

Dare to be Different as an Employer!

From time to time I come across business clients who have a minimum of 10 eligible employees who may want advice on insurance cover for their employees. So why would they want to do this?

In the current workplace market, the importance of businesses being able to **stand out and differentiate themselves** as an “employer of choice” is becoming increasingly important. A workplace staff insurance program can form part of an overall employee benefits’ plan in order to help achieve this. Some of the key benefits behind this kind of Plan are:

- Staff attraction- employer perceived as one that values their people more. They literally “put their money where their mouth is”;
- Staff retention- it’s much cheaper to retain staff than to recruit, induct and orientate replacements;
- Increasing productivity by keeping highly trained staff with a good knowledge of the company, its processes and clients;
- Increasing staff morale- working for an employer that cares. Simple truth is claims experience in the workplace helps build a positive attitude;
- Reducing recruitment and training costs by lowering staff turnover
- Clearly demonstrating differentiating workplace practices
- Providing a positive workplace culture.

As an employer, the important thing to remember is these group benefits, and the services a good adviser can provide around such a Plan, provide great value to both the employer and their employees. To enjoy the key benefits don’t hide what you’re doing “under a bushel”. Communicate regularly with your employees, and use your adviser to promote the Plan and the additional services to your employees.

Mercer’s 2010 Australasian Absence Management Survey calculated that the cost to an employer of staff absenteeism is 9% of payroll, where replacement labour and loss of productivity costs are added to absence benefits that are paid. So, anything that can be used as a tool to help reduce this can be attractive to an employer. The cost of any group scheme depends on numerous factors. As a rule of thumb, think cost in the vicinity of 1% of payroll of those on the scheme.

You as the employer determine the eligibility criteria- ie who qualifies for membership. And it’s not hard to implement. There can be automatic acceptance levels (ie no underwriting process). Benefits can include life, trauma, total and permanent disability, income protection and health. (Implementing all of those in a scheme may of course exceed the rule of thumb cost). And if someone does leave, they can continue that cover without ever being underwritten.