

Unum Reports Workers Underestimate Risks, Lack Safety Net

by Business-Wire

CHATTANOOGA, Tenn.--(BUSINESS WIRE)--Decisions, decisions. First it was whether to participate in an HMO or a PPO. Then it was picking investments for a 401(k). Now, working Americans are becoming the decision-makers for all sorts of other benefits options and must choose how to spend their coverage dollars. This fundamental shift leaves workers with many choices and, often, a lot of anxiety. In its 2008 Buyers Study, Unum (NYSE:UNM - News) reports on the evolving world of benefits, including a look at the employee perspective on the growing responsibility for benefits choice and the need for effective benefits education.

“Too often, workers have to make decisions about which benefits they need and how much to spend on them without understanding the risks they face or the best choices to protect themselves and their families,” said Mike Simonds, senior vice president and chief marketing officer for Unum US. “As employees become benefits decision-makers, they also need providers and employers to give them useful information on how to make those choices.”

Some statistics collected for Unum’s 2008 Buyers Study illustrate this need:

Only 5 percent of baby boomers correctly estimate they have a one in three chance of becoming disabled due to illness or injury during their working years.

Only 12 percent of older Americans thought they were very likely to need long term care, even though some data indicate 60 percent are likely to need it.

One half of all bankruptcies are attributed to injury, illness and medical bills

With the personal savings rate now at or below zero, few workers have savings to fall back on in a medical emergency.

“We are all bombarded with warnings about our financial risks,” Simonds added. “Unum understands the challenges of helping workers make decisions that will protect their families. And it is a critical part of our mission to help employers meet the benefits needs of their workforce and protect the future of their businesses.”

Unum’s 2008 Buyers Study combines information on economic and demographic trends with proprietary Unum sales data to create a portrait of the employee benefits consumer. The Buyers Study also offers guidance to employers on issues from managing economic uncertainty to making valuable benefits choices available to workers. Unum recommends a number of ways employers can help their employees offset financial stress, including:

Present a variety of insurance coverage options so that employees can create a package that meets their diverse personal or family needs

Develop a comprehensive plan to help educate employees on benefits options

Provide clear, useful benefits communication and education

Offer individually owned voluntary benefits so employees can maintain the same coverage if today’s economic conditions bring a reduction of force

By introducing the Buyers Study in 2006, Unum established a valuable baseline for evaluating the effect of today’s trends on employee benefits plans. The 2008 study continues that work, tracking the changes that will continue to alter the benefits landscape.

A copy of the Buyers Study 2008 is available in the reference section of the newsroom of unum.com. Copies of the study can be requested through <http://www.unum.com/buyerstudy/learnmore.aspx>.

About Unum

Unum (www.unum.com) is one of the leading providers of employee benefits products and services in the United States and the United Kingdom. Through its subsidiaries, Unum Group provided more than \$6 billion in total benefits to customers in 2007.

Copyright © 2008 Business Wire. All rights reserved.

Unum Reports Workers Underestimate Risks, Lack Safety Net by Business-Wire