

# Considering Changing Voluntary Benefits Carriers?

## Compare Colonial Life

### 1 Does the current voluntary benefits carrier help employees appreciate and understand all their benefits?

Increasing employee understanding and appreciation of their benefits can help reduce questions/complaints and boost job satisfaction and retention. Employers can expect to realize key business and competitive advantages with a strong benefits communication and education program, including decreased turnover, enhanced recruiting, more engaged and loyal employees, and improved productivity. *“Benefiting the Bottom Line: How a Strong Benefits Communication and Education Strategy Helps Drive Business” white paper released by Colonial Life, 2009.*

At no direct cost to employers, Colonial Life can provide:

- **Benefits communication for the total benefits program** – core and voluntary benefits.
- **Individual benefits statements, salary illustrations and election forms** to help employees understand the value of their complete benefits package – both employer and employee paid – and their “hidden paycheck.”

### 2 Does the current voluntary benefits carrier provide flexible enrollment options?

With its flexible enrollment options, Colonial Life’s award-winning enrollment capabilities\* include:

- Electronic enrollment for core and voluntary products for accounts of all sizes.
- Expertise in large, multi-state enrollments as well as enrollments with as few as three employees.
- A national network of certified enrollers (Best in the Business designation).
- Award-winning web-based enrollment system\* – Harmony<sup>®</sup>.
- Call center and self-enroll options for employees who cannot meet face-to-face with an enroller.
- Group meeting enrollment capabilities, including simple paper applications.
- Per diem enrollment option.

### 3 Have you examined the current carrier’s bill to ensure the product mix is not heavy with its highest-commission products or benefits employees don’t need?

Colonial Life’s top-selling product is short-term disability insurance – which is also its lowest-commission product. Colonial Life ensures a needs-based, not commission-based, approach by:

- Paying benefit counselors the same commission rate on all individual products, resulting in no pressure to push certain products. Although commissions for the “opener” (benefits representative who establishes and is the Colonial Life point of contact for the account) and the broker vary based on individual product line, the benefit counselors who enroll the employees are paid a flat commission rate.
- Maintaining a national network of local benefit counselors – people who live and shop in the same communities as the employees they enroll – with a vested interest in maintaining strong customer relationships.
- Tracking persistency/customer satisfaction through its Business Quality Index (systematic tracking system) at the benefits counselor level throughout life of the account. BQI affects the benefits counselor’s income, incentives and eligibility to participate in Colonial Life’s National Enrollment Program.
- Investing millions a year in a national training program – Colonial Life College – that includes new benefits counselor and continuing education courses, as well as certification programs for:
  - Core benefit enrollments.
  - “Best in the Business” designation to participate in National Enrollment Program for major accounts.
  - Consumer-driven benefits.

#### 4 Does the current carrier have frequent turnover of the local sales rep?

Although commission-based jobs traditionally have higher turnover than other jobs, Colonial Life has an impressive track record of benefits counselor tenure. Its corporate records confirm that Colonial Life benefits counselor retention is significantly higher than the industry average – so no constant churning of service reps.

Colonial Life has more than 8,000 local benefit counselors throughout the country. Their renewal payments create a vested interest and personal responsibility for these benefit counselors to service customers regularly and conduct multi-year and new hire enrollments.

#### 5 What value-added services does the current carrier offer at no cost?

Colonial Life provides many beneficial services at no direct cost to employers, including:

- **Premium Only Plans:** Through its strategic alliance, Colonial Life provides pretax POPs at no charge and discounted pricing on other flexible benefits programs.
- **Access to CCH HRAnswersNow:** A one-stop shop for quick answers to thousands of HR questions.
- **Specialized service centers:** Separate toll-free phone numbers and websites for brokers, plan administrators and policyholders.
- **E-Services for Plan Administrators:** Web-based billing and administration services to save customers valuable time and energy include:
  - **Ez Billing**
  - **E-Bill Reconciliation**
  - **E-Pay**
  - **Ez Administration**
- **New account set-up call:** To ensure accurate billing and data exchange with every new account.
- **Bilingual communications support:** Printed materials, benefit counselors and home office service specialists.
- **Claim notification:** Notification upon receipt of claim and when claim check is sent out – one reason for Colonial Life's consistently high customer satisfaction rate.

#### 6 Does the current carrier honor Broker of Record (BOR) letters?

Colonial Life is strongly committed to honoring Broker of Record letters and honoring the employer's decision to have the broker oversee the account's benefits program. With Colonial Life, the general policy is to honor BOR letters as directed by the client.

#### 7 If the current voluntary benefits are under a Section 125 program, does an employer have to wait until the end of the plan year to switch voluntary benefit carriers?

No. Under IRS Code Section 125:

- An employer may discontinue a benefits package option (such as a voluntary benefit) during the plan year and offer employees an opportunity to take a new benefit. An employee may change a pretax election during the plan year for reasons specified in IRS regulations, including a "significant curtailment of coverage," as stated in Regulation Section 1.125-4(f)(3)(i). If the "significant curtailment" is an elimination of a benefits package option by the employer, the employee is allowed to revoke the election for that benefit plan and make a new election of similar coverage on a prospective basis.

See the IRS regulations and consult your tax adviser for complete details.

Colonial Life has a strategic alliance with an industry leader in Section 125 administration. Through this alliance, Colonial Life offers free Premium Only Plans (POPs) and discounted Flexible Spending Accounts (FSAs). This company can help ensure employers understand their options, have access to their plan document and stay in compliance.

*\*2008 Benefits Selling Magazine's Readers Choice Awards*

#### Colonial Life

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