Health and wellbeing benefits survey 2016

Denplan
At the heart of dental care

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PAM WHELAN
DIRECTOR OF CORPORATE DENPLAN

64%
of employees without access to a dental plan would consider one if their employer offered it.

84%
of employers who offer a dental plan believe that it shows they care about their employees.

69%
of employers who offer a dental plan agree that offering one helps to attract new employees.

Introduction

The health and wellbeing benefits survey is our annual survey based on attitudes towards health and wellbeing benefits. It identifies and analyses the benefits UK employers offer to their staff, how they are delivered and employees' attitudes towards them.

The survey gathers opinion from a range of employers across multiple industry sectors offering a balanced view of the UK employee benefits market.

Methodolgy and source data

Denplan Corporate Decision Makers Survey

Online survey among people responsible or involved in approving the employee benefits package in a company through panel sample provider, ResearchNow. Fieldwork period 11-27 January 2016. 501 completed responses.

Denplan/YouGov Employee Survey

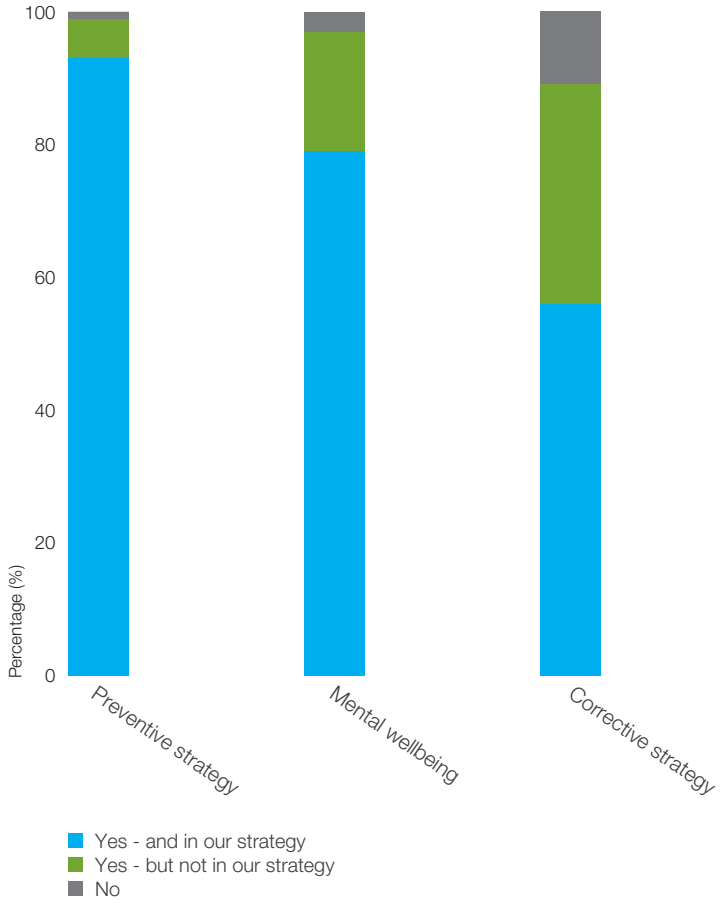
Figures for the employee survey, unless otherwise stated, are from YouGov Plc. Total sample size in 2015 was 2,833 and fieldwork was undertaken between 10-19 February 2015. Total sample size in 2016 was 2,650 working adults who are not self employed. Fieldwork was undertaken between 11-15 January 2016. Both surveys were carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

Elements of a health and wellbeing strategy

A healthy **75%** of the companies that we spoke to this year told us that they have a wellbeing strategy in place, showing that this is firmly on the agenda of UK employers.

While employers agree that all three elements shown below should feature in a wellbeing strategy, the physical and mental wellbeing of employees are given the most importance. This could be because they have a bigger impact on an employee's performance and attitude at work.

What elements of wellbeing do you consider should form part of a health and wellbeing strategy?



"Employee health and wellbeing has increased dramatically in importance and the majority of employers now recognise the impact a healthy workforce has on motivation and performance and even reducing staff absenteeism."

Colin Perry,
Head of Corporate Marketing,
Denplan

Source: Denplan Corporate Decision Makers Survey 2016; All respondents (501)

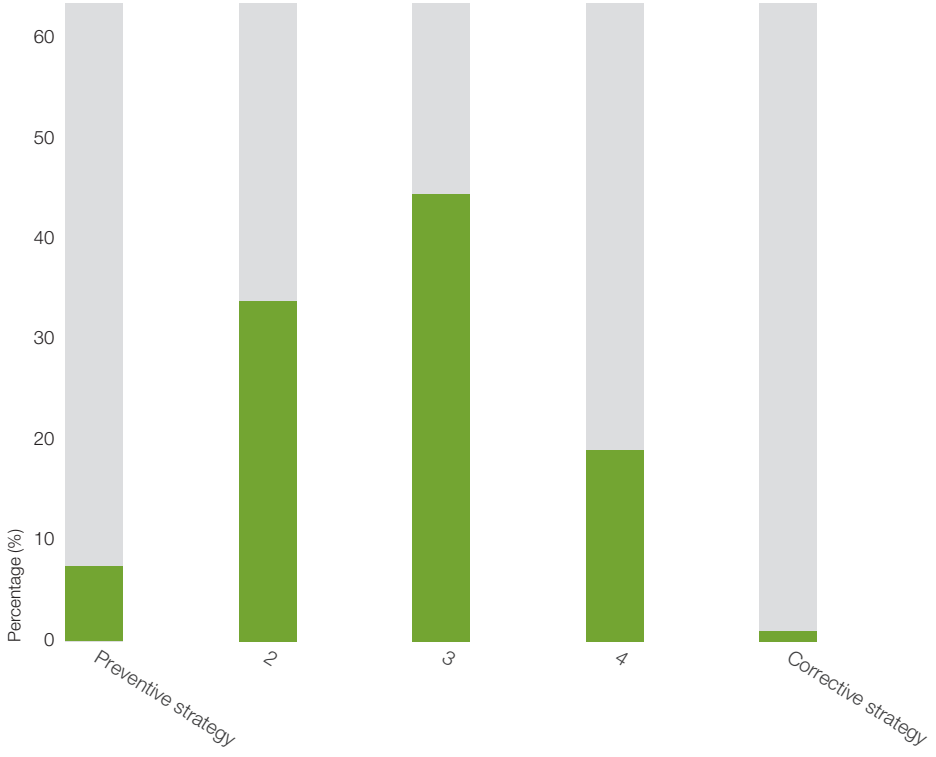
Balance of health and wellbeing strategy

Prevention or cure? Where does your strategy sit?

Almost half **(42%)** of companies say their strategy sits in the middle of the preventive - corrective spectrum, although overall there is a slight bias towards a preventive approach, with **39%** of companies saying their strategy is more preventive compared with **19%** who say their strategy is more corrective in approach.

It may be wise for employers to consider investing in more preventive wellbeing strategies than corrective ones to help reduce business costs. The cost of routine maintenance is often lower than corrective procedures, so it stands to reason that insuring employees on a preventive basis is more cost effective.

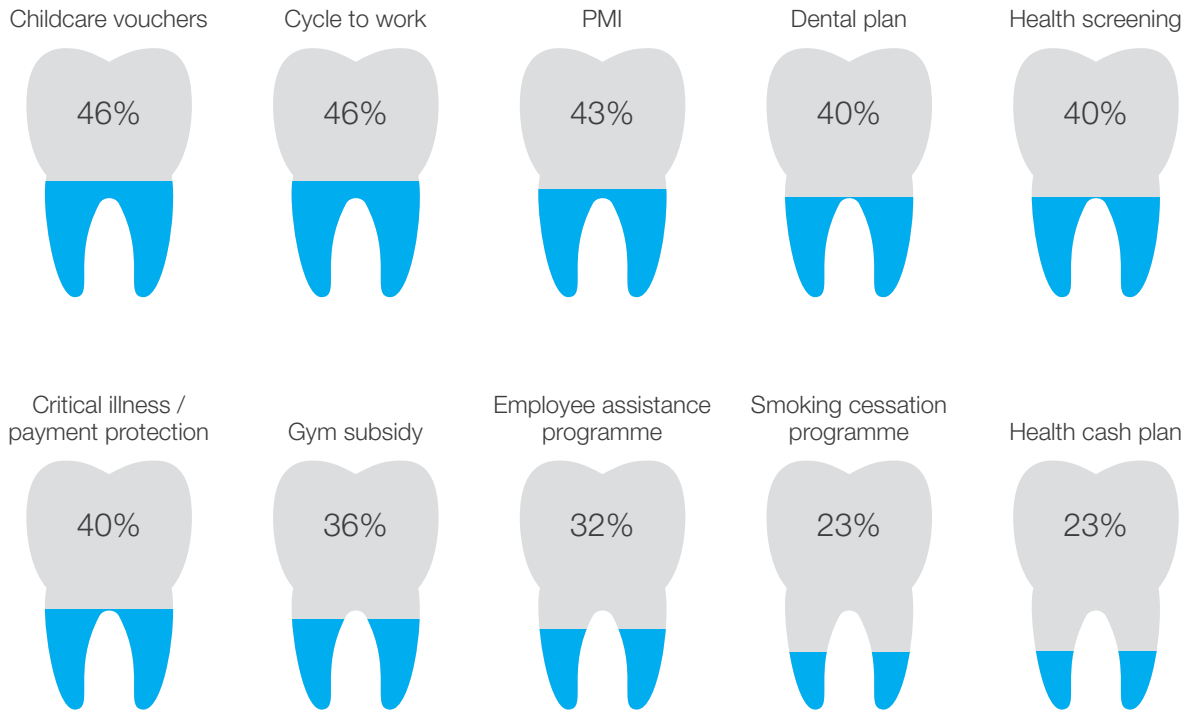
Where companies say that their wellbeing strategy sits on the preventive-corrective spectrum.



Source: Denplan Corporate Decision Makers Survey 2016;
All respondents with a H&W strategy (375)

Health and wellbeing benefits on offer 2016

Compared with results from previous years, companies are now offering a more even spread of employee benefits. Dental plans, childcare vouchers, cycle to work, PMI, health screening and critical illness protection are all offered by four in ten employers. It would seem that those benefits that can be used by a broad range of employees on a regular basis are offered most by employers. This is likely due to the fact that they help meet the objectives of their health and wellbeing strategy. In addition, health benefits are popular with UK employers who also place a strong emphasis on employees' physical wellbeing as part of their health and wellbeing strategy.



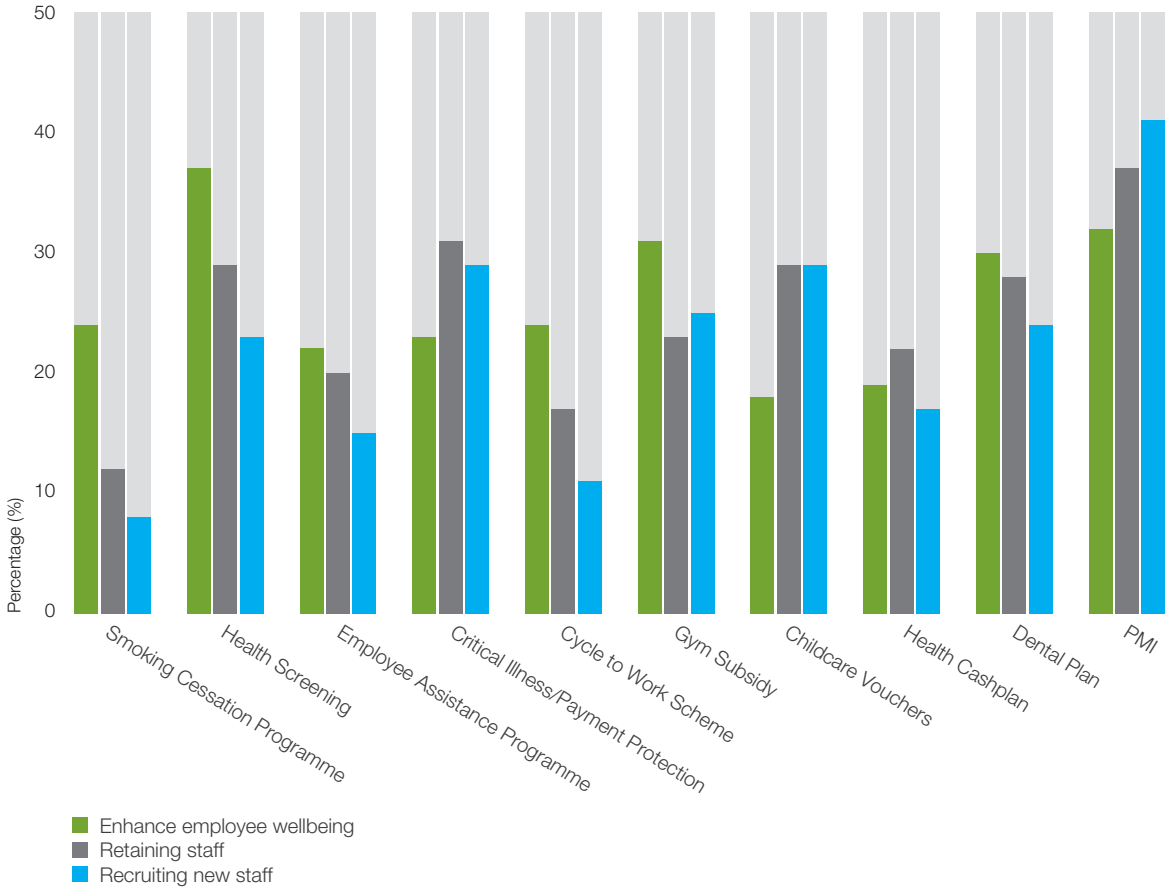
56%
of employers choose to offer a benefit based on it being something that will enhance employee wellbeing.

Source: Denplan Corporate Decision Makers Survey 2016; All respondents (501)

Three most valuable health and wellbeing benefits in terms of enhancing employee wellbeing

The most valuable benefits for recruiting and retaining staff are arguably high cost but corrective: PMI (**41%**) followed by critical illness **(29%)**.

Those that are offered to enhance employee wellbeing are arguably lower cost but more preventive in approach: health screening (**37%**) followed by dental plans **(31%)** which have seen an increase from **28%** in 2015.

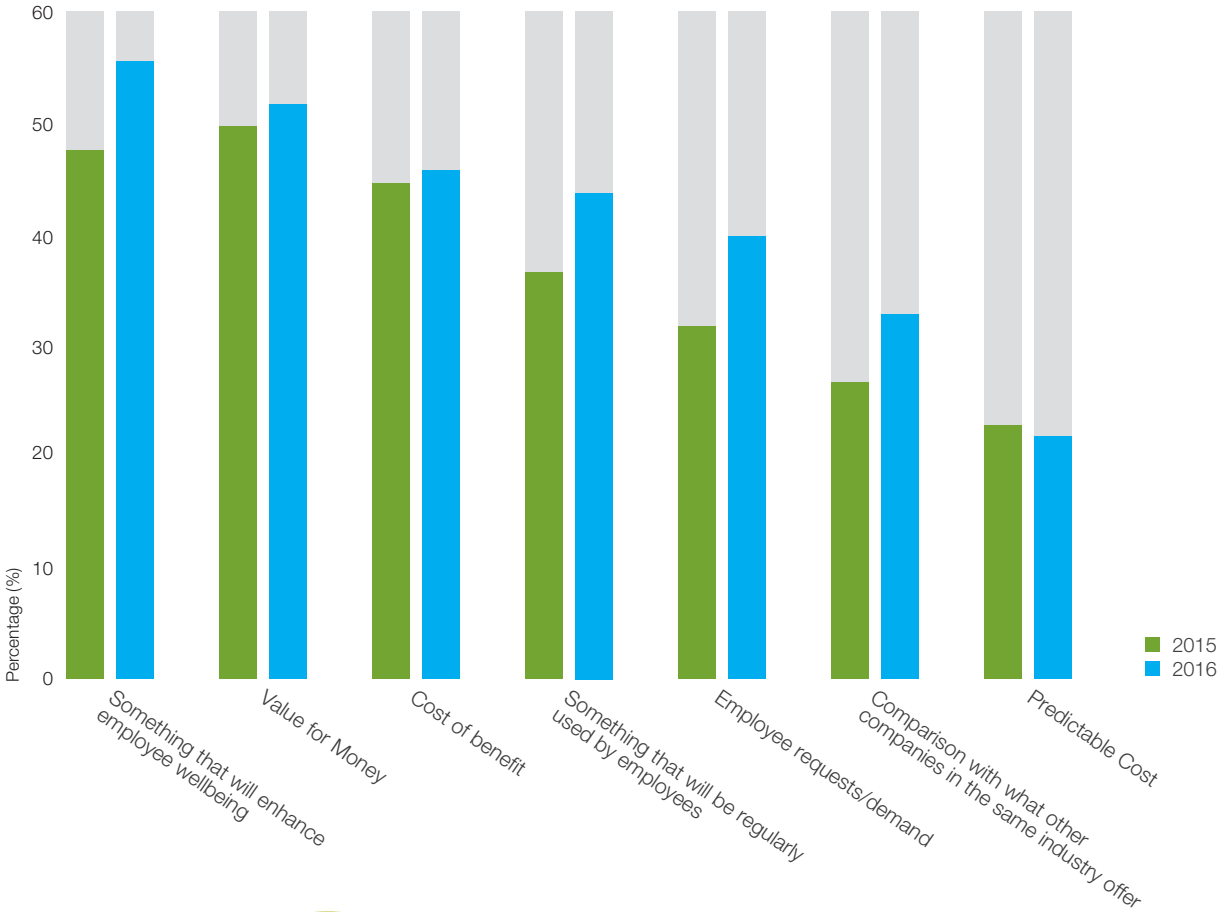


Source: Denplan Corporate Decision Makers Survey 2016; All respondents (501)

The basis for choosing benefits

In 2016, 'something that will enhance employee wellbeing' is the key reason for choosing benefits, cited by **56%** of companies. Value for money was the top reason in 2015; this now sits in second place (**52%**), with cost of benefit (**46%**) in third place.

Value for money, has always been a strong influence in the choice of benefits offered by companies to their employees. However, this year, it would seem that the importance of meeting the objectives of the health and wellbeing strategy has taken more of a priority. **56%** of companies told us that 'something that will enhance employee wellbeing' was important when choosing benefits, suggesting that there is now more to benefit selection than a simple cost vs. benefit procurement exercise.

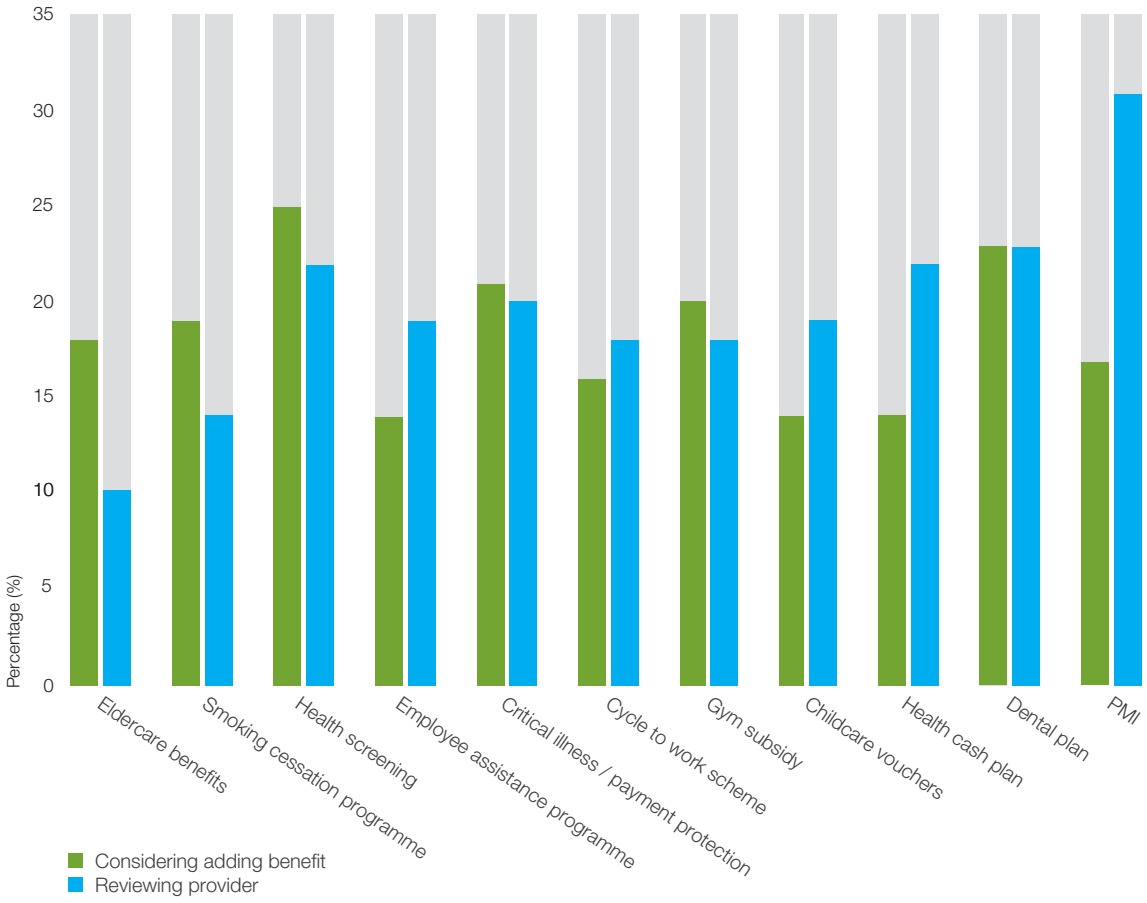


This shows a shift in how employers are viewing benefits available and what they consider to be measured as more important by their employees.

Source: Denplan Corporate Decision Makers Survey 2016; All respondents (501)

Benefits being considered or reviewed

After a review of PMI providers, most companies are now focussing on introducing other benefits that enhance employee wellbeing. This may be because they are looking to balance the corrective approach that a PMI policy offers, with more preventive benefits such as dental plans and health screening. Not only does a preventive approach help to minimise the development of more serious conditions, the regularity with which the benefits can be used reminds employees of what they're receiving from their employer on a more regular basis.



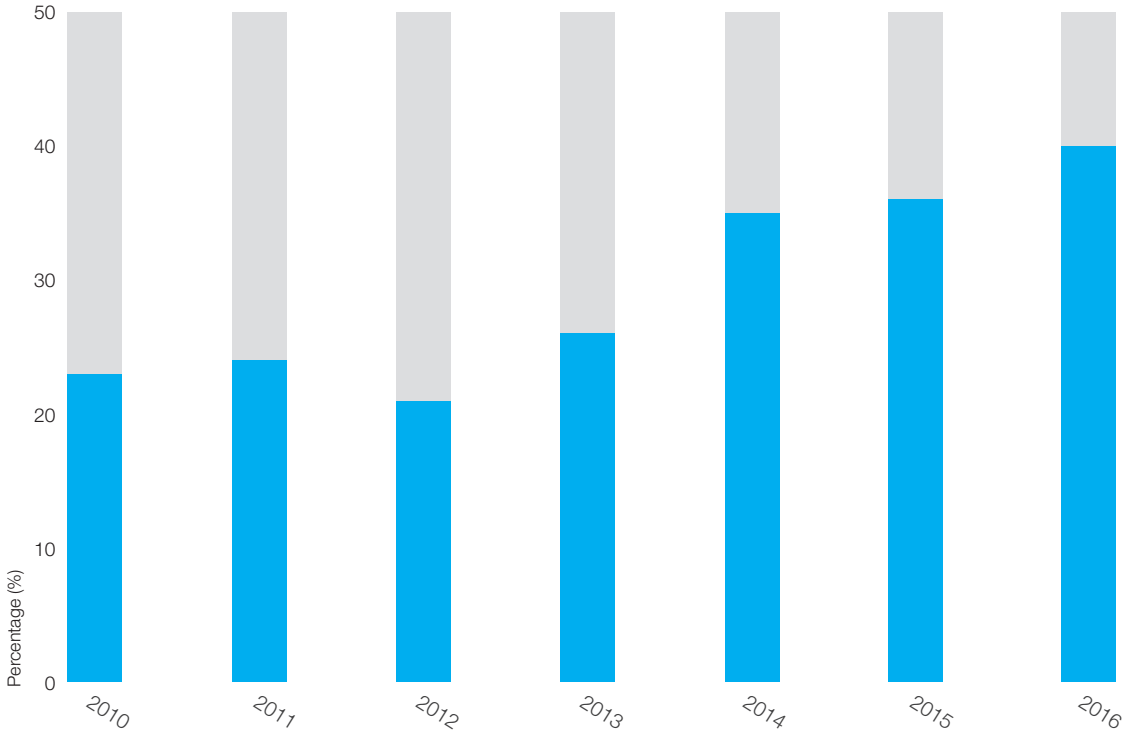
Source: Denplan Corporate Decision Makers Survey 2016; All respondents reviewing 2016 benefits (381)

Dental plans offering

This section of the report focuses particularly on dental plans and how they help to meet the requirements of UK employers. It highlights how dental plans address the objectives of a health and wellbeing strategy and shows the levels of understanding and attitudes towards dental as a benefit amongst employers.

Although the Denplan brand may be synonymous with dental plans, these results refer to findings that take into account the whole market.

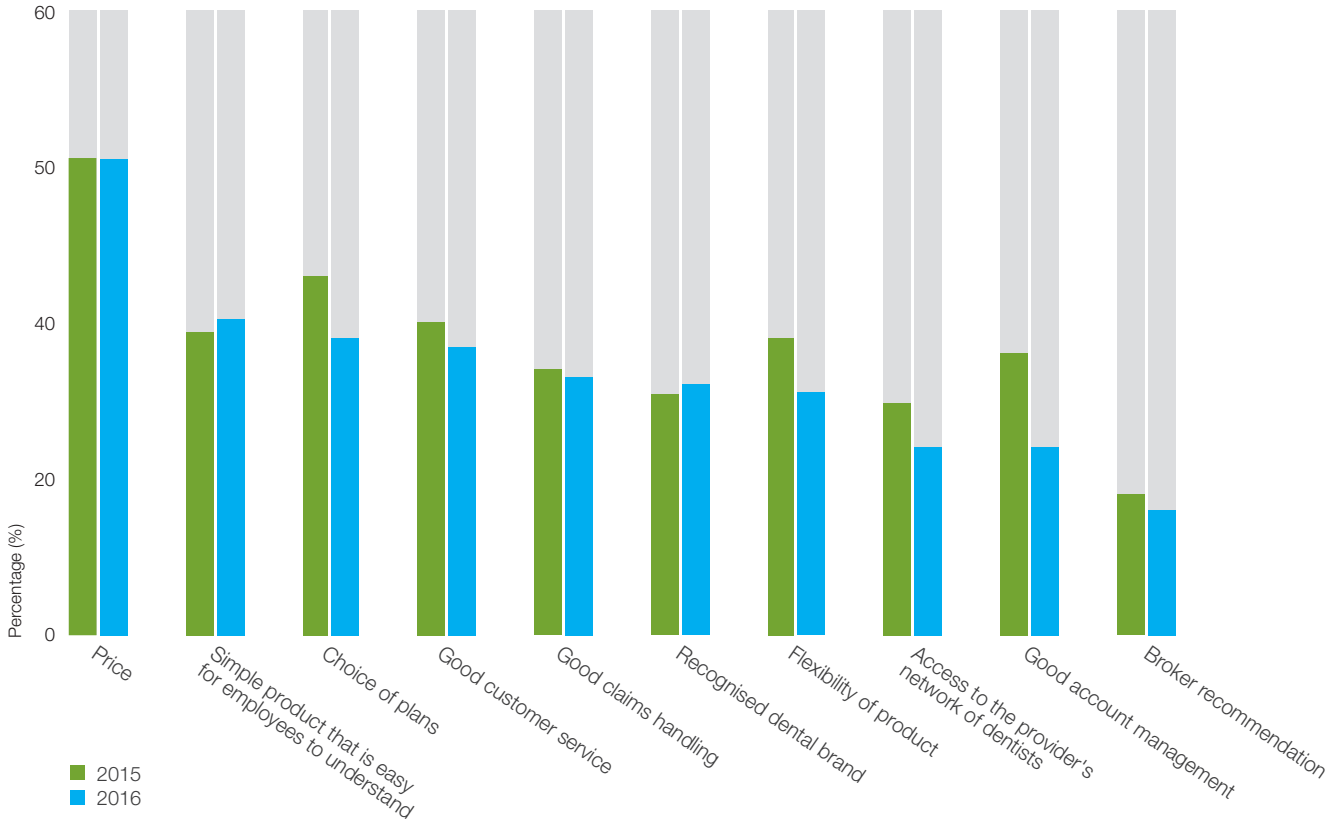
The number of companies offering a dental plan as an employee benefit has increased dramatically since 2010. There are a number of reasons for this rise, which may include changes to the NHS, better understanding of how the product works, the wider use of intermediaries and a growing focus on preventive health and wellbeing benefits than simply just corrective ones.

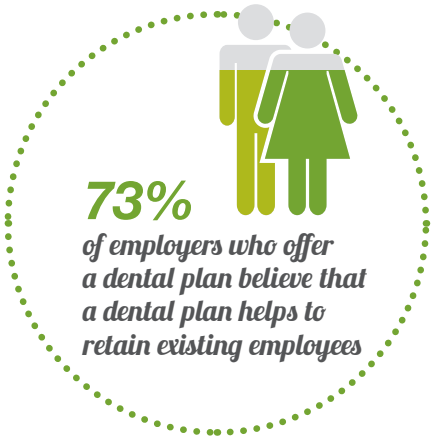


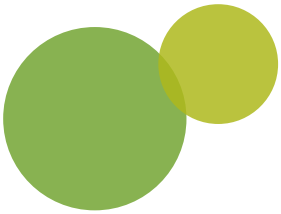
Source: Denplan Corporate Decision Makers Survey 2016; All respondents (501)

Factors influencing the choice of dental plan provider

Price continues to be a leading influence on the choice of dental plan provider, while broker recommendation, good account management and access to the provider's network of dentists make up the three least influential factors. Interestingly, simplicity and flexibility of product, together with good claims handling sit within the middle areas of influence. It could be argued that if more priority were given to the three factors at the lower end of the scale, improvements would be seen in the mid-section.





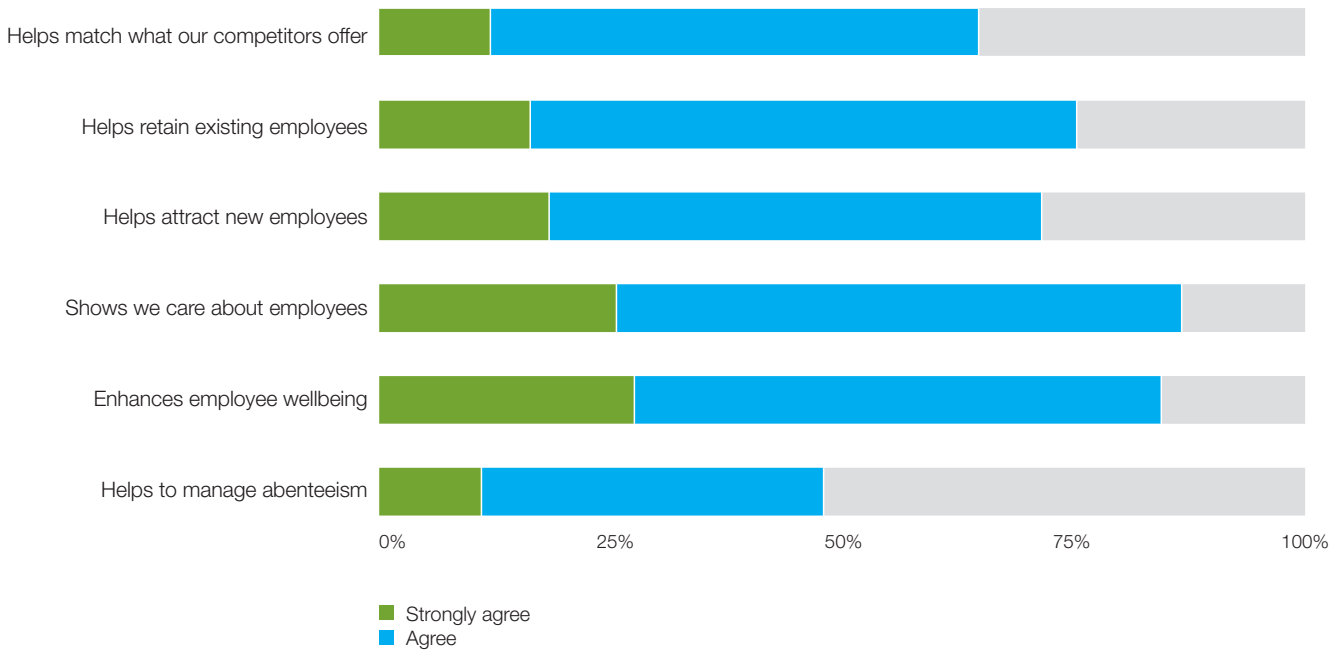


Source: Denplan Corporate Decision Makers Survey 2016; All respondents offering dental (202)

Employer attitudes towards dental plans

Overall, employers agree that having a dental plan in place meets many of the objectives of a health and wellbeing strategy. Factors that impact mainly on the benefit to employees feature highly and as a result **69%** of employers offering a plan say that it helps them to attract new employees. Perhaps equally or even more importantly **73%** of employers offering a plan also agree that it helps to retain existing employees.

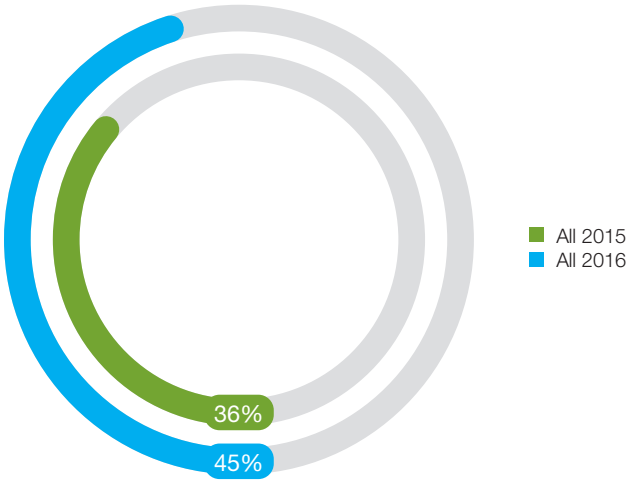
Providing a dental plan to employees...



Source: Denplan Corporate Decision Makers Survey 2016; All respondents who offer dental (201)

Use of employee benefit brokers

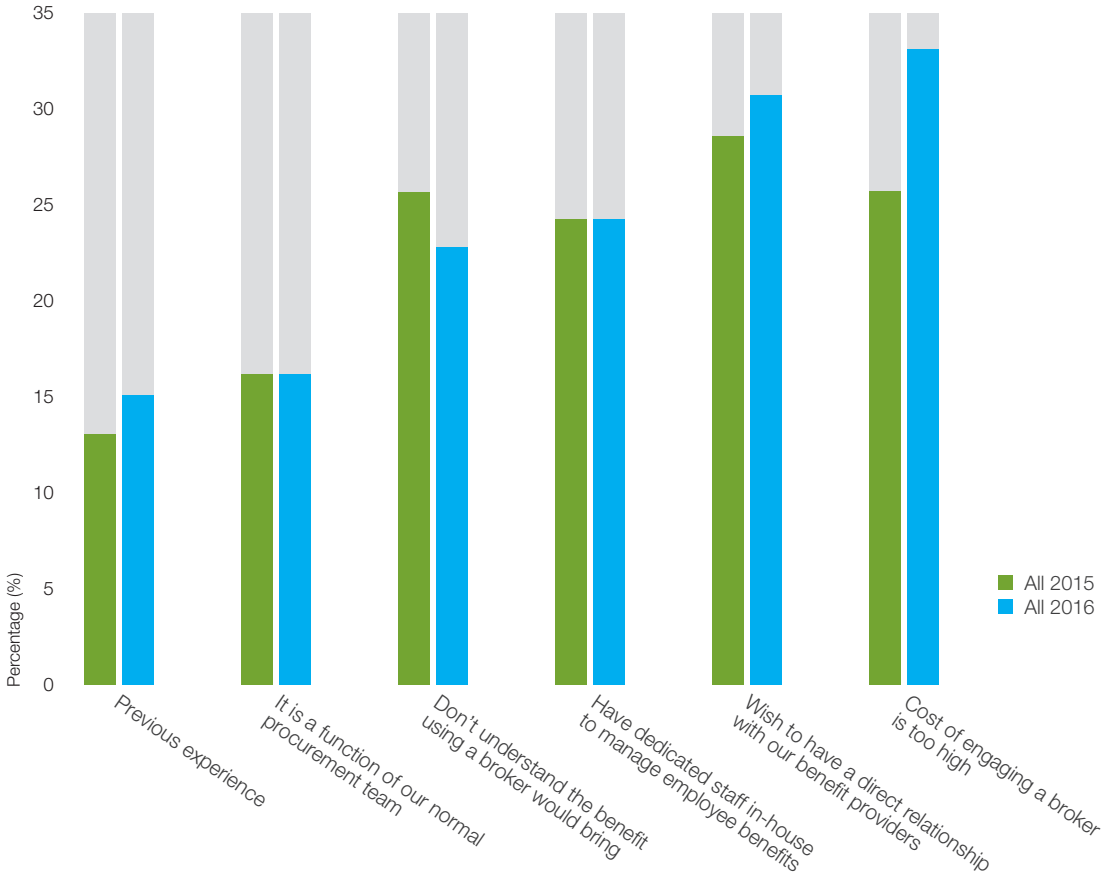
45% of companies now use a broker to procure and administer their employee benefits. This has risen from just **36%** in 2015 showing a growing confidence in the value added by employee benefits intermediaries.



Source: Denplan Corporate Decision Makers Survey 2016; All respondents (501)

Reasons for not using a broker

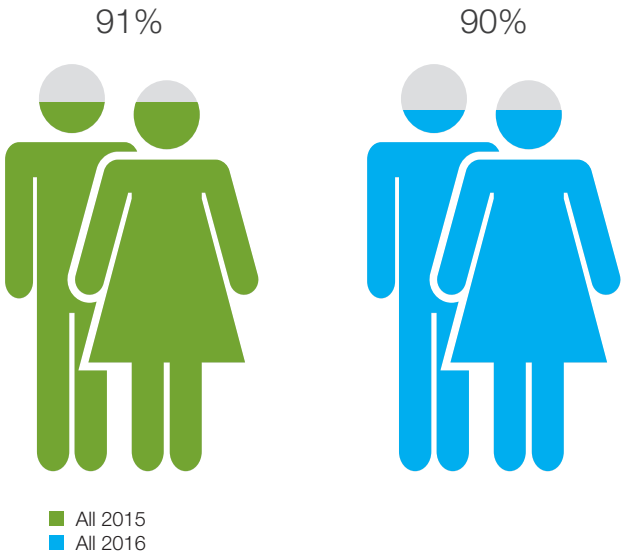
Some still need convincing when it comes to using a broker for their employee benefits. Cost has become more of a deterrent than it was in 2015 and more decision makers would like to have a direct relationship with their benefits provider. Brokers should ask themselves why this is the case and where the perceived value is being lost.



Source: Denplan Corporate Decision Makers Survey 2016; All respondents not using a broker (276)

Brokers value for money

9 out of 10 companies that use a broker agree that they offer good value for money. The main reasons given by those that don't agree are price and a lack of proactive service.

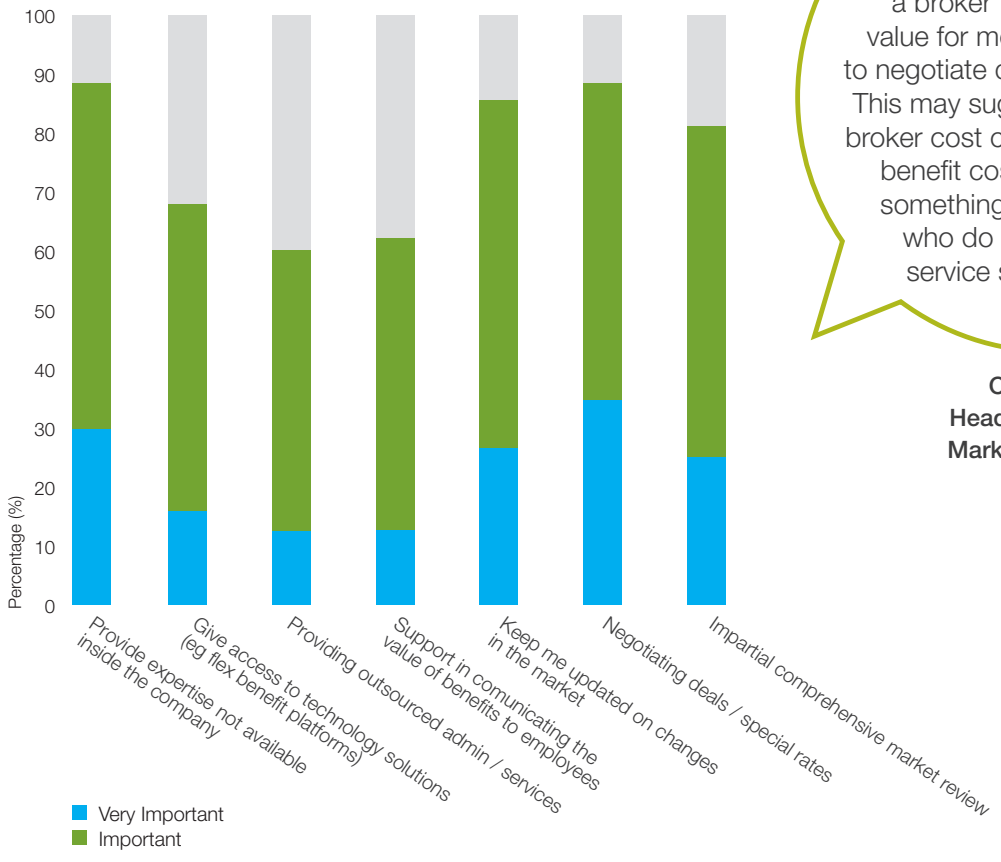


Source: Denplan Corporate Decision Makers Survey 2016; All respondents using a broker (225)

The broker service

88% of companies using a broker say that negotiating deals or special rates is important in the broker service.

88% also say that being able to provide expertise not available inside the company is important.



It is interesting to note that the vast majority of those who use a broker think they provide value for money, for being able to negotiate deals or special rates. This may suggest that the overall broker cost can be offset by lower benefit costs and is perhaps something those companies who do not use a broker service should consider.

Colin Perry, Head of Corporate Marketing,Denplan

Source: Denplan Corporate Decision Makers Survey 2016; All respondents (501)

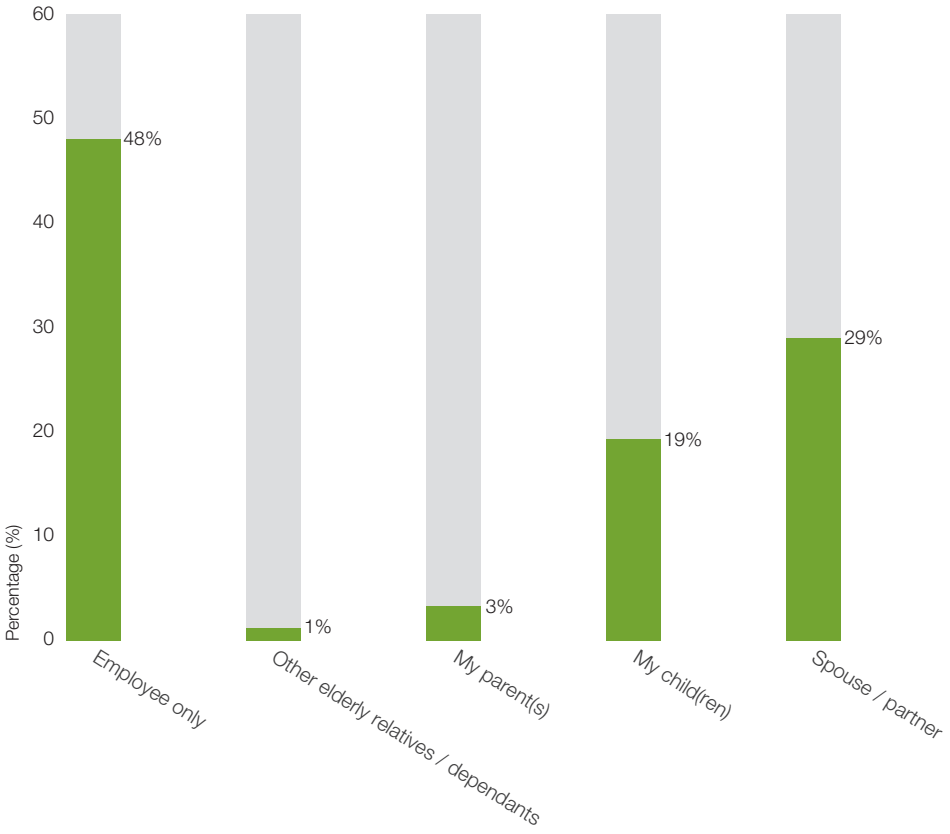
Who do benefits cover?

Nearly half of employees say that their benefits only cover themselves.

If benefits do cover others, it is more likely to be spouse and then children.

Very few say benefits cover parents or other elderly dependants.

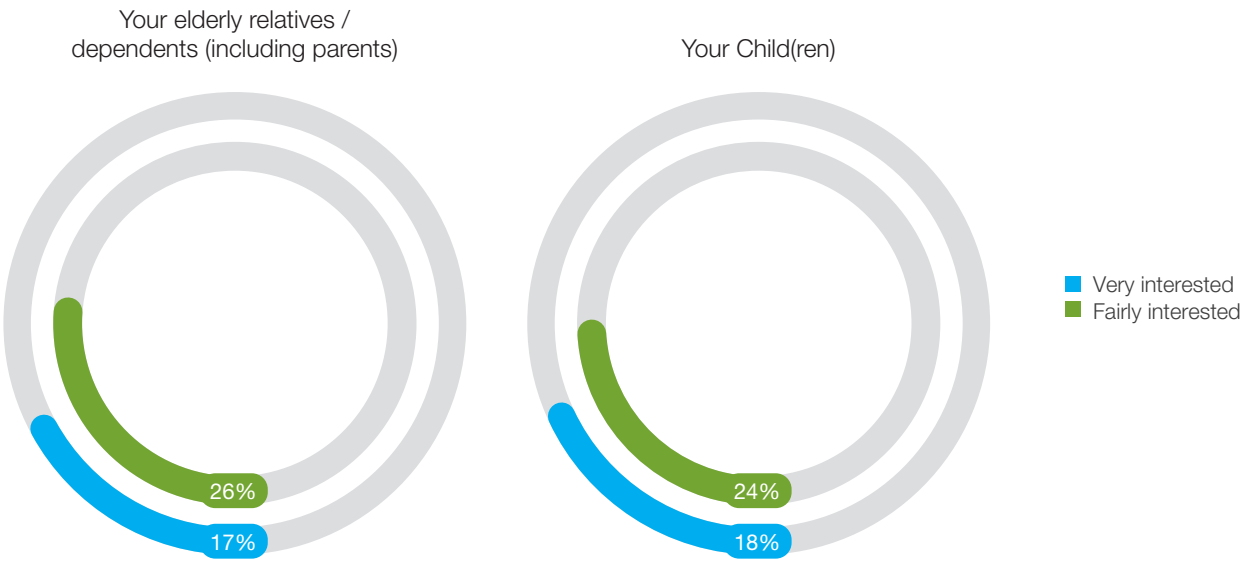
With options such as eldercare cover now becoming more readily available, it may be that a shift in these statistics is due to occur in the next few years.



Source: Denplan / YouGov survey, January 2016. Employees with access to employee benefits (1410)

Are employees interested in extending their benefit cover?

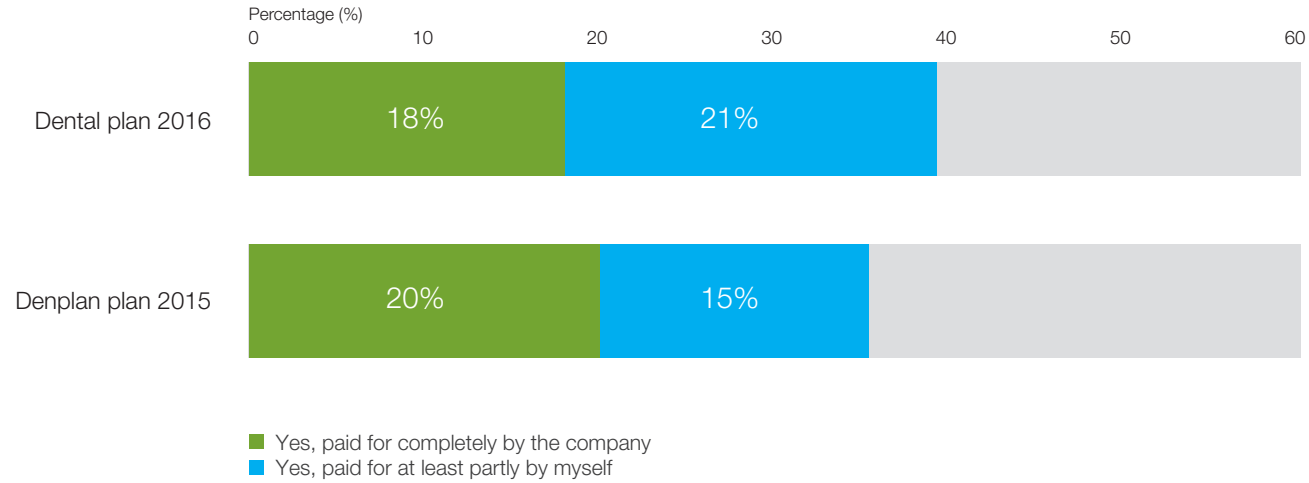
4 in 10 of those whose family members are not currently covered by their benefits are interested in having their children and/or elderly relatives covered by benefits.



Source: Denplan / YouGov survey, January 2016. Employees with access to employee benefits that do not cover children (1169) or parents / elderly relatives (1403)

Employees: take up of dental benefits offered

Overall, the number of employees taking out dental cover when it's on offer has increased since 2015. A larger proportion now indicate that they pay at least partly for the benefit themselves. This could suggest that there might be less fully company paid benefits on offer, or perhaps employees now have a greater willingness to pay for the benefit themselves.

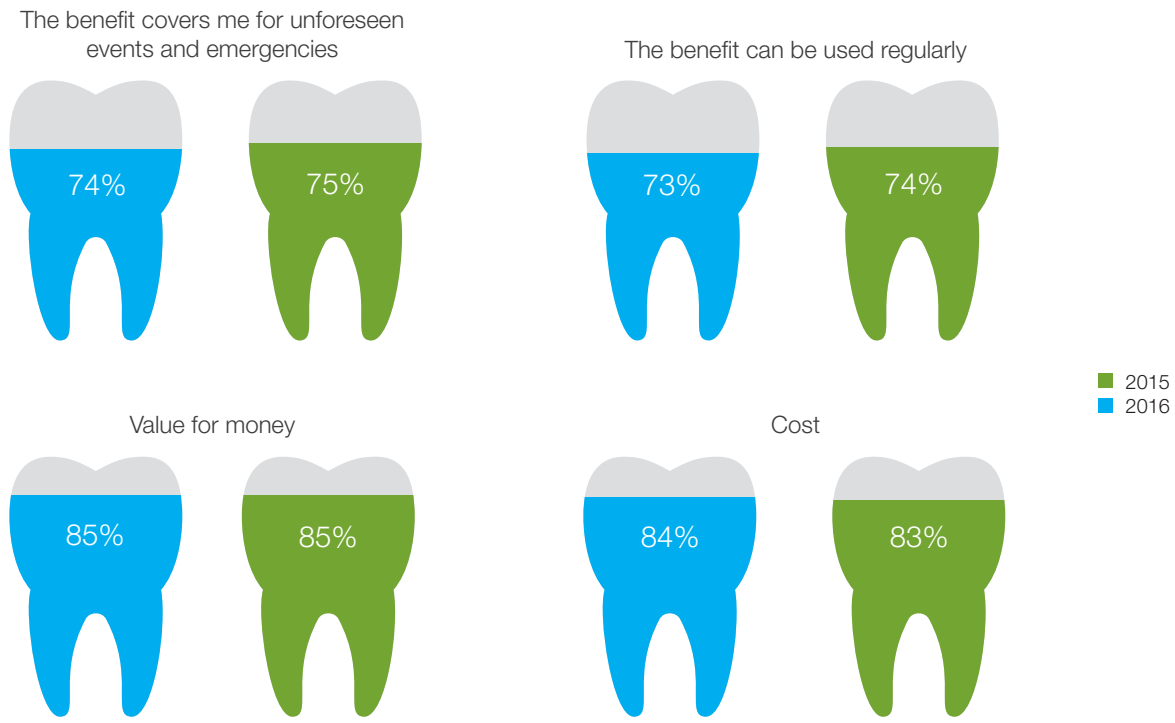


Source: Denplan/ YouGov Surveys. Employees with access to dental benefits January 2016 n =264. February 2015 n = 310

How employees rate the importance of their benefits

If an employee has to pay for the benefit themselves, value for money and cost are both equally important factors.

A benefit that can be used regularly is of the same importance as a benefit that provides cover in emergencies.



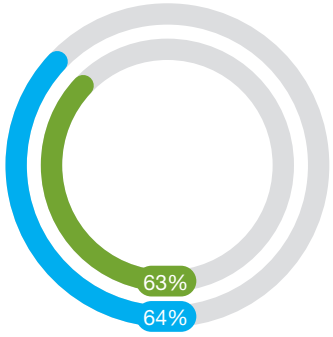
"This is evidence that employees value usable, tangible benefits such as dental plans, rather than more general insurance plans and products."

Colin Perry,
Head of Corporate Marketing,
Denplan

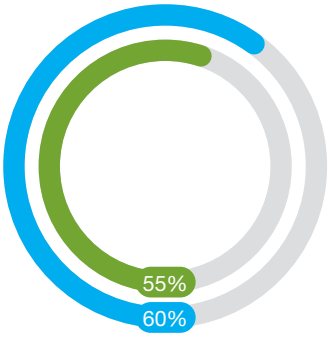
Source: Denplan/ YouGov Surveys. Employees with access to employee benefits January 2016 n =1,410. February 2015 n = 1,468

What employees without access to a dental plan say...

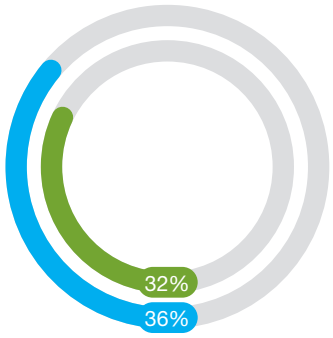
Even employees that don't currently have a dental plan place a value on them with **64%** stating that they'd consider one if offered by their employer. **6 in 10** also state that they think a dental plan is a tangible, usable employee benefit and the number of employees that would appreciate access to a dental plan as part of their benefits package has increased since 2015. All of this suggests that the appeal of a dental plan as an employee benefit has increased since 2015.



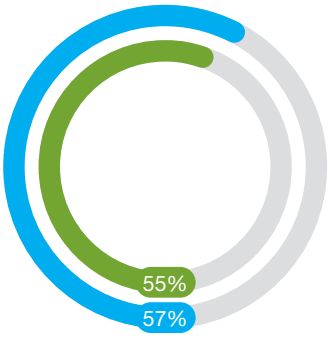
I would consider a dental plan if my employer offered it



I think a dental plan is a tangible, usable employee benefit



I would consider a dental plan an integral part of my company's benefits package



I would appreciate access to a dental plan as part of my benefits package

% of respondents who strongly agree or somewhat agree - 2015
% of respondents who strongly agree or somewhat agree - 2016

Source: Denplan/ YouGov Surveys. Employees without access to dental benefits January 2016 n =2,386. February 2015 n = 2,523

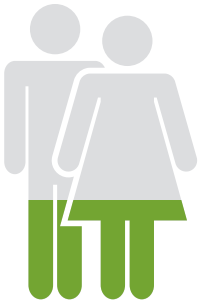
Employees without access to a dental plan

More than half of employees say that they would worry less about the cost of dental treatment if their employer arranged a dental plan for them. This may be the reason that **34%** of employees state that they would visit the dentist more often and **25%** say they would take better care of their teeth if their employer put a dental plan in place.

As an additional benefit, **33%** of employees say that where a company arranged dental plan is in place they feel more positive that their employer cares for their wellbeing.

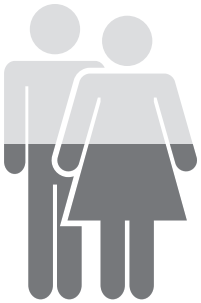
An employer arranged dental plan would encourage me to...

33%



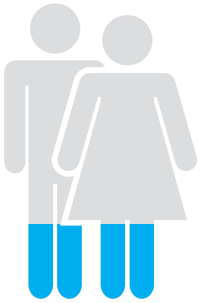
Feel more positive that my employer cares for my wellbeing

52%



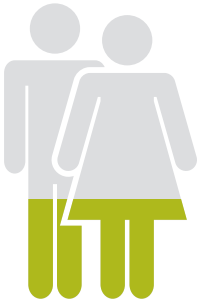
Worry less about the cost of dental treatment

25%



Take better care of teeth

34%



Visit the dentist more often

Source: Denplan / YouGov survey, January 2016. Employees without access to a dental plan (2386)

Summary

The 2016 survey has highlighted a number of important trends and implications within the employee benefits market. Now more than ever, employers have a strong focus on implementing and delivering a wellbeing strategy. At the heart of this is an inclination to include benefits that will genuinely enhance employee wellbeing, while still offering good value for money.

'Value for money' may not simply be a case of obtaining the lowest possible price. Companies value the service provided by brokers more than last year and certainly acknowledge that negotiating better rates are among their strengths. However, they also suggest that bringing with them skills that don't exist within the organisation is helpful. This suggests that value may be added in areas such as benefit understanding and communications. If brokers can therefore work with providers on benefit delivery as much as the cost, they can truly add value for their clients.

The attraction and retention of employees continues to be a very important issue and most employers indicate that offering a dental payment plan as an employee benefit helps them to do both of these. This would go some way to explaining why the upward trend of companies offering dental plans has continued steadily since 2010.

Early indications show that newer benefits such as eldercare could prove popular, though it may take time for uptake to increase as employers work through the renewal and implementation of their various benefits and add it to the mix along the way.

We'll watch with interest as the changing landscape of the employee benefits market continues to evolve over the coming months and years.

Luke Kennelly
Corporate Marketing Leader
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Notes

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