799-BS R04/12

Scan the QR code below to view the product page on our website and share via email.

