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Why do workers prefer to get benefits through their worksite?

Lower cost, convenience, payroll deduction, support from human resources staff -- these are among the reasons, according to a new LIMRA International study.

Medical coverage is clearly the most important benefit. Some employees even say they would be willing to give up their employers' subsidy for certain other benefits -- such as disability, life or dental coverage -- and buy them on a voluntary basis in order to keep their costs for medical insurance in check.

Overall, workers are very receptive to the idea of voluntary benefits, according to LIMRA researchers who conducted six focus groups of full-time employees to understand how consumers approach decisions about benefits in general and voluntary benefits, such as extra life or disability insurance, in particular.

Participants in all the groups strongly affirmed the value of obtaining insurance benefits at the worksite.

According to said Rick Hekeler, Ph.D., senior scientist in LIMRA's Markets Research Center, workers "made little distinction between the value of subsidized and voluntary benefits, and praised both types for their ease of purchase, attractive pricing and convenience."

The study confirms that many employees are familiar with the voluntary benefit concept and view them favorably.

But, the LIMRA researcher stressed, because they are bearing the full cost of these benefits, employees expect more from brokers and company representatives during the purchase process.



The fatter people get, the more their health insurance costs go up. To counter that, some employers are encouraging their workers to exercise and diet.

"Every pound you put on is important. Even one pound more," says Dee W. Edington, director of the University of Michigan's Health Management Center.

Edington and his colleagues found overweight and obese people have medical bills up to \$1,500 greater a year than those of people of healthy weight.

The study looked at about 178,000 adults in General Motors' health care plan. Researchers broke down the medical costs according to how much weight they carried, using federal categories ranging from underweight to greatly obese.

Medical costs rose as weight did, said the report in the American Journal of Health Promotion. The average cost for those of average weight was \$2,225. The lowest category of overweight was slightly more, at \$2,388, but costs rose more sharply after that, reaching \$3,753 for the heaviest people.

The finding is in line with a report by the U.S. Surgeon General, which estimated the economic cost of obesity in 2000 at \$117 billion. Also, the Centers for Disease Control and Prevention documents a rising level of weight gain. The worst fatness -- extreme or morbid obesity -- nearly tripled among adults between 1988 and 2000.

Federal statistics also show that seven out of 10 adults get too little exercise, and four of 10 get none.

Trying to keep employees from developing conditions such as diabetes or heart attacks, which are associated with overweight, employers are trying to inspire workers to change their lifestyles.

"One thing about health costs is that you look at it as a proxy for pain and suffering," said Tim McDonald, GM's manager of corporate health programs and a co-researcher in the Journal of Health Promotion report. "We are losing ground on overweight and obesity. We are able to measure it, but we are not able to make progress -- yet."

GM and the United Auto Workers union jointly are trying to change the lifestyles of plan members through their LifeSteps education program, which is available to about 1.2 million people, said Charlie Estey, who oversees the program. The program includes diet and exercise advice.

One pilot program tries to fit the exercise to the lifestyles of the worker, Estey said. For instance, before deer hunting season in Michigan, employees could take part in a hunting preparation program that includes "how to throw a deer onto the hood of your truck without throwing your back out," he said. There are similar programs for golfers and gardeners, he said.

Besides giving workers more fun in their lives, the program can benefit GM by reducing productivity losses caused by injury and illness, Estey believes.

Such efforts are certainly worth promoting and studying as ways to work more activity into people's lives.

But experts note that simply on an economic basis, whether such programs will pay for themselves in health care savings is not yet known. □