

Best Practices in Risk Protection Benefits

The Principal 10 Best Companies—2008 understand that a well-rounded benefits package helps provide employee financial security and protection from risks, including disability and premature death.

“We believe the less our employees have to concern themselves with unplanned incidents, the more productive they will be. We believe certain critical plans like short-term disability and long-term disability shouldn’t be optional but rather be provided by the company,” says Bill Roark, CEO of Torch Technologies, Inc.

“We think we have a responsibility in the design of our plan to give employees a comfort zone,” said Bob Burik, director of administration, CENTRIA. “They need income protection.”

Here are some practices from *The Principal 10 Best—2008* that help ensure employees are protected financially in the event of the unexpected.

- **Shake things up – offer a mix of employer-paid and voluntary benefits.** First take steps to meet employees’ basic protection needs and then offer voluntary benefits to supplement. All of *The Principal 10 Best Companies—2008* offer voluntary benefits. “It seems that individuals who need disability insurance the most would be the ones who wouldn’t buy it if it was strictly voluntary. Employees sometimes don’t truly appreciate what they have until they need it. We’ve taken it as our responsibility to make sure those things that are in place,” says Cheryl Grissett, The Spiratex Company.
- **Take the hassle out of paying for voluntary benefits.** The Spiratex Company and Torch Technologies offer payroll deduction to make it more convenient for employees to pay for supplemental insurance.
- **Put some bite into benefits with dental and vision coverage.** Dental insurance is one of the most desired benefits according to The Principal Financial Well-Being IndexSM. All of *The Principal 10 Best—2008* winners supplement their medical insurance coverage with dental and vision coverage.
- **Make sure long-term disability coverage is just that—long term.** Several winners offer long-term disability coverage to retirement age. “If you have a true disability, your financial situation would still be difficult after one year. It is really nice to have the security of 60 percent of your gross wage basically for life because Social Security would kick in after age 65,” says Janet Owens, vice president of benefits and welfare, North Island Credit Union.
- **Consider paying premiums for long-term care.** While a number of companies make long-term care insurance available as a voluntary benefit, NJ Sullivan pays 100 percent of the premium for its employees. “It helps employees have a little less stress,” says Christie Hope Greenland, controller, NJ Sullivan.

- **Provide one-on-one meetings to educate employees about their risk protection benefits.** Many employees do not appreciate the need for voluntary (employee-paid) benefits until they need additional insurance coverage. North Island Credit Union had low participation until the insurance provider held one-on-one meetings to explain the voluntary benefits. The participation level increased 500 percent. “Employees focus on now, not the future. We find communication is a key factor. There is no point in offering a benefit that employees don’t understand or realize is available,” says Janet Owens, vice president of benefits and welfare, North Island Credit Union.
- **Offer benefits that offer more** – Look for risk protection benefits that come with value-added services such as travel and accident coverage, employee assistance programs and will preparation. CENTRIA and NORCAL Mutual Insurance make business travel insurance available as a supplement to their 100 percent premium-paid life insurance. Most of *The Principal 10 Best Companies—2008* offer employee assistance programs. “We had two robberies a few years ago. Our employee assistance program was a tremendous help,” says Rachel Frazier, vice president, 1st United Services Credit Union.
- **Consider upping the amount of insurance coverage:** “Our life insurance and AD&D benefits cover three times the annual income,” says Connie Rank-Smith, vice president of human resources, Jewelers Mutual Insurance. “That is a very inexpensive benefit to provide.” But it goes a long way toward helping employees feel financially secure.
- **Add survivor support services to life insurance coverage:** A.Y. McDonald offers this benefit as part of its 100 percent, employer-paid life insurance coverage. “The number one benefit is the survivor support service, which is a counseling component. I know those individuals who have personally been in situations have found it tremendously helpful,” says Chad A. Huntington, vice president of human resources, A.Y. McDonald.