

# Employer Perspectives

*At The Hartford, we deliver on our promises every day.*



## The Hartford Participates in Independent Study Summarizing Web-Based Technology Among Group Benefit Carriers

*The 2005 Web Technology Report delivers insight into what Web-based features are most important to brokers, plan administrators, and employees. It also measure which companies are best meeting the needs of these customers.*

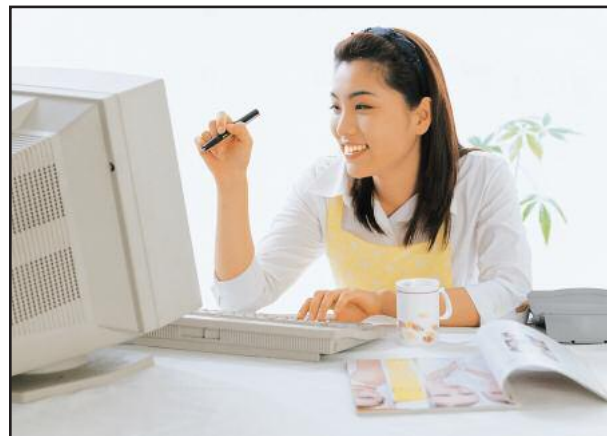
The study was conducted by Eastbridge Consulting Group, a firm that specializes in insurance industry research. It summarizes the Web-based technology offered to customers of 16 group benefits carriers and overall found The Hartford to be on par or slightly ahead of the competition with its e-business services\*.

The following is a summary of the findings documented in the *2005 Web Technology Report*.

### Web-Based Technology Customers Currently Receive

The report summarized what technology most brokers, plan administrators, and employees are currently getting from group benefits carriers, including The Hartford.

- **As expected, Web capabilities have expanded over the last few years.** Most of the enhancements have brought additional services to brokers and plan administrators. There have been some, but not as many, enhancements directed at employees.



### Welcome to Employer Perspectives,

The Hartford's group benefits newsletter for employers. We realize that your business has unique needs. **One size does not fit all.** Providing support that addresses your business is one of our top priorities.

This newsletter is one of the many ways we help provide you with updates about industry trends and developments, products and services that address those issues, and other timely information.

### Other News:

[\*\*The Changing Group Benefits Landscape — A Conversation with One of the Industry's Leaders\*\*](#)

[\*\*Medicare Part D: What Lies Ahead for Employers Offering Retiree Medical Plans\*\*](#)



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## Independent Study *(continued)*

- **Web applications are available to clients, both big and small.** Once developed, most Web capabilities are offered to all accounts, regardless of size. Some capabilities are still available exclusively to large clients — typically involving customized data or expanded services (e.g., reporting).
- **Web-based tools are usually offered for both traditional and voluntary products.** There are still some notable differences between Web capabilities available to traditional group disability plans compared to voluntary plans. However, these differences appear to be lessening as carriers try to extend Web functionality to include both traditional and voluntary plans.
- **Carriers tend to offer the most online functionality to plan administrators.** Most carriers design their Web capabilities around plan administrators and then “extend” these capabilities to brokers and employees. Many times brokers can only access account-level data if the plan administrator authorizes them to access account sites. Allowing brokers to access online commission statements and sales tools demonstrates that there is progress being made to accommodate brokers.

- **E-services for employees have expanded.** Seven of the companies studied offer claims filing online; nine offer claims status information to employees. Six companies give employees access to their specific coverage information.

### Web-Based Technology Customers Still Want

While there have been significant improvements to the Web-based technology now available to customers, the study documents areas where group benefits carriers can still add new technology or enhance existing technology. This includes: continuing to develop Web-based technology for employees; allowing plan administrators to make online changes and have the new bill adjusted automatically and sent to them; giving brokers online access to both their pending business and entire book of business; and communicating online capabilities to brokers and plan administrators.

See the accompanying article for details on the extensive online capabilities The Hartford delivers to employers, consumers, and the producers who support them.

\* 2005 Web Technology Report, Eastbridge Consulting Group, Inc.

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## The Hartford Receives Strong Ranking in 2005 Web Technology Report

The 2005 Web Technology Report is a recently released study conducted by Eastbridge Consulting Group which summarizes the Web-based technology offered to customers of 16 insurance companies, including The Hartford. The study analyzed Web-based technology solutions for brokers, plan administrators, and employees.\*

Brokers	Plan Administrators	Employees
<p>According to the 2005 Web Technology Report, the ability to review commission statements online is the most critical online function for brokers. Only a few carriers offer brokers much support, other than access to commission statements, on the Web.</p> <p><b>Producer View®</b> — The Hartford’s Web portal designed exclusively for producers — ranks well among the competition. It is ahead of eight competitors and on par with another six. Standout features of Producer View include:</p> <ul style="list-style-type: none"> <li>• Ability to access account-level status information including premium and plan details</li> <li>• Ability to review administrative manuals, forms, and contract and licensing materials</li> <li>• Ability to view commission and book of business information</li> </ul>	<p>The ability to view and change employee-level information, to add and delete employees, access claim data, download order forms, and conduct online billing are considered the most important online functions for plan administrators, according to the study.</p> <p><b>Employer View®</b> — The Hartford’s Web-based portal designed exclusively for employers — ranks as “one of the leaders” in its online capabilities for plan administrators.</p> <p>Of the 17 possible features identified by the study, The Hartford delivers 14 of them to its customers, including:</p> <ul style="list-style-type: none"> <li>• Ability to run real-time standard transaction reports</li> <li>• Ability to view and modify employee-level detail</li> <li>• Provides Web-based billing</li> <li>• Accepts EFT payments online</li> <li>• Ability to access claims and medical underwriting status online</li> <li>• Ability to access account status and premium payment information</li> </ul>	<p>According to the study, the most important features for employees, based on past research, are the ability to review information about specific coverage, file claims online, and get claims status updates. Most carriers’ employee sites offer less Web-based functionality than the broker and plan administrator sites.</p> <p><b>TheHartfordAtWork.com</b> — Launched in October, the Web site is designed exclusively for employees and claimants. The new site establishes Hartford’s online capabilities for employees.</p> <p>Features available now or in the near future, include:</p> <ul style="list-style-type: none"> <li>• Ability to file short-term disability (STD) claims</li> <li>• Ability to access STD claim and evidence of insurability status information</li> <li>• Provides calculators/tools for computing amount of insurance needed</li> <li>• Ability to download educational materials about specific products</li> </ul>

### For More Information

If you would like more information about how The Hartford can help your company and your employees, please contact your account manager.

\* 2005 Web Technology Report, Eastbridge Consulting Group, Inc.



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## The Changing Group Benefits Landscape — A Conversation with One of the Industry's Leaders

*Dick Mucci, Executive Vice President of The Hartford's Group Benefits Division (GBD), has been in the business for more than 30 years and has seen significant changes in the group benefits industry in that time. He is a member of the executive committee of the Council of Disability Insurers and a Fellow of the Society of Actuaries. He offers his thoughts on the state of the group benefits marketplace and how The Hartford is meeting today's challenges.*

### How should employers view the group benefits industry today? What changes can they anticipate?

In some ways, we're in a mature market, in that most employers offer life and disability insurance through the workplace. Most employees don't have enough insurance coverage to protect them from disability or premature death. I see the market continuing to feature sponsored benefits offered in the workplace. But more and more responsibility for funding these benefits will be assumed by employees.

### What are the biggest challenges of today's changing marketplace? What is The Hartford's vision and strategy to meet these challenges?

There is a growing emphasis on consumerism to meet employee needs. Employees are being offered more choices for life and disability protection through their workplaces — and at the same time, they are being asked to take on more responsibility to fund coverage. Our vision is to leverage The Hartford's outstanding knowledge and expertise in the marketplace to be responsive to consumer needs. We have the scale to deliver attractive products and services and the educational capabilities to ensure that consumers understand their choices and make the decisions that are right for them.



*“We’re dedicated to building awareness of the need for financial protection against disability or death, educating consumers and employers about their options, and providing convenient and affordable products that meet the needs of businesses and families.”*

**Dick Mucci**  
Executive Vice President  
The Hartford Group Benefits

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## Changing Group Benefits Landscape *(continued)*

### What is the importance of life and disability insurance for employers and employees?

I'd like to see every employer and employee have a conversation with one of our claims representatives and hear about people who thought they had enough insurance coverage and find out too late that they don't. An employee's ability to earn an income is arguably his or her most important asset. Losing that jeopardizes virtually everything else in life — home, retirement, a child's college education, etc. Protection against that loss is critical, but at the same time people aren't personally approached about the need for insurance like they once were. The life insurance salesperson doesn't come and sit at your kitchen table like he or she once did — so we as an industry need to address that.

We're dedicated to building awareness of the need for financial protection against disability or death, educating consumers and employers about their options, and providing convenient and affordable products that meet the needs of businesses and families.

### What support can employers expect from The Hartford to meet the challenges of protecting their employees and their bottom line?

For employers, we've focused on the emerging voluntary market. We've introduced online enrollment, a new consumer Web site, and enhanced our consumer capabilities. We've also enhanced our claims risk management practices — ensuring that we continue to provide an outstanding customer experience while managing costs effectively.





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## Changing Group Benefits Landscape *(continued)*

Looking ahead to 2006, on the employer side we will continue to enhance our consumer capabilities, focusing on education and making it easier for employees to purchase insurance products in the workplace. For larger employers, those with more than 1,500 employees, we will enhance our consultative services and enable employers to more fully understand and better manage not only the performance of their disability plans, but their entire employee benefits package.

### **What is the Council of Disability Insurers? What is the organization's mission?**

The Council of Disability Insurers brings together 12 of the industry's leading carriers in an initiative that calls on us to put aside our competitive postures and to pool resources in order to educate the public. Its mission is to increase awareness of the need for insurance and the importance of protecting your ability to earn an income. Education is

critical in order to meet the needs of both consumers and employers in this changing environment.



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## Medicare Part D: What Lies Ahead for Employers Offering Retiree Medical Plans

*November 15 was the deadline established for employers to notify their employees whether their retiree medical plan coverage is “creditable coverage” — meaning that the prescription drug benefit, if offered, is at least as rich as the standard Medicare Part D benefit. For the majority of employers whose plan qualifies as being creditable, retaining the retiree plan and collecting the government subsidy has been the most appealing and least disruptive option.*

### Communication is Key

The creditable coverage notification shouldn't be the last message to employees. Employers must be clear and continue their communications with Medicare-eligible retirees — especially if they are offering a subsidized plan. Some of the options can be confusing, and consequently employers and producers should prepare themselves for a barrage of questions. If retirees do not need to sign up for Medicare Part D, they will likely be happy to tune-out the noise and confusion.

### Encourage Retirees to be Proactive

For those employers whose plan does not qualify as creditable, Medicare-eligible employees/retirees have some decisions to make. Open enrollment for Medicare Part D benefits has begun, and while by law the overall value of each plan must be at least



### Need Help Understanding Medicare Part D?

The Hartford offers assistance every step of the way. For more information about Medicare Part D and how it may affect employer group retiree health plans, please call your Hartford Group Retiree Health Sales Director at 877-223-9782, or visit our Web site at [www.groupretireehealth.com](http://www.groupretireehealth.com).

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## Medicare Part D *(continued)*

as good as the “standard” Medicare prescription drug benefit, the plans vary in the coverage they offer and the payments they require.

Since late October, Part D-eligible participants have been flooded with offers from numerous prescription drug plans (PDPs). Full page ads and television commercials sponsored by the Centers for Medicare & Medicaid Services (CMS) are prevalent in the media, and it’s not uncommon to find PDP tables set up in drug stores recruiting enrollees. But it’s up to the retiree population to choose which Medicare approved PDP to enroll in.

**If a Medicare beneficiary does not have creditable coverage and does not sign up for Medicare Part D when first eligible, he or she will be required to pay a late enrollment penalty of 1% of the premium for each month of delay.**

### The Hartford Can Help Employers Evaluate Choices

Employers had until September 30 to file for the federal subsidy — an estimated average of \$600 per employee. If this deadline was missed, there will be plenty of time to begin planning ahead for next year. For more information on the subsidy,

please visit <http://rds.cms.hhs.gov>. The Hartford can help employers sort through the issues and evaluate what is best for them while these new laws and product solutions gain traction. We provide employers with support, information and flexible solutions that can help lower overall costs.

If employers have decided to drop their retiree prescription coverage in lieu of Medicare Part D, they may wish to offer a “wrap-around” option. A typical “wrap” plan is designed to fill the Medicare Part D Coverage Gap (also known as the “donut hole”). The Hartford offers a wrap that not only fills this so-called “donut hole,” but also helps offset the cost of the Medicare Part D out-of-pocket costs prior to the gap in coverage.

### For More Information

For employers and producers fielding questions from Medicare eligibles, CMS has set up an employer information Web site at <http://www.cms.hhs.gov/medicarereform/pdbma/employer.asp>. The Hartford offers its assistance every step of the way.

**For more information, please call your Hartford Group Retiree Health Sales Director at 877-223-9782, or visit our Web site at [www.groupretireehealth.com](http://www.groupretireehealth.com).**

### How The Hartford Can Help You

The Hartford offers a wide range of products and services with plan design choices to meet your needs, including:

- Short-Term and Long-Term Disability and FMLA Administration
- Group Life and Accident
- Voluntary Benefit Solutions
- Small Business Solutions
- Stop Loss Insurance
- Retiree Health Coverage

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