



ArmadaCare®  
*Feel The Benefits*



# 2023 TOP TRENDS IN BENEFITS

A guide to emerging trends shaping the  
employee benefits landscape

RETENTION AND LOYALTY | AFFORDABILITY | FLEXIBILITY AND CUSTOMIZATION  
EMPLOYEE MENTAL HEALTH AND WELL-BEING | FAMILY-FRIENDLY BENEFITS

## INTRODUCTION

No matter how you slice it, businesses across all industries are facing a convergence of challenging dynamics.

Employee benefits and talent management are increasingly complex as a result of changes in employee expectations, an increased emphasis on well-being, and the differing needs of a multigenerational workforce. Inflation and rising healthcare costs create additional pressures for both employers and employees.

Benefits still matter—a great deal, in fact. That's why employers need to move beyond one-size-fits-all benefits, which fall short in addressing the most critical gaps between what employers are offering and what employees want. Investing in the right benefits can drive better outcomes—for employees and business.

Here are the top 5 key trends to watch and the impact they can have on benefits.



### RETENTION AND LOYALTY



### AFFORDABILITY



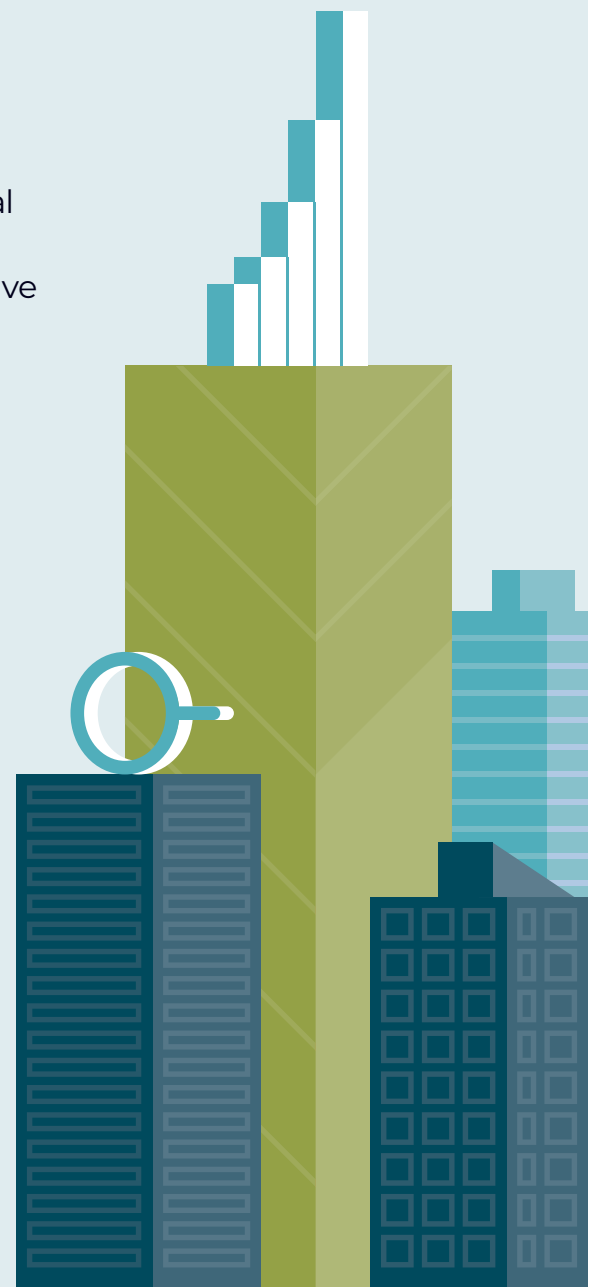
### FLEXIBILITY AND CUSTOMIZATION



### EMPLOYEE MENTAL HEALTH AND WELL-BEING



### FAMILY-FRIENDLY BENEFITS



**TREND #1**

# Strengthen Retention and Build Loyalty

Attracting and holding onto the right talent is harder than ever before. Employees are rethinking their relationship to work and its place in their lives. In addition, employee satisfaction and loyalty rates have rapidly declined, and millions of employees are actively testing the job market.

These changing employee expectations and attitudes toward work are reshaping the dynamic between employee and employer—truly jeopardizing retention and tossing loyalty out the window.

**Impact on Benefits**

Enhancing employee benefits with the right solutions can help employers attract and retain talent. In addition, innovative benefits provide lasting value that can help build relationships and boost loyalty.

The right benefits help employers:

- Enhance compensation tax-efficiently\*
- Provide targeted benefit enhancements for specific segments of employee population
- Make employees feel rewarded with more value than a one-time bonus\* (which is soon forgotten about)

**BY THE NUMBERS**

#1

driver of retention: employee health benefits

PREDICTIVE INDEX, 2022

2/3

employers plan to enhance benefit offerings in 2023 to attract and retain talent

MERCER, 2023

4X

Increase in retention after enrolling in ArmadaCare's supplemental health insurance plan compared to the national average

ARMADACARE ENROLLMENT DATA

\*This is not local, state or federal tax advice as each person and each company is unique. It is recommended that you seek the independent counsel of a professional tax adviser.

**TREND #2**

## Addressing Affordability

Rising healthcare costs have increased employees' out-of-pocket costs, contributing to financial strain. Paired with high inflation, this has employees feeling the pinch. Many employers are focusing on improving healthcare affordability—for their own budgets as well as for employees—but doing so requires striking a delicate balance.

### Impact on Benefits

As healthcare costs have risen, employers have shifted more costs to employees in higher premiums and higher deductibles. Many employees struggle to pay even for everyday and routine medical expenses, leading to delays in care. This cost-shifting

has created unintended consequences that can end up costing employers more in the end.

The right benefits can help employers:

- Supplement primary plans with valuable complementary insured coverage\*, helping to close coverage voids and reduce financial strain
- Improve affordability for everyday medical, Rx, dental and vision expenses—even some expenses not covered by the primary plan.
- Address common problems with health savings accounts (HSAs), including timing issues or insufficient funds.

### BY THE NUMBERS

# 50%

of U.S. adults have difficulty affording healthcare costs

KFF, 2022

# 40%

delay routine medical care or filling prescriptions

KFF, 2022

# 45%

of employees would not be able to immediately afford a surprise medical bill of \$500

KFF, 2020



\*The above referenced supplemental health insurance policies have exclusions, limitations and benefits that vary by plan and state. To obtain a quote or for more details on coverage, contact ArmadaCare.

**TREND #3**

## Flexibility and Customization

One size doesn't fit all when it comes to today's workforce— which now includes five generations of workers. The reality is that employees have different benefit requirements at different stages in their lives, and it is difficult and cost-prohibitive to meet them all with a single primary care plan. Employers no longer manage a single heterogeneous workforce, and their benefit plans need to adjust to this new reality.

**Impact on Benefits**

It is essential for employers to better understand what really matters to different segments of their employee population.

The right supplemental health insurance plans give employers the flexibility to tailor benefits to meet specific needs—as well as the individual expectations of their workforce. This in turn can help employees feel more valued and understood.

Adding supplemental health benefits can help employers:

- Balance coverage and cost
- Provide age-and-stage health benefits relevant to different generational needs
- Enhance satisfaction with benefits: a leading driver of job switching considerations

**BY THE NUMBERS**

# 93%

of employees said that the ability to customize their benefits packages is a “must-have”

METLIFE, 2021

# 74%

higher satisfaction with current job among holistically healthy, supported employees

METLIFE, 2022



**TREND #4**

## Supporting Mental Health & Well-Being

Supporting employee well-being continues to be a high priority. Employers are expected to recognize and meet the needs of the whole employee and to adjust benefits and wellness programs accordingly. This is a fundamental shift from the traditionally more transactional approach.

### Impact on Benefits

Supporting holistic employee well-being is a win-win, as it's both the right thing to do and good for business. Happier, healthier employees are more productive—and also more likely to stay.

Whole employee benefits provide:

- Support for employees experiencing workplace stress (even healthy employees)
- Enhanced access to care with coverage and support for behavioral health, counseling, coaching, and more—including virtual care and telemedicine
- More valuable insured coverage to support preventive care as well as routine and everyday medical needs
- Ongoing reminder of employer appreciation



**WellPak® by ArmadaCare** offers employers an all-in-one health insurance solution to boost employee mental health and well-being with coverage and access for coaching, counseling and more. A fully insured indemnity plan at its core, WellPak is the perfect combination of coverage and support that makes accessing and affording behavioral health treatments easier for employees.

### BY THE NUMBERS

# 80%

of employees report that workplace stress affects relationships with friends, family and coworkers

MHA, 2022

# 50%

of employees claim mental health as a reason for leaving their jobs

HRD, 2022

# 63X

is the average number of times ArmadaCare members engage with their plan annually

ARMADACARE ENROLLMENT DATA

**TREND #5**

## Family-Friendly & Reproductive Benefits

In the pandemic era, family health and reproductive benefits have become a priority for employees. Many employers are focusing on ways to support reproductive healthcare or are even looking to expand family-friendly benefits.

**Impact on Benefits**

Enhancing or expanding family-friendly benefits demonstrates employers' emotional and financial support for employees' families or for the desire to create a family.

The right benefit solutions can help employers:

- Provide access to fertility treatment coverage
- Address affordability and reduce financial strain
- Strengthen loyalty

**BY THE NUMBERS**

# 91%

of employers rate family-friendly benefits as more important during uncertainty

MAVEN, 2022

# 1/3

large employers will offer benefits including access to fertility treatment coverage, adoption and surrogacy benefits

MERCER, 2023



## Finding the Right Benefits Balance

We're still in a period of flux, with new norms and emerging trends continuing to shape the workplace in 2023. Moving beyond the one-size-fits-all approach to benefits can help employers stay on top of changing employee expectations and benefit needs.

### Innovative Supplemental Health Insurance Benefits Designed to Deliver

To meet changing expectations, employers need a partner who can help them deliver benefit flexibility and support for the whole employee. Building on our market-leading Ultimate Health® executive insurance plan legacy, ArmadaCare has become a leading provider of innovative supplemental health insurance solutions that take you beyond the ordinary, to a place where benefits can be reimagined.



#### ABOUT ARMADACARE

A leading insurance program manager, ArmadaCare delivers uncommon health insurance solutions designed to enhance ordinary health benefits. With the steadfast belief that health insurance should be better, ArmadaCare's plans fill voids in coverage for routine and unexpected healthcare expenses, offer valuable health and productivity support services and invite usage with modern conveniences, education touchpoints and people-first service. The result gives our clients the edge they need to retain, recruit and reward talent at all levels.

ArmadaCare's supplemental health insurance policies are underwritten by Sirius America Insurance Company and Transamerica Life Insurance Company. Insurance plans and coverages vary by state. Please contact us to confirm state availability.

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