

Are you prepared to compete for the most talented employees?

The federal government estimates this industry will grow faster than other industries thanks to the global economy.¹ These professionals tend to earn additional compensation not protected by standard disability coverage.

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



- This industry employs highly educated and well-compensated individuals who have a vested interest in income protection.
- In addition to a salary, many in this field receive additional compensation, such as profit sharing, stock ownership and performance-based bonuses, which give them significant income protection needs.

An insider's look at management consulting and marketing industry buying trends

Long Term Disability Insurance

- 100% employee-paid plans have increased from 22% offered to 38% offered over the past three years.
- 2-year residual disability is the favorite disability definition, selected for 76% of new plans during the past three years.

Short Term Disability Insurance

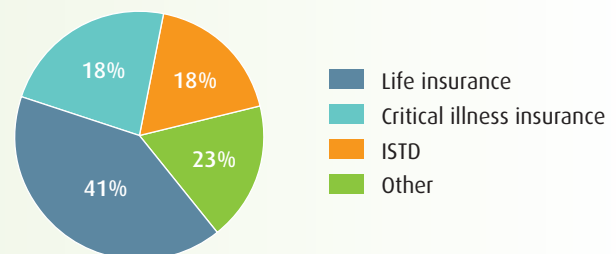
- Employer-paid plans are 50% of new cases, but there has been a shift to 100% employee-paid over the past three years.
- Plans are becoming more valuable — 73% of plans sold in 2005 have a weekly maximum benefit of over \$500 and greater, with greater than \$1,000 per week gaining in popularity.

Voluntary Insurance

- Life insurance represents 41% of new voluntary benefit sales in this industry, with individual STD and critical illness offerings tied at 18% each.

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.

Most Common Group Plan Designs*

Long Term Disability Insurance

Definition of disability: 2-year own-occ with residual
Maximum monthly benefit: \$6,000
Elimination period: 90 days
Benefit percentage: 60%

Short Term Disability Insurance

Definition of disability: total
Maximum weekly benefit: \$1,000
Elimination period: 0 days injury/7 days sickness
Benefit percentage: 60%

Life Insurance

Benefit amount: multiple of salary with maximum of \$50,000

Group Long Term Care Insurance**

Funding: employer-paid base plan or a carve-out plan for highly-compensated individuals
Benefit amount: \$3,000 monthly
Benefit duration: three years
Option: 100% of monthly benefit for professional home care

Buy-up plan

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

Recommended Voluntary Coverage

- Individual short term disability
- Life insurance
- Hospital indemnity insurance

Points To Consider

Voluntary Products

- Critical illness insurance, voluntary life and hospital indemnity are often sold together within professional and white-collar industries.
- Revenue protection provides a benefit to the group when a key revenue generator for the business is disabled and not billing client hours.
- Hospital indemnity insurance is a good option for companies with high medical co-pays and deductibles; employees with lower income may be heavily impacted by out-of-pocket medical expenses.
- The recovery income protection rider is an important feature for consultants who need to re-build their client base after a

period of disability. It pays a benefit in proportion to income lost when the employee returns to work full time but his or her income is not up to the pre-disability earnings level.

- Plan designs in this sector can vary widely due to size of group and incomes.

LTC Plans

- Long term care insurance is an excellent complement to this group's regular retirement planning.
- For younger employees, there is a trend toward purchasing the inflation protection option.
- Buyers should consider the costs of long term 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/buyerstudy. The study includes the latest information and research from respected experts in the insurance and HR sectors.

¹ Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, 2006-07 Edition, Advertising, Marketing, Promotions, Public Relations, and Sales Managers, on the Internet at <http://www.bls.gov/oco/ocos020.htm> (cited April 21, 2006).

* 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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G-74169-MGMT/MKT (7-07)