

Are you prepared to compete for skilled labor?

Nationally the average age in the education industry is about 44 years old, higher than that of most other industries. What's the average age of your workforce? The federal government thinks that the industry will experience a labor shortage in some areas through 2014, especially in the South and the West.¹

The education industry snapshot is a supplement to the Unum Buyers Study, which analyzes the impact of changing trends in workplace demographics on today's benefit strategies.

Key Insights



- The federal government is projecting employment growth of 17% within the industry between 2004 and 2014, which is higher than the 14% projected increase for all industries as a whole, indicating increased competition for skilled labor.²
- Broader benefit packages at an affordable cost can help employers recruit and retain talent, and meet the changing needs of a diverse and aging workforce.

An insider's look at education industry buying trends

Long Term Disability Insurance

- In recent years, we have seen a significant shift toward employee funding for this benefit. New sales show that the number of employee-paid plans has risen to 60%, compared to 26% of our inforce block.
- More than half of your competitors choose to offer a residual definition of disability, which means covered employees do not have to be totally disabled during the elimination period in order to receive benefits.

Short Term Disability Insurance

- Most employers in this market (68%) provide employer-paid short term disability coverage, and the most common benefit duration lasts less than 13 weeks.

Life Insurance

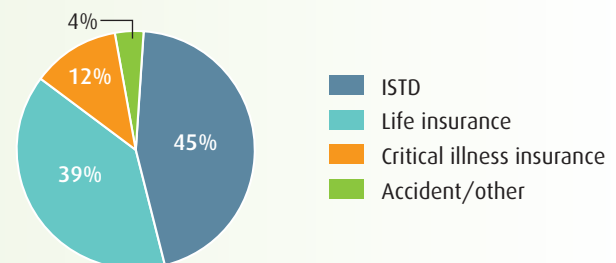
- According to sales figures for the past three years, nearly all employers in the industry continue to pick up the tab for base life insurance for their employees.

Voluntary Products

- According to new premium statistics from 2005, the most popular voluntary benefits chosen by employers in the education industry are individual short term disability insurance and life insurance.
- Although critical illness insurance is a relatively new product, it is growing in popularity. Employers typically offer this employee-paid benefit to help workers offset the out-of-pocket expenses of rising healthcare costs.

Voluntary Insurance

Most popular offerings as percentage of total new premium for 2005.



Most Common Group Plan Designs*

Long Term Disability Insurance

Definition of disability: 2-year own-occ with residual
 Maximum monthly benefit: \$5,000
 Elimination period: 90 days
 Benefit percentage: 60%

Short Term Disability Insurance (Plan Design 1)

Definition of disability: total
 Maximum weekly benefit: \$1,000
 Elimination period: 14 days injury/14 days sickness
 Benefit percentage: 60%

(Plan Design 2)

Definition of disability: residual
 Maximum weekly benefit: \$750
 Elimination period: 14 days injury/14 days sickness
 Benefit percentage: 60%

Life Insurance

Benefit amount: \$10,000 flat amount

Group Long Term Care Insurance**

Funding: employee-paid
 Benefit amount: \$2,000 to \$6,000 per month
 Benefit duration: three or five years

Options:

- pays 100% of monthly benefit for professional home care or 50% for total choice home care
- inflation protection

Recommended Voluntary Coverage

- Life insurance
- Individual short term disability insurance
- Specified critical illness insurance

Points To Consider

Voluntary Products

- Voluntary life is a good addition to educators' benefit packages due to the often modest amount of employer-paid coverage.
- Teachers, K-12, make up a large portion of the educator sector. This group of individuals, 75% female with a median age of 44,³ are key purchasers of specified critical illness insurance.
- Individual short term disability insurance is a common voluntary product for this industry, and important coverage when there is no group STD plan in place.

- Flexible plan designs can address this sector's need for benefits, service and billing methods that coincide with the academic calendar.

LTC Plans

- Buyers should consider the costs of care in the community where they expect to receive care.



For more in-depth information on benefits strategies that address emerging trends, visit www.unum.com/buyersstudy.

^{1,2} Bureau of Labor Statistics, U.S. Department of Labor, Career Guide to Industries, 2006-07 Edition, Education Services, on the Internet at <http://www.bls.gov/oco/cg/cgs034/htm>. Last modified date: December 20, 2005 (cited April 24, 2006).

³ National Center for Education Statistics, "Special Analysis 2005, Mobility in the Teacher Workforce: What does the average teacher look like?"

* Data is a cumulative description of all group sales between 2003 and 2005. There may be variations based on case-size or geographic regions. Larger cases may offer richer plans.

** Plans most commonly seen in our current inforce block of business.

Insurance products underwritten and services offered by the subsidiaries of Unum Group.

Unum, 1 Fountain Square, Chattanooga, TN 37402, www.unum.com

© 2007 Unum Group. All rights reserved. Unum is a registered trademark and marketing brand of Unum Group and its insuring subsidiaries.