

CFO BENEFIT REPORT

Aligning employee benefits with business goals.

2008 A YEAR OF CHANGE TRENDS ARE EMERGING AND GAINING GROUND. HERE'S OUR FORECAST.

1. THE WAL-MARTIZATION OF BENEFITS.

The employer group platform will go the way of the dinosaur in coming years as fewer employers are able to cut healthcare inflation to the low single digits. Employees will shop for benefits from a few huge national carriers that can support online self-service. We'll also see more competition among big carriers for the mid-size market.

- Farewell, regional and smaller carriers.

2. PUSHING THE LEGAL ENVELOPE.

Driven by rising healthcare costs, big companies will begin testing the legal issues surrounding employees' lifestyle choices. Even in smaller companies that can't afford to take such extreme measures, a focus on health will become more prominent in hiring practices.

- Employers have no choice but to build a smaller, healthier workforce.

3. TRANSPARENCY IS KING.

Publication of healthcare provider information will continue to escalate. With more information comes more responsibility—consumers will have to be financial analysts and planners to make sense of it all—and that means a growing burden on employers to educate them about the choices available. Not an easy task.

- Cultural and generational differences will increase the challenge.

4. THE NEW ROLE OF BENEFIT CONSULTANTS.

More employers will launch strategic communication programs to help employees understand benefit issues. Since Baby Boomers have different priorities than the Millennial Generation, benefit consultants will assemble packages that are customized to age-group needs.

- As demands on employers grow, the "go to" people will be benefit consultants like MBS.

5. HR WILL CONTINUE TO REINVENT ITSELF.

Expect to see more academic courses and designations from SHRM and other groups to equip HR executives to meet new demands. Employers will look for a business and a financial background when filling HR positions. As small to mid-size companies struggle to stay competitive, it's likely "A-Team" players will go to larger firms that can offer richer benefits.

- The mantra is "Be strategic"—with the help of a benefit consultant.

For more detail on the trends and how we see them, check out the Top Trends Executive Brief on our website at www.MBServices.net/trends.

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