

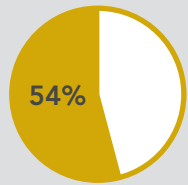


2017 STRATEGY, ACTIONS, AND BEHAVIORS STUDY

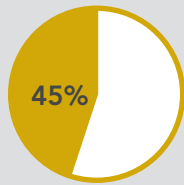
Early insights: Benefit plan costs and changes

Survey respondents continue to expect changes to future employee benefit offerings

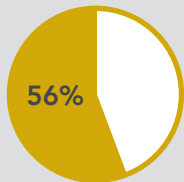
Companies expect to make even more changes to some element of their plan offerings in 2018 or 2019



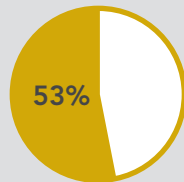
Increase in the number of medical plan options
Up from 46% in 2016



Adding a high-deductible plan offering
Up from 41% in 2016



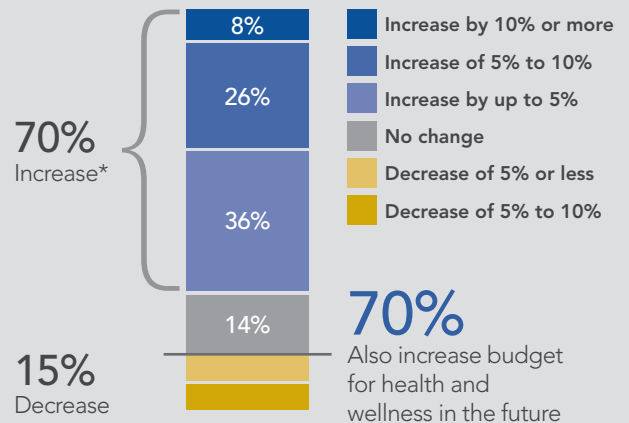
Increase in employee contribution percentage
Up from 47% in 2016



Increase in coinsurance feature
Up from 42% in 2016

An increased majority of C-suite executives and HR/EB managers continue to expect healthcare costs to climb

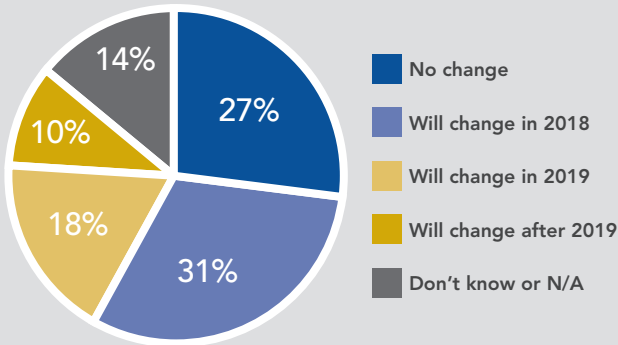
2018 healthcare cost change estimate after all potential revisions made to the plan compared with 2017



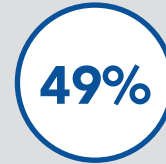
*1.5% higher than those expecting an increase in 2017

Almost half of companies expect to incorporate a value-based plan design in 2018 or 2019

Add value-based plan design



Nearly half expect to reduce the size of their provider and pharmacy networks in the future



Reduce the size of provider network
19.5% increase over 2016



Reduce the size of pharmacy network
17.5% increase over 2016

Source: USI Insurance Services 2017 Employee Benefits Strategy, Actions, and Behaviors Study

About the research: The Strategy, Actions, and Behaviors Study of executives and benefit managers from across the United States at companies with 50 or more employees, was conducted from July 6–21, 2017. In the poll, a total of 695 surveys were collected (348 from C-suite executives, 347 from human resources/employee benefits directors/managers). In order to qualify, the respondent had to have knowledge about the company's benefits offerings. The total data are weighted to reflect the actual distribution of companies by employee size and revenue as specified by Dunn & Bradstreet. The survey was designed to better understand how employers view benefits as part of their human capital attraction and retention strategy, and trends, as well as capture current marketplace trends and concerns related to employee benefits.

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