

For 36 percent of small business decision-makers responding to a survey commissioned by Aflac, their current health benefit offering has negatively affected business.

Nearly two-thirds of respondents are concerned about their company's ability to provide a benefits package that will attract and retain employees. Forty-nine percent agreed they cannot attract and retain top quality employees without offering competitive health benefits.

"Quality health insurance benefits are often key to recruiting and retaining good employees," said Paul S. Amos, II, executive vice president and chief operating officer, Aflac U.S. in a prepared statement. "Because small businesses are more susceptible to premium increases, it is critical that small business owners and management are well-informed of the numerous health benefit options available."

The Aflac-commissioned survey of 501 small business decision-makers indicates that respondents see a direct correlation between profitability and current health benefit offerings. The top three effects cited by respondents were:

Decline in profitability;

Inability to attract new employees; and

Loss of good employees.

Among the 58 percent of small businesses surveyed offering some type of benefits to their employees, an average of 52 percent of the employee base receives health care coverage and pay an average of 31 percent of health insurance premiums. The majority (63 percent) of insured employees pay half or more of health insurance premiums, while 21 percent of insured employees pay zero percent of health insurance premiums.

Other key findings from the survey include:

46 percent report increasing their health care costs have negatively impacted their employees' wages.

42 percent agree that annual increases to the costs of health benefits have resulted in a decrease to their offerings.

38 percent have taken some action around their benefits last year.

34 percent anticipate taking some action around their benefit offerings in the coming year.

7 percent currently offer Health Savings Accounts (HSAs) to their employees.

Among those considering implementing HSAs, 73 percent indicated their primary reason for doing so was to give employees more options.

"Aflac recognizes and respects the contribution small businesses make to the growth of our economy. We also understand that the rising costs of health benefits are having a significant impact on the bottom lines of small businesses and on their employees' total compensation. That is why we offer employees benefits that allows businesses of all sizes to make insurance policies available to their employees with no direct cost to the business," Amos adds.

The survey has a margin of error of plus or minus 4.4 at the 95 percent confidence level. It was conducted using the field services of Harris Interactive.

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