

THE LEAD

WHAT'S HAPPENING TODAY – AND TOMORROW – IN GROUP BENEFITS

A Missed Benefit Opportunity?

New Trends, New Challenges

Reinventing the Enrollment Experience

**Three Ways Lincoln Is Improving
Your Customers' Experience**



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A missed benefit opportunity?

Everyone, it seems, wants dental coverage. But not everyone uses it to its fullest.

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New trends, new challenges

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Reinventing the enrollment experience

Do I need this coverage? What IS this coverage? What does it cost? Is it worth it? When it's time to enroll in benefits, employees want clear answers. Lincoln did the research and made the changes to ensure employees get them.

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Three ways Lincoln is improving your customers' experience

Enhanced online access, integrated renewal information, and an extra layer of security—find out how your clients' interactions with Lincoln just got easier and more secure.

WELCOME

A note from Dick Mucci, President, Group Protection

Today's customers expect more. More service, more guidance, and more access to the technology, tools and information that can facilitate easier and more efficient decision-making.

In the midst of rapid business developments and political changes, we're determined to provide our customers with just that. As we adhere to changing rules and regulations that may affect the DOL and ACA, or emerging benefits such as paid family leave, we always keep our customers and partners uppermost in mind. We'll work with you to overcome challenges and take advantage of new business opportunities; and we'll work to help your clients and their employees reach their financial goals.

And with our [strategic acquisition of Liberty Mutual's group benefits business](#) on the horizon*, we're thrilled that we'll soon be able to offer you more robust capabilities and service than ever before. This acquisition will further strengthen Lincoln's disability and absence management capabilities, and fortify our clinical and return-to-work programs to help you achieve strong outcomes in employee productivity for your clients.

In this issue of *The Lead*, you'll see insights from our ongoing customer research—research that helps guide our product design, communication strategies, and overall customer experience.

This research helps us know our customers better. And we hope it helps you get to know us, and the way we reach our strategic decisions, a bit better as well. We look forward to working together in this new year, as we seek new opportunities for growth and success.



*On January 19, 2018, Lincoln Financial announced an agreement to purchase Liberty Life Assurance Company of Boston from Liberty Mutual Insurance Group. Upon completion of the transaction, Lincoln will retain Liberty's Group Benefits business and immediately reinsure Liberty's Individual Life and Annuity business to Protective Life Insurance Company. This transaction is expected to close in the second quarter of 2018.



A MISSED

BENEFIT OPPORTUNITY?

Why dental is a popular yet underused coverage — and what to do about it

Dental coverage has always been an important part of a well-rounded benefits package. It's consistently at the top of the list when it comes to coverage employers provide and employees expect to have.

But only half of employees responding to recent Lincoln research feel their employers have provided enough information about their dental plans.

This lack of knowledge can lead to missed opportunities when it comes to employees using their dental coverage to its fullest. In fact, one in four employees with dental insurance say they haven't been to their dentist in the past 12 months for regular checkups and cleanings due to cost.¹ Yet, well over 90% of dental plans fully cover diagnostic and preventive treatment, without a deductible. And of course, skipping preventive care and maintenance can lead to dental procedures that come with a higher price.



Three key strategies

Lincoln research provides three key strategies that help employers understand what employees are thinking about, their level of knowledge, and how they prioritize when it comes to selecting employee benefits. Using these strategies can make a difference when it comes to providing employees with the information they need and the coverage they expect:

Strategy #1
Do the basics well —
and keep it simple



Strategy #2
Communicate in
multiple ways



Strategy #3
Focus on motivations that
impact decision-making



Click on a strategy above for more information.

¹ 2017 Lincoln Dental Research Series: Consumer Insights.

Enhancing Lincoln's dental offerings

A self-funded dental option

Lincoln is currently working on adding a new self-funded option to our suite of dental plans. With this plan, you'll have access to a wide range of dental offerings and funding to recommend to your clients. We're striving to create an even greater presence in the dental marketplace—stay tuned for more information on this upcoming dental offering!

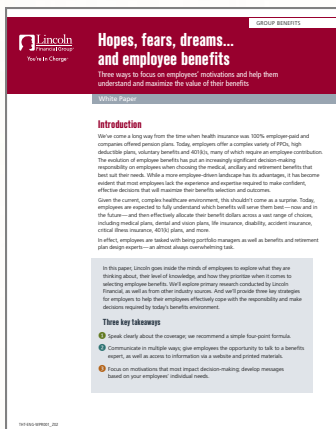
Coverage. Continuity. Choice.

25 years of group dental plan experience.

More than 113,000 unique providers

More than 491,000 access points

More network dental provider discounts.



Click on the white paper to find out more about how to implement three key enrollment strategies.

Read the full Lincoln white paper "Hopes, Fears, Dreams... and Employee Benefits."

NEW TRENDS,

NEW CHALLENGES

The facts and the future of paid family leave

On January 1, 2018, paid family leave came to New York. Before its implementation, brokers, carriers and most of all, employers with employees located in New York have been busy monitoring the decisions New York state has made regarding the underwriting, pricing and implementation of this new law. Together, they've been answering important questions such as: Who is eligible? Who pays the premium? Is this leave related to existing state leave plans? What must employers do to prepare?

However, the questions didn't end in January. New York isn't the first—and certainly won't be the last—state to implement some form of paid family leave. Five states and the District of Columbia, as well as companies such as Google, Apple, Facebook, American Express, Ikea and Hilton offer some form of paid leave

to care for a newborn and/or an ill family member. Twenty-one additional states have proposed similar legislation.

Why the upswing of interest in paid family leave?

Like many legal trends, it began with social trends. Women and single parents have become a significant part of the workforce. Americans are living longer, and many workers find themselves in the position of having to care for both children and their parents.

Work-life balance has become a widespread concern, and more than ever, employees are seeking family-friendly policies. Paid family leave has become one of the newer benefits that companies are using to attract and retain top talent.

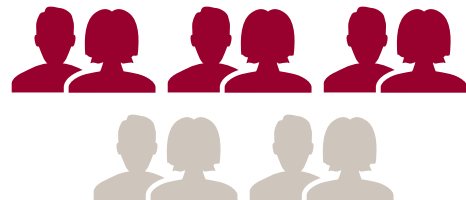
The changing workforce behind the PFL push



Women are now the primary breadwinner in more than 40% of all families with children under 18.¹



of women have quit a job, so they could care for a family member.²



More than six in ten Americans (62%) say they have taken or are very likely to take time off from work for family or medical leave at some point.³

¹ Pew Research Center, "Breadwinner Moms," *Social & Demographic Trends*, <http://www.pewsocialtrends.org/2013/05/29/breadwinner-moms/>.

² Pew Research Center, "Women More Than Men Adjust Their Careers for Family Life," *FACTTANK*, <http://www.pewresearch.org/fact-tank/2015/10/01/women-more-than-men-adjust-their-careers-for-family-life/>.

³ Pew Research Center, "Why Workers Don't Always Take Family or Medical Leave When They Need To," *FACTTANK*, <http://www.pewresearch.org/fact-tank/2017/04/04/why-workers-dont-always-take-family-or-medical-leave-when-they-need-to/>.

How to take the lead and help your clients prepare

Whether your clients have considered providing paid family leave on their own or because of a state mandate, they'll be coming to you to answer their questions. Since this trend is gathering steam, anticipating and proactively considering the many possible changes and challenges make sense. Here are some likely topics your clients will be thinking about:

Q | What's the difference between the FMLA and paid family leave?

A | The most important difference is that FMLA is unpaid leave that offers job protection, and the programs being implemented for family leave are paid. Also, there may be differences between who is eligible—FMLA exempts private employers with less than 50 employees, but state programs may not. For instance, the New York program applies to all private sector employees who work in New York, regardless of company size or location.

Q | Does paid family leave affect existing state disability plans?

A | Employers and carriers may be required to offer both plans—not just one or the other. Another question to consider is whether employees can receive these benefits at the same time, or if they have the option of taking one and then the other.

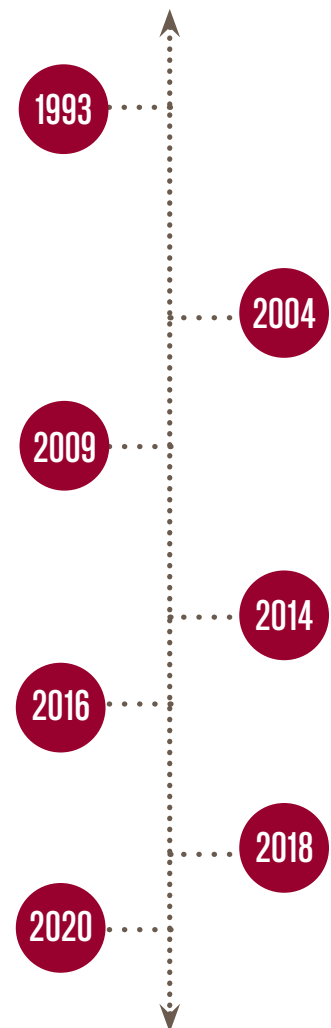
Q | What happens if a client has a paid family leave benefit and their state subsequently implements a statewide program?

A | Each state has different rules, and each employer may face different challenges when it comes to coordinating company benefits and state regulations. Brokers who carefully monitor the latest regulatory changes can really set themselves apart by providing valuable guidance to their clients.

Q | How can you help your clients prepare for a paid family leave mandate?

A | Help them keep track of key facts, such as state regulatory updates and the dates for implementation of premium deductions. And make sure they are prepared to answer their employees' questions, including who is eligible for the benefit, if there will be payroll deductions, and if their job is protected while they are on leave.

Time off timeline



As of January 1, 2018, 14 additional states have proposed legislation on paid family leave.

Current program benefits range from 50% of income in New York to 67% of income in New Jersey.

Current programs benefits last between 4 and 12 weeks.



Click on the dates above for more information.



Link to the webpage

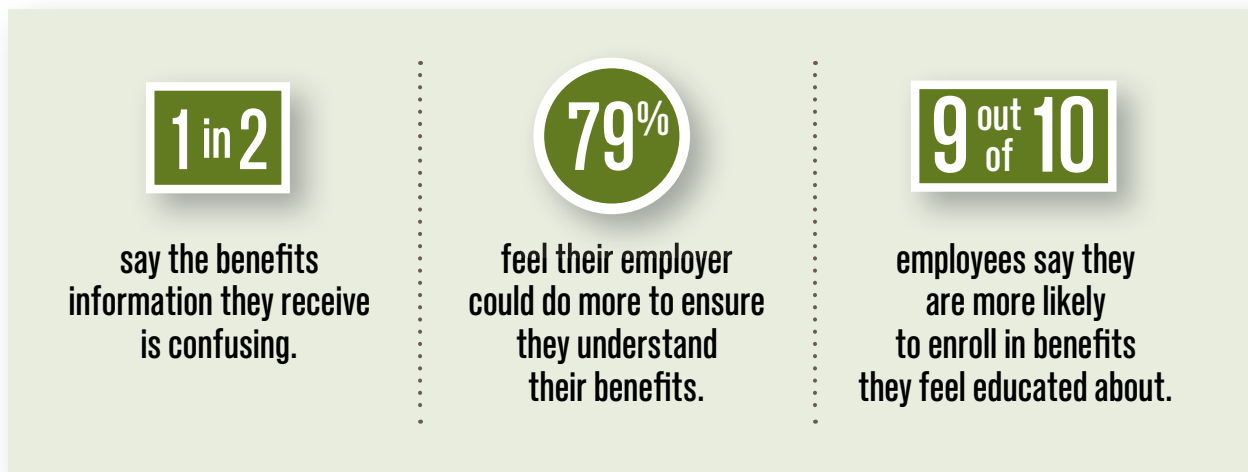
Lincoln is helping you and your clients stay up to date.
Find out more about New York Paid Family Leave.

REINVENTING THE ENROLLMENT EXPERIENCE

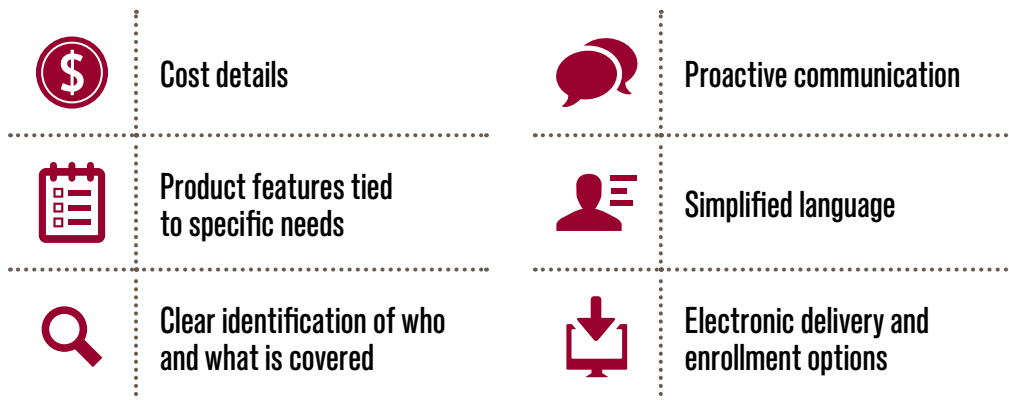
First impressions matter. And when it comes to benefits enrollment, that first impression is often one of confusion—and not having the information needed to make an informed benefits decision.

What employees want

After conducting thousands of surveys, in-depth interviews and focus groups with employees across a variety of industries and locations, Lincoln has learned what they're looking for and what we need to focus on:



Six key items employees want in enrollment materials:



Lincoln delivers

In 2018, we're delivering new enrollment materials based upon our research findings. Our employee focus group feedback said:

89%

The benefits are clearly explained and they understand the value of what they are purchasing.

91%

The enrollment package has the right amount of detail needed to make an informed decision.

94%

The layout enhances their ability to understand the benefits.

Seizing the opportunity

With these totally transformed enrollment kits, we're seizing the opportunity to better educate and communicate, build understanding and engagement, and provide a better enrollment experience—for you, your clients and their employees.



CHANGING CUSTOMER NEEDS

CHANGING PRODUCT DESIGN

Updated accident and critical illness coverages that meet today's needs

Ten years ago, accident and critical illness insurance were known solely as worksite options. They were hybrid products, each administered by its own carrier, with little integration with core products or third party technology to standardize or simplify service and claims processes.

That was then. This is now.

Today, there's a new reality that requires a new type of accident and critical illness insurance. It's a reality that includes the increasing usage of high deductible health plans, voluntary benefits as an integral part of employee benefit packages, and growing expectations for technology-friendly, easy enrollment and ongoing service and administration.

Yesterday's worksite accident and critical illness insurance no longer fits the bill. Which is why Lincoln's new accident and critical illness plans have been redesigned to meet the needs of today's customers:

- 1 Group policies for all states, available employer- or employee-paid options**
- 2 Products that are easier to understand and administer, consistent with other core group benefits**
- 3 Compatible with benefits administration technology**
- 4 Differentiating benefits and features that customers value**
- 5 Flexible, modular plan designs**

Your Lincoln representative will provide more information in the coming months about our new accident and critical illness plans!

Higher deductibles, more out-of-pocket expenses

Lincoln research shows that 81% of employees do not feel very confident they could cover their current expenses if they were to suffer a major injury or illness.¹ The growth of high deductible health plans (HDHP) is one of the factors that creates significant expenses that families need to figure out how to cover. Although disability insurance can help protect lost income, it may not be enough to cover all the expenses an injured or ill employee may face.

HDHP enrollment is growing

In 2016 **39.4%**

In 2017 **43%**

of employees under age 65 with private health insurance are enrolled in an HDHP.²

 **72%**

of all large employers (500+ employees) are expected to offer an HDHP in 2019.³

Accidents happen

 **1 out of 8 Americans** are involved in an accident every year.⁴

Critical illness is on the rise

 **Every 40 seconds,** ...someone has a stroke.⁵ ...someone has a heart attack.⁶

¹ 2017 *Employee Benefits Study*, Lincoln Financial Group.

² Health Insurance Coverage: Early Release of Estimates from the National Health Interview Survey, January–June 2017.

³ 2016 National Survey of Employer Sponsored Health Plans, Mercer.

⁴ CDC, National Center for Health Statistics, Fast Facts Accident Unintentional Injuries, May 3, 2017.

⁵ CDC, Heart Disease Fact Sheet, updated August 22, 2017.

⁶ American Heart and Stroke Assoc. Heart Disease and Stroke Statistics, 2017 At A Glance.

THREE WAYS LINCOLN IS IMPROVING YOUR CUSTOMERS' EXPERIENCE

1

An updated Lincoln benefits portal

For many of our customers, our benefits portal is our public face—the part of Lincoln they most interact with. We want to assure that all our customers—you, your clients and their employees—are seeing a modern, user-friendly site that makes it easy to find the functionality and information needed.

When you log in and visit the new Lincoln benefits administration portal, you'll see streamlined menus and simpler navigation. The information and functionality haven't changed, but now it's much easier to locate, review and update important benefits data and use the self-service capabilities.

2

An integrated renewal package

Gone are the days of multiple renewal letters for each client. The new Lincoln renewal package outlines all products together in one integrated package for each client, making it easy to understand what products and services a group has with Lincoln, and which are up for renewal.

This new package provides a single snapshot of all the Lincoln products and services under contract, whether up for renewal or not. We're making it as easy as possible for our customers to quickly understand the full scope of their current offerings and consider the value of additional products and services.

3

Extra layers of security for your clients' Lincoln accounts

As cybercrime becomes more sophisticated, Lincoln's security features continue to advance as well, providing an extra layer of security during customer registration and login.

Knowledge-based authentication

This extra step is now required for all new online users during their initial registration process. Anyone registering for online account access now must answer a few timed, multiple choice questions based on personal details pulled from public records.

Multi-factor authentication

During login, users enter their username and password as always, but can also opt to use multi-factor authentication, which requires a second authorization via a code immediately texted or phoned to the user.

You may have noticed these new security features at login on other sites such as those for banks and credit card companies. They are quick extra steps that significantly improve an online account's security; ensuring that each user is the only person who can access their account—even if someone else knows their password.

If you have any questions about these security enhancements, please contact your Lincoln representatives.

Thanks for checking out this edition of *The Lead!*
If you have comments, questions or feedback, reach out
to your Lincoln sales representative.

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LCN-2004511-012418

RRD 4/18 **Z01**

Order code: GP-BRMAG-BRC002



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