

# THE TRUE COST OF CUTTING HEALTHCARE COVERAGE

IT'S MORE THAN MEETS THE EYE...

The two biggest challenges employers face are **controlling benefit costs and attracting and retaining a competitive workforce**.<sup>1</sup> But an adjustment to one may negatively impact the other. For employers, both concerns rank higher than revenue and sales growth, government regulation and maintaining profit margins.



## IT'S A FACT:

**55%** increase for the average healthcare insurance premium since 2010.<sup>1</sup>

**3X** the rate of inflation and more than twice as fast as wage growth.<sup>2</sup>



## COMPANIES ARE TURNING TO THESE COST-CUTTING STRATEGIES

**32%** of organizations are replacing full-time employees with contingent workers.<sup>3</sup>

**51%** switched health insurance plans.<sup>4</sup>

## BUT THESE STRATEGIES HAVE UNINTENDED RIPPLE EFFECTS



**Sharp rise in employees' out-of-pocket healthcare costs**



**Decrease in job satisfaction and lowering of morale**



**Gaps in coverage that can keep employees from receiving care**

## AND LONG-TERM CONSEQUENCES ON RECRUITMENT AND RETENTION



**50%** of U.S. workers have left jobs after finding better benefits offered elsewhere.<sup>5</sup>

**80%** of employees who would prefer a new benefit to a pay raise.<sup>6</sup>

**213%** of annual salary for replacing an executive.<sup>7</sup>

### ArmadaCare's

## SUPPLEMENTAL HEALTH INSURANCE SOLUTIONS

POWERFUL SOLUTIONS FOR TODAY'S TARGETED BENEFIT CHALLENGES

### WHAT



Innovative supplemental health insurance to layer on virtually any primary medical plan



Coverage for everyday as well as unexpected healthcare expenses



Unparalleled member conveniences and support



Various coverage and pricing options

### WHY

#### TAX-EFFICIENT\*

Boost compensation with tax-efficient\* health insurance coverage. It's a way to put more money into employees' pockets than a comparable raise so your clients pay less.

#### EMPLOYER-DEFINED ENROLLMENT

Coverage can be carved out by employee class so employers can cut costs while recruiting and retaining top talent.

#### RETAIN AND RECRUIT

ArmadaCare's health insurance plans can be offered as an incentive or reward to select employees or potential new hires to help stand out from competition.

#### FLEXIBILITY TO ADAPT

Layer on top of all types of primary plans, with HDHP-compatible options, at any time of year.

\*This is not local, state or federal tax advice as each person and company is unique. It is recommended that you seek the independent counsel of a professional tax adviser.

ArmadaCare's insurance policies are underwritten by Sirius America Insurance Company and Transamerica Premier Life Insurance Company. Insurance plans and coverages vary by state. Please contact us to confirm state availability.

<sup>1</sup> "BenefitsPro, 2021" - <https://www.benefitspro.com/2021/02/29/employers-look-to-affordable-quality-benefits-to-stave-off-the-great-resignation/>  
<sup>2</sup> "KFF, 2020" - <https://files.kff.org/attachment/Report-Employer-Health-Benefits-2020-Annual-Survey.pdf>  
<sup>3</sup> "Gartner, 2021" - <https://www.gartner.com/smarterwithgartner/9-future-of-work-trends-post-covid-19>  
<sup>4</sup> "KFF, 2020" - <https://www.kff.org/report-section/ehbs-2020-summary-of-findings/>  
<sup>5</sup> "SHRM, 2021" - <https://www.kff.org/report-section/ehbs-2020-summary-of-findings/>  
<sup>6</sup> "HRE" - <https://hrexecutive.com/heres-why-some-employees-prefer-more-benefits-over-a-pay-boost/>  
<sup>7</sup> "BOS" - <https://www.bos.com/inspired/how-much-does-replacing-an-employee-cost/>