



# Renaissance®

DENTAL • VISION • LIFE • DISABILITY



SMALL BUSINESS UPDATE:

## *Surprising Facts About Ancillary Benefits*

Your Guide to Overcoming Misconceptions About Dental, Vision and Other Benefits

# Knowing the Facts Can Help You Stay More Competitive

As a small business employer, it can be advantageous to know what benefits other similar-sized businesses are offering so you can remain competitive and retain the best employees. While health insurance benefits may be the most top of mind, other health-related benefits—dental, vision, disability and life insurance—can be just as important to your employees.

## Most Common Benefits Offered by Small Businesses\*

| Benefit                         | Small Businesses Offering |
|---------------------------------|---------------------------|
| Vacation/Paid Time Off          | 66%                       |
| Health Insurance                | 56%                       |
| Dental Insurance                | 53%                       |
| Retirement Plan                 | 46%                       |
| Life Insurance                  | 36%                       |
| Vision Insurance                | 27%                       |
| Short Term Disability Insurance | 26%                       |
| Long Term Disability Insurance  | 20%                       |

\*Definition of small business for most benefits is 3 to 199 employees.

Sources: 2015 Health Benefits Survey, Kaiser Family Foundation; 2012 Health Benefits Survey, Kaiser Family Foundation; <https://www.healthmarkets.com/resources/small-business-health-insurance/most-common-employer-benefits-for-small-businesses/>



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# Misconception #1

## Ancillary Benefits Don't Matter to My Employees Yes, they do matter! And here's why.

In today's competitive hiring environment, ancillary benefits, like dental, vision, life and disability insurance, can be driving factors in retaining good, qualified employees. According to multiple surveys and studies, employees who are satisfied with their benefits tend to be the most loyal. In fact, favorable benefits have been cited as key reasons for employee satisfaction and retention:

- After health insurance and a retirement savings plan, dental or vision insurance are the next most valued benefits, reported as **extremely or very important by 72% of workers.**<sup>1</sup>
- **59% of the people who said they were extremely satisfied** with their benefits also said they were extremely satisfied with their current job.<sup>1</sup>
- More than **38% of employees at small firms report that having dental coverage** is one of the main reasons why they stay with their employer.<sup>2</sup>

Ancillary benefits can also be important leverage for attracting desirable candidates. They can be game changers when it comes to attracting the best, especially for smaller companies looking to stay competitive:

- **77% of respondents in an EBRI survey** reported that benefits packages are either extremely important or very important in making the decision to accept a job.<sup>3</sup>
- **34% of workers at small firms** said having vision benefits is a key factor in their decision to stay at their current jobs.<sup>2</sup>
- Even when benefits are voluntary and the employer isn't contributing to premiums, **they are convenient, simpler and usually less expensive for employees** than buying these same types of insurance for oneself.

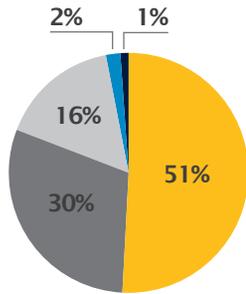
*“Getting dental and vision insurance through my employer is a convenience that I truly value, even though I pay for it myself through a payroll deduction. It's a quick and easy solution and less expensive than if I had to purchase individual plans on my own.”*



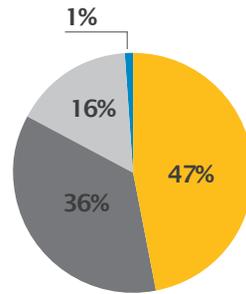
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# Advantages and Disadvantages of Voluntary Benefits, 2016

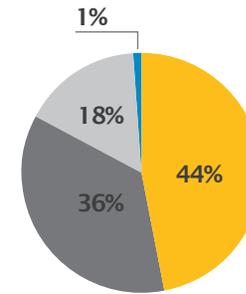
■ Strong Advantage   
 ■ Moderate Advantage   
 ■ Neutral   
 ■ Moderate Disadvantage   
 ■ Strong Disadvantage



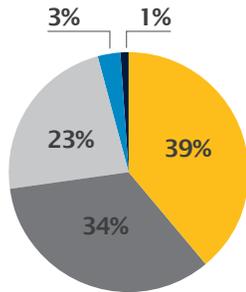
Purchasing benefits through your employer may cost less than purchasing them on your own



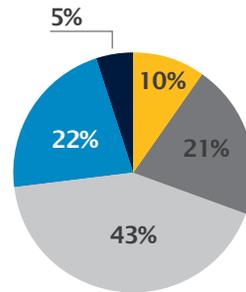
You can choose which benefits you want to purchase



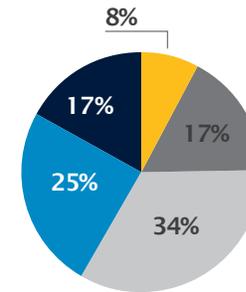
You may be able to take the benefits with you when you leave your employer



The benefits are paid through payroll deductions



Your employer chooses the companies that provide the benefits



You may need to pay the full cost of any voluntary benefits you choose

Source: Employee Benefit Research Institute and Greenwald & Associates, 2016 Health and Voluntary Workplace Benefits Survey; Percentages rounded.

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# Employees will see positive impacts, both financially and on their health.

Take a look at how the advantages can add up with just a dental plan alone. A good dental plan offering routine visits helps to remove financial barriers to oral health services and promotes preventive care so that small problems don't become painful, expensive ones.

- **More than 120 disease signs and symptoms can now be detected** through a routine oral exam, including oral cancer, one of the more treatable cancers when detected in its early stages.<sup>4</sup>
- **With dental insurance, the in-network dentist typically accepts a reduced fee.** Plus, the insurance pays a percentage of the reduced fee.

Vision insurance provides similar preventive health advantages as well as savings. Keep in mind, in the U.S. there are 120 million people that are affected by eye-health problems<sup>5</sup> and 75 percent of people wear some form of vision correction.<sup>6</sup>

In addition, vision exams can help detect chronic conditions such as diabetes, hypertension and high cholesterol before costly symptoms emerge. According to VSP Vision Care®, while one in 10 Americans get preventive health screenings, six in 10 VSP members get WellVision Exams® and VSP providers are often the first to detect signs of serious and costly chronic conditions before other healthcare providers.<sup>7</sup>

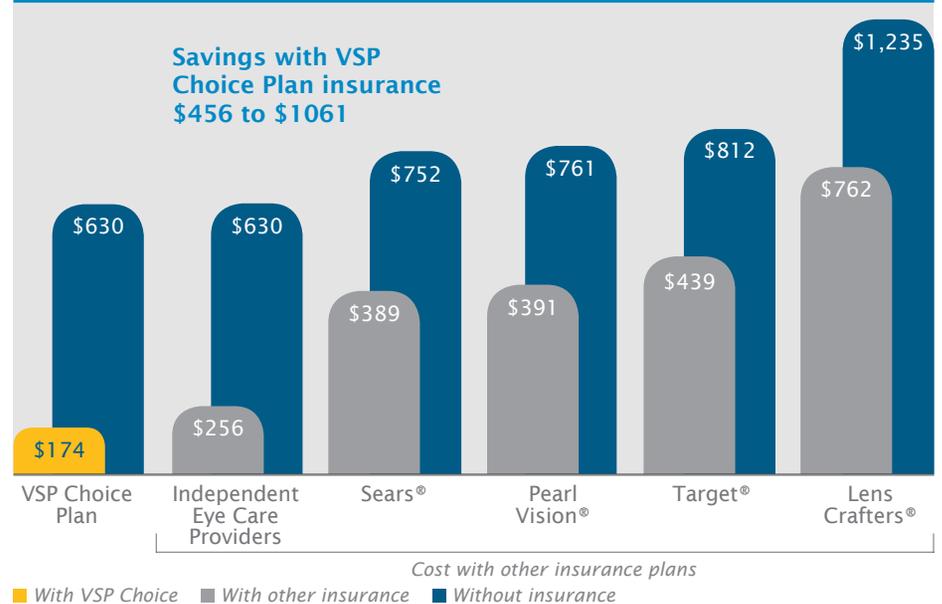
Even as a voluntary benefit, it's easy to see how the multiple advantages of a benefit like dental or vision coverage could add up quickly for employees. Then, consider that many of those same advantages apply to other benefits, like disability and life insurance, and you begin to understand the power of ancillary benefits.

## Example Savings on a Crown with Dental Insurance

| Dentist's Submitted Fee | In-Network Maximum Fee   | With 50% Coverage Level Insurance Pays | You Pay  | TOTAL SAVINGS WITH INSURANCE                    |
|-------------------------|--------------------------|--|----------|---|
| \$950.00                | \$744.00                 | \$372.00                               | \$372.00 | <b>\$578.00</b>                                 |
|                         | Set by provider contract |  |          | <b>61% decrease from dentists submitted fee</b> |

*The example above was provided by Renaissance Dental and is for illustration purposes only. Fees and reimbursements can vary by location, dentist and insurance carrier. It does, however, represent how the payment is determined.*

## Example Savings on Glasses with Vision Insurance



*The above example was provided by VSP Vision Care and is for illustration purposes only. Research was conducted by Service Excellence Group Inc. and compared the same, popular eyeglasses at independent doctors and retail chains. Study was commissioned by VSP and conducted 11/2012-12/2012. Study sample consisted of randomly selected, geographically representative shops, nearly 850 private-practice independent doctor locations and nearly 450 retail chain locations.*

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# Misconception #2

## Offering Ancillary Benefits Is Too Expensive for My Business

**It doesn't have to be expensive. In fact, not offering them could be costing you more.**

There are many ways to offer ancillary benefits, including voluntary benefits where employers can determine their contribution, if any.

According to a HR Magazine article, because certain voluntary benefits, such as supplemental medical coverage, can be paid for with pretax dollars, the resulting reduction in payroll taxes could offset any administrative or other costs associated with offering these programs. Furthermore, insurance-based products frequently are offered at group rates that are much lower than what most employees would pay for an individual policy.<sup>8</sup>

As health insurance costs continue to increase, these types of extra benefits are becoming even more important to employees. In addition to helping you attract and retain employees in a competitive hiring environment, these types of benefits can even help improve productivity:

- Employed adults lose more than 164 million hours of work each year due to dental disease or dental visits.<sup>9</sup>



*“The cost of our voluntary benefits is minimal compared to the benefits we see from better employee engagement, morale, productivity and retention.”*

- According to a report issued by the Surgeon General there are more than 120 diseases that have manifestations in the mouth.<sup>4</sup> These manifestations may be the initial sign of disease and serve as clues to the need for further assessment for diagnosis.
- People with vision problems are more likely than those with good vision to have diabetes, poor hearing, heart problems, high blood pressure, lower back pain and strokes, as well as have increased risk for falls, injury and depression.<sup>10</sup>

When employees are given access to insurance that promotes regular dental and vision visits, they are more likely to keep their mouth and eyes healthy, which in turn, keeps the whole body healthy. The result is fewer distractions at work, fewer visits to the doctor and less time away from work.

The advantages are not just for employers either. Workers identify lower cost, choice, and the convenience of paying pretax and through payroll deductions as strong advantages of voluntary employment-based benefits.<sup>1</sup>

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# Misconception #3

## Ancillary Benefits Are Difficult to Administer The right broker and insurance partner make all the difference.

To get the most out of your benefits, it's important to choose your insurance partner wisely. To do this, and to help you secure the best pricing and terms, working with a broker might be an option worth considering.

When choosing a broker, be sure to select someone you have a connection with and who you feel has your best interests in mind. Look for someone willing to show you a variety of products and who you feel will listen to your requests.

Here are a few key advantages you will enjoy by working with a broker:

- A broker conducts thousands of bids on behalf of clients and has the resources to help you navigate the complexity of analyzing and contracting for each of the benefits you are considering for your business.
- A quality broker will be able to help secure the best pricing for you through an unbiased, client-focused bidding process.
- A broker has the additional capabilities and resources to provide ongoing consultation throughout your contract and advise you on other services that can help you better manage your costs.

Having a broker at your side to help you choose an insurance partner you can trust to provide the best benefits for your employees is one of the best strategies in today's competitive market for attracting and retaining satisfied employees.

*“Customer service is so important, especially with insurance. It can be confusing and you want to know someone is on your side helping you get what you need.”*



# Conclusion

Understanding ancillary benefits and managing your organization's benefits program can be complex. Working with an experienced broker to choose a trusted insurance partner will help you create a smarter plan for your organization's future. This will help keep you ahead of the competition with strategically chosen benefits that maximize cost savings for your organization.



## Ready to learn more?

To discover how ancillary benefits could help your business, contact your broker to ask about Renaissance today. If you don't have a broker, call 1-888-358-9484 or visit [www.RenaissanceFamily.com](http://www.RenaissanceFamily.com).

## About Renaissance

Renaissance provides groups and individuals with innovative dental, vision, life and disability insurance plans alongside exceptional customer service. Renaissance offers customizable benefits options that enable everyone to receive the care they need—especially smaller businesses with 2-150 employees. At Renaissance, the goal is to provide customers with flexible plans that meet their needs, develop and maintain lasting relationships, and ensure customers receive the best value.



### Strong Networks

300,000+ dentists nationwide; 33,000+ vision providers through VSP



### Outstanding Service

Over 99% of calls answered on first contact<sup>11</sup>



### Phenomenal Claims Processing

Over 96% processed within 10 days<sup>11</sup>

<sup>1</sup> [https://www.ebri.org/pdf/notespdf/EBRI\\_Notes\\_v38no5\\_WBS.18Apr17.pdf](https://www.ebri.org/pdf/notespdf/EBRI_Notes_v38no5_WBS.18Apr17.pdf)

<sup>2</sup> <https://www.healthmarkets.com/resources/small-business-health-insurance/most-common-employer-benefits-for-small-businesses/>

<sup>3</sup> Views on the Value of Voluntary Workplace Benefits: Findings from the 2015 Health and Voluntary Workplace Benefits Survey, by Paul Fronstin, Ph.D., EBRI, and Ruth Helman, Greenwald & Associates

<sup>4</sup> Oral Health in America: A Report of the Surgeon General, 2000

<sup>5</sup> National Eye Institute

<sup>6</sup> VisionWatch, a study conducted by the Vision Council, 12ME December, 2011

<sup>7</sup> Human Capital Management Services, Inc. (HCMS) study on behalf of VSP, 2013

<sup>8</sup> <https://www.shrm.org/hr-today/news/hr-magazine/pages/0614-voluntary-benefits.aspx>

<sup>9</sup> <https://www.nidcr.nih.gov/DataStatistics/SurgeonGeneral/Report/ExecutiveSummary.htm>

<sup>10</sup> <https://www.cdc.gov/visionhealth/healthyvisionmonth/index.htm>

<sup>11</sup> Renaissance 2016 Internal Data

Dental and vision insurance underwritten by Renaissance Life & Health Insurance Company of America, Indianapolis, IN and in New York by Renaissance Health Insurance Company of New York, New York, NY. Life and disability insurance underwritten by Security Mutual Life Insurance Company of New York, Binghamton, NY. Each company has sole financial responsibility for its own products. Products and services referred to are not available in all states and jurisdictions.