ease

2021 SMB Benefits and Employee Insights Report Toolkit

Overview

This toolkit contains promotional materials for Ease's **2021 SMB Benefits & Employee Insights Report.** The goal is to expand our reach to help SMBs make better decisions about the benefits they offer, as well as to drive employee engagement.

Questions?

If you have any questions, would like more information, or if you have a specific channel you would like content for (e.g. an ad for a podcast), please contact Lara Andrews, Director of Brand and Content Marketing at Ease at lara.andrews@ease.com.

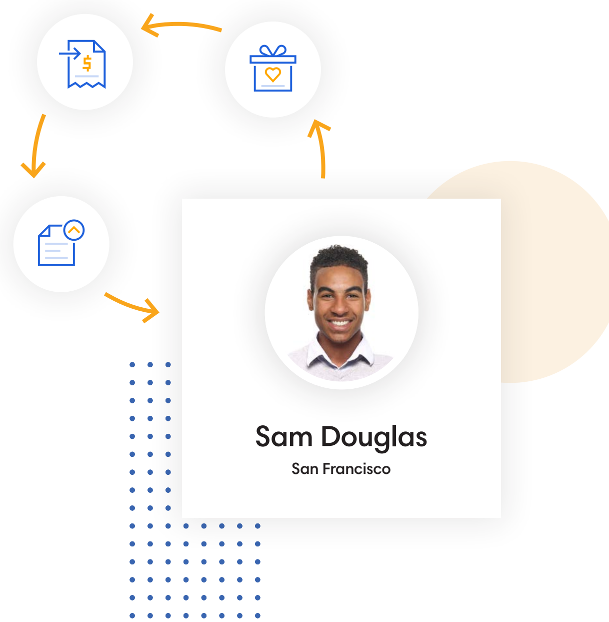
This toolkit includes:

- **About Ease**
- **Press release**
- **Newsworthy excerpts**
- **Data graphs**

About Ease

Ease is an online benefits enrollment system built for insurance brokers and employers. **Ease makes it simple to set up and manage benefits, onboard new hires, stay compliant, and offer employees one destination for all their human resources information.** Started in 2012 in San Francisco by employee benefits veteran David Reid and web and engineering architect Courtney Guertin, Ease works with insurance brokers and small businesses to create seamless HR and benefits processes on an easy-to-use system.

Ease has offices in San Francisco, Las Vegas, New York, Omaha, and San Diego and it is among the most widely adopted, fastest growing solutions for brokers and employers today, with over 75,000 employers and 2.5 million employees. For more information, head to ease.com



Press Release

Ease Report Reveals Smallest Businesses Rehired Furloughed Workers At Highest Rate During the Pandemic

Report shows companies with 1-10 employees rehired 37% of staff

(SAN FRANCISCO) March 9, 2021 – Ease, a leading HR and benefits software solution for small businesses, insurance brokers, and insurance carriers, today released its second annual SMB Benefits and Employee Insights Report, which uncovered how SMBs across the country are recovering from the economic fallout of the pandemic. According to the Bureau of Labor Statistics, more than 18 million workers were furloughed by April 2020. The report, which draws on data from 75,000 SMBs and 2.5 million employees nationwide, found that businesses with 1-10 employees have since rehired an average of 37% of furloughed workers, the highest rehiring rate of SMBs.

> *"As we come out of the pandemic and the economy slowly recovers, our goal with this report is to help employers make informed decisions—backed by data—about the benefits they offer to help drive recruitment and employee engagement,"* said David Reid, CEO and co-founder of Ease. *"We've found that small businesses that survived the downturn were able to adapt and do more with less, and even rehire many of their employees. But with premiums on the rise nationwide, small businesses need to look for more flexible, affordable plan options and voluntary benefits to help attract new talent."*

Smallest businesses rehired furloughed employees at the highest rate

Prior to COVID-19, the US unemployment rate was the lowest it had been since 1969 creating steep competition among employers looking to attract the best talent. But during the recession this past year, the job market and employment landscape shifted dramatically as millions of Americans were furloughed or laid off.

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Press Release – cont.

As the year wore on, the job growth the US experienced in the second and third quarters was tied to the return of furloughed workers to their companies, as well as the availability of funding through PPP loans. Companies on the Ease system saw the following rehiring trends of employees furloughed due to the pandemic:

- **37.09% of employees** who worked for companies with 1-10 employees
- **2.21% of employees** who worked for companies with 11-50 employees
- **3.29% of employees** who worked for companies with 51-100 employees
- **4.24% of employees** who worked for companies with 101-250 employees

Further, in 2020, the majority of insurance brokers surveyed (81%) said they helped their groups lay off employees/navigate COBRA, according to Ease's 2020 Fourth Quarter Preparedness Report, in which Ease surveyed nearly 600 brokers, account managers and agency owners. Seventy-four percent said they helped their groups furlough employees and 69% said they helped with hiring employees and conducting onboarding/benefits selection remotely.

Voluntary benefits take the lead in the war for talent

Beyond standard medical benefits, optional voluntary benefits offerings have also increased across companies looking to differentiate themselves in the talent market. The larger the company, the more voluntary benefits plans offered per employee. A company with 101-250 employees averaged 3.33 more voluntary benefits plans in 2020 than a company with 1-10 employees. The number of voluntary benefits plans offered per employee has increased by roughly 3% on average since 2018. The most popular plans are Dental, Vision, Life AD&D, Short-Term Disability, and Long-Term Disability.

On the West Coast, in California the number of voluntary benefits plans offered per employee has increased 2% since 2018, on average. Florida, however, saw a slight decrease in 2020, year-over-year, while Texas and New York saw slight increases year-over-year.

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Press Release – cont.

Medical premiums increased, eclipsing the rate of inflation

The COVID-19 pandemic deeply impacted the healthcare industry and medical premium costs were no exception. Year over year, the average company in Ease saw an increase in individual medical premiums of nearly 6%, while family medical premiums increased nearly 4%, on average. Overall healthcare prices rose 1.8% in 2020 and costs for physician services increased by 1.7%. One area that remained consistent despite the pandemic was costs for hospital services, which rose only 3% percent from 2019 to 2020 and held steady with the same increase as the prior year.

The report also looked at four states across the country: New York, Florida, Texas and California to compare benefits trends across the nation at a state level. New York saw the largest increase in individual and family premiums with a 20% and 15% increase, respectively. While Florida and Texas both saw increases in individual and family premiums, individual premiums were well below the $541 national average at $489 and $478, respectively. Family medical premiums in Florida also experienced a notable variance, with companies of 1-10 employees seeing a 3% decrease in family medical premiums in 2020, and companies with 11-50 and 51-100 employees were faced with steady increases. While there was a strong correlation between company size and increased premium cost nationally in 2020, Florida exhibited more variability in 2020. Lastly, California saw a 4% increase in individual premiums and just under 4% (3.73%) increase in family premiums from 2019 to 2020.

This inordinate increase relative to both the rate of inflation and the rate of change for other costs in the healthcare industry poses unique challenges to business decision makers as they seek to balance affordability with meaningful access and quality care.

The report also found that there's been an emergence of a “digital first” care model designed to meet the needs of patients while physical points of care were closed. In fact, telemedicine enrollment skyrocketed with a year-over-year increase of 109%. One-third of brokers surveyed said they helped implement a telehealth option for their groups' employees. This new care model is unlikely to lose ground in 2021.

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Press Release – cont.

Fewer medical plans means more affordability

One way to help with affordability is fewer medical plan options. Over the last three years, the number of medical plans offered per employee has decreased by about 3% on average. This small but steady annual decrease observed since 2018 signifies an effort at cost containment by group leaders and business decision makers to point employees to the most affordable plan options, such as high deductible health plans (HDHPs). HDHP plans are particularly popular amongst millennial employees because these plans are a lower cost option.

In 2020, businesses with more employees offered more medical plans than those with fewer employees.These larger groups are able to take advantage of risk pooling which enables higher cost claimants to be offset by the healthier, lower-cost population within the employer group. Due to this risk-shifting model, larger companies can offer a wider variety of medical plans that may be cost prohibitive to smaller companies.

On average in 2020, employees in California and Florida selected health maintenance organizations (HMOs) more than any other plan type; whereas Texas employees chose preferred provider organizations (PPOs) at the highest rate. New York employees selected exclusive provider organizations (EPOs) more than any other plan type for medical insurance, which typically have lower premiums than a PPO plan.

The full report, which dives deeper into benefits, costs and adoption, is available here.

About Ease

Ease is an online benefits enrollment system built for insurance brokers and employers. Ease makes it simple to set up and manage benefits, onboard new hires, stay compliant, and offer employees one destination for all their human resources information. Started in 2012 in San Francisco by employee benefits veteran David Reid and web and engineering architect Courtney Guertin, Ease works with insurance brokers and small businesses to create seamless HR and benefits processes on an easy-to-use system. Ease has offices in Las Vegas, New York, Omaha and San Diego. In 2015, Ease was launched on the West Coast and is among the most widely adopted, fastest growing solutions for brokers and employers in the area, with more than 75,000 employers and over 2.5 million employees. For more information, head to ease.com.

Newsworthy Excerpts

Medical Premiums and Contributions

In light of a global health crisis in 2020, rising medical premiums for both families and individuals may not have made front-page news, though costs did continue to steadily rise again. The rate of increase is perhaps a story unto itself, with both family and individual rate increases eclipsing the rate of inflation for 2020.

This inordinate increase compared to both the rate of inflation and even the rate of change for other costs in the healthcare industry landscape pose unique challenges to business decision makers, as they seek to balance meaningful access and quality care with affordability.

Newsworthy Excerpts

Health Plans Offered and Types

Over the last three years, the number of medical plans offered per employee has decreased by about 3% on average. This small but steady annual decrease observed since 2018 signifies an effort at cost containment by group leaders and business decision makers.

By controlling—and more notably, shrinking—the number of medical plans available to employees, companies are able to steer their employees to selecting more affordable plan options, such as HDHPs.

Newsworthy Excerpts

Voluntary Benefit Trends and Analysis

On average, the number of voluntary benefit plans offered per employee has increased by roughly 3% since 2018. The most popular plans are Dental, Vision, Life AD&D, Short-Term Disability, and Long-Term Disability.

As premiums rise, employers are not covering the difference. The percentage of premiums employees contributed in 2020 toward dental, vision, life AD&D, and both short-term and long-term disability plans increased YoY. This signals that as costs rise, employees are absorbing the difference.

Newsworthy Excerpts

SMB Growth

- Businesses with 1-10 employees, the average size has **decreased slightly** to 4.79 employees (-1.02%)
- Businesses with 11-50 employees, the average size has seen **a nominal dip** to 24.78 employees (-0.05%)
- Businesses with 51-100 employees, the average size **has grown** from 69.37 to 70.08 employees (+1.02%)
- Businesses with 101-250 employees, the average size **has grown** from 144.15 to 146.28 employees (+1.47%)

Newsworthy Excerpts

Special Report: Impact of COVID-19

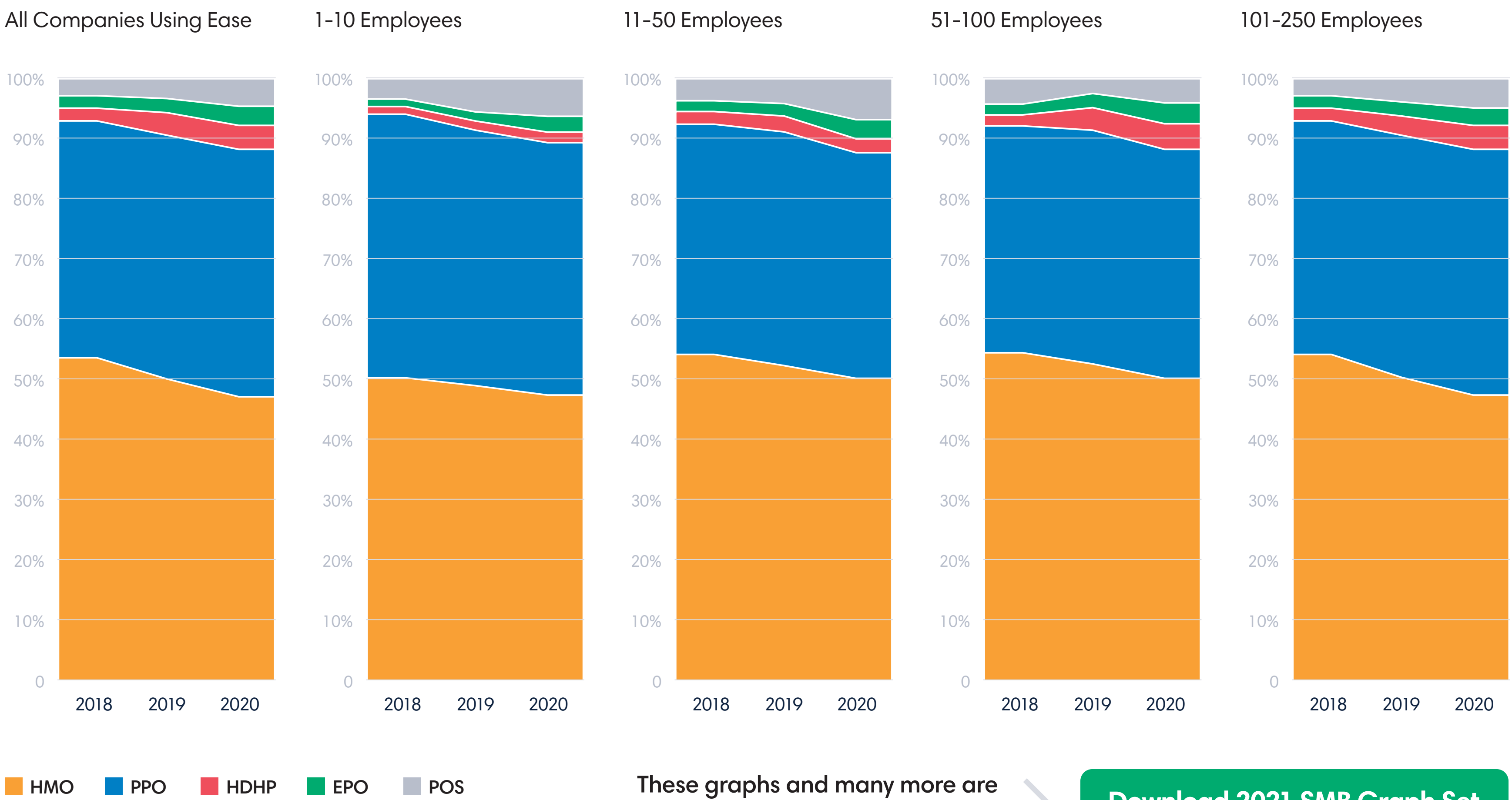
We saw an explosion in the number of employees enrolled in telemedicine, with a YoY increase of 109%. The jump from the previous year is even more shocking—up 420% from 2018 to 2020.

Furloughs and Rehiring

- **37.09% of employees** who worked for companies with 1-10 employees were rehired.
- **2.21% of employees** who worked for companies with 11-50 employees were rehired.
- **3.29% of employees** who worked for companies with 51-100 employees were rehired.
- **4.24% of employees** who worked for companies with 101-250 employees were rehired.

Data & Graphs

Medical Plan Type Enrollment Breakdown – All 50 States



These graphs and many more are available as a ZIP file download

Download 2021 SMB Graph Set