

Are you ready to compete for highly skilled employees during a labor shortage?

The health services and research industry, already the nation's largest, should see the highest job growth of all industries through 2014.¹

This 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



- Shifting benefit costs to employees is happening much more slowly in this industry, possibly due to the growing competition for skilled labor.
- Within 10 years, 40% of working RNs will be 50 or older,² yet employment in this industry is expected to grow faster than the national average through 2014. That means nursing may experience a 20% shortage in the skilled labor pool by 2020.
- Employers will need competitive benefits to stay ahead of this labor shortage.

An insider's look at health services and research industry buying trends

Long Term Disability Insurance

- One-third of new policies sold in this industry during the last three years use the long term income protection (LTIP) definition of disability, higher than the national average of one-fifth.
- The same holds true for benefit amounts — 34% of monthly maximums are greater than or equal to \$10,000, compared to 20% for the national average.
- More than one-half of the policies sold in this industry are written with a two-year residual definition of disability.

Short Term Disability Insurance

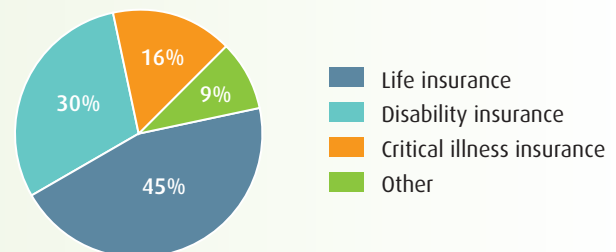
- Seventy-two percent of plans sold in this industry offer a weekly benefit greater than \$500; 36% offer a weekly benefit greater than \$1,000.
- Plans requiring 100% employee funding have grown from 28% to 35% of cases sold during the past three years.

Voluntary Products

- Employees in this industry purchase the most voluntary benefits, about 36% of all voluntary sales in 2005.
- The number of individual STD policies sold in 2004 totaled just more than 67,000, but grew to more than 79,000 last year.

Voluntary Insurance

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



All information, unless noted, is from the Unum internal database 2003–2005.

¹ Bureau of Labor Statistics, U.S. Department of Labor, Career Guide to Industries, 2006–07 Edition. Health Care, on the Internet at <http://www.bls.gov/oco/cg/cgs035.htm> (cited August 3, 2006).

² Honor Society of Nursing, Sigma Theta Tau International "Facts on the Nursing Shortage in North America," on the Internet at http://www.nursingsociety.org/media/facts_nursingshortage.html (cited August 3, 2006).

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

Definition of disability: total
 Maximum weekly benefit: \$500
 Elimination period: 14 days injury/14 days sickness
 Benefit percentage: 60%

Life Insurance

Benefit amount: \$10,000 flat amount

Specific To Physicians

Long Term Disability Insurance

Definition of disability: LTIP
(long term income protection specialty definition)
 Maximum monthly benefit: \$10,000
 Elimination period: 90 days
 Benefit percentage: 60%

Short Term Disability Insurance

Definition of disability: total
 Maximum weekly benefit: \$500
 Elimination period: 0 days injury/7 days sickness
 Benefit percentage: 60%

Life Insurance

Benefit amount: \$50,000 flat amount

Group Long Term Care Insurance**

Funding: employer-paid
 Benefit amount: \$3,000 monthly
 Benefit duration: three years
 Option: 100% of monthly benefit for professional home care

Buy-up Coverage

Benefit amount: \$6,000 monthly
 Options: total choice home care
 and inflation protection

Recommended Voluntary Coverage

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

Points To Consider

Voluntary Products

- The current population of RNs is more than 90% female. Because females are more likely than their male counterparts to purchase individual short term disability (ISTD) and specified critical illness insurance, these are recommended voluntary benefits for this group. ISTD also can be a good fit for organizations moving away from a sick-pay plan.
- The non-physician health services employees tend to have a lower benefit for employer-provided life insurance. Voluntary term life is a good option to round out an employee's benefits package.

Specific to Physicians

- Choose a specialty definition of disability. This defines the regular occupation as the physician's specialty in the practice of medicine and is a good option because certain disabilities could allow a physician to continue the practice of medicine, but prevent him or her from performing a specialized type of surgery.
- Consider an infectious and contagious disease rider that provides a benefit when a physician tests positive for certain diseases and is unable to work due to the health risk to patients and co-workers.
- Revenue protection provides a benefit to the medical group when a key revenue generator for the business is disabled.
- A \$15,000 monthly benefit maximum is recommended for long term disability coverage.



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

* 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.

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For brokers and employers

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