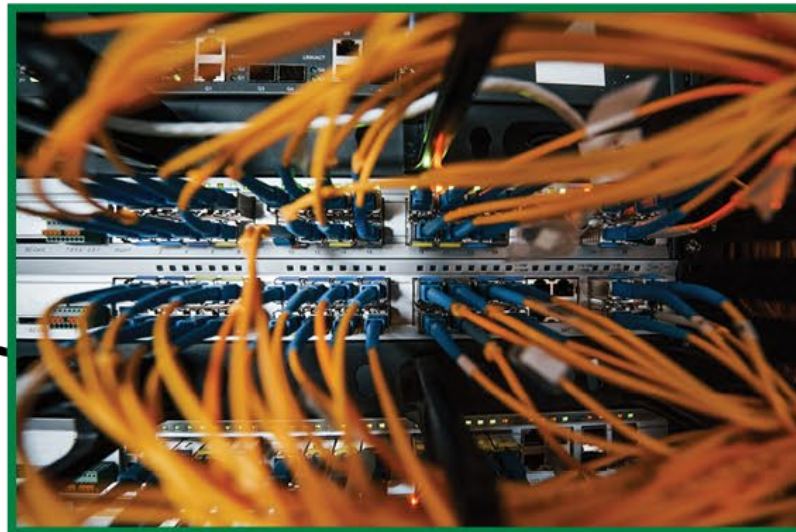


2025 WORKPLACE
BENEFITS CONFERENCE

Pathways to Growth

Workplace Benefits: Trending for Growth

Forces of Change



10 Trends and Priorities for 2025

85% Generative AI

92% More Likely to be Engaged

65% More Likely to Remain Loyal

94% Using Skills-Based Hiring More Predictive of Success

32% Talent is Becoming More Geographically Dispersed

New Laws Limiting AI in Employment Decisions

Pay Equity and Pay Transparency

Wage-and-Hour Laws – Pay Strategies

63% Adopting or Piloting Generative AI

57% Looking to Expand Skills to Benefit from Emerging Technologies

52% Well-Being Technology Helping Firms Humanize the Employee Experience

Change in Establishment Size

Small



Mid-sized



Large



Labor Force Trends

- Continued strong labor market; resistant to Fed interest rate actions thus far.
- Labor force participation rate is increasing, particularly among prime-age workers (25-54).
- Women's employment has seen broad improvement.
- Since 2020, the percentage of foreign-born workers has grown 19.8 percent.
- We are at a generational tipping point.



Wallet Share Will Always Influence Decision Making

Given the increased scrutiny that workers are placing on how they are spending money, benefits providers need to:

Ensure the right products are positioned in front of the right employees

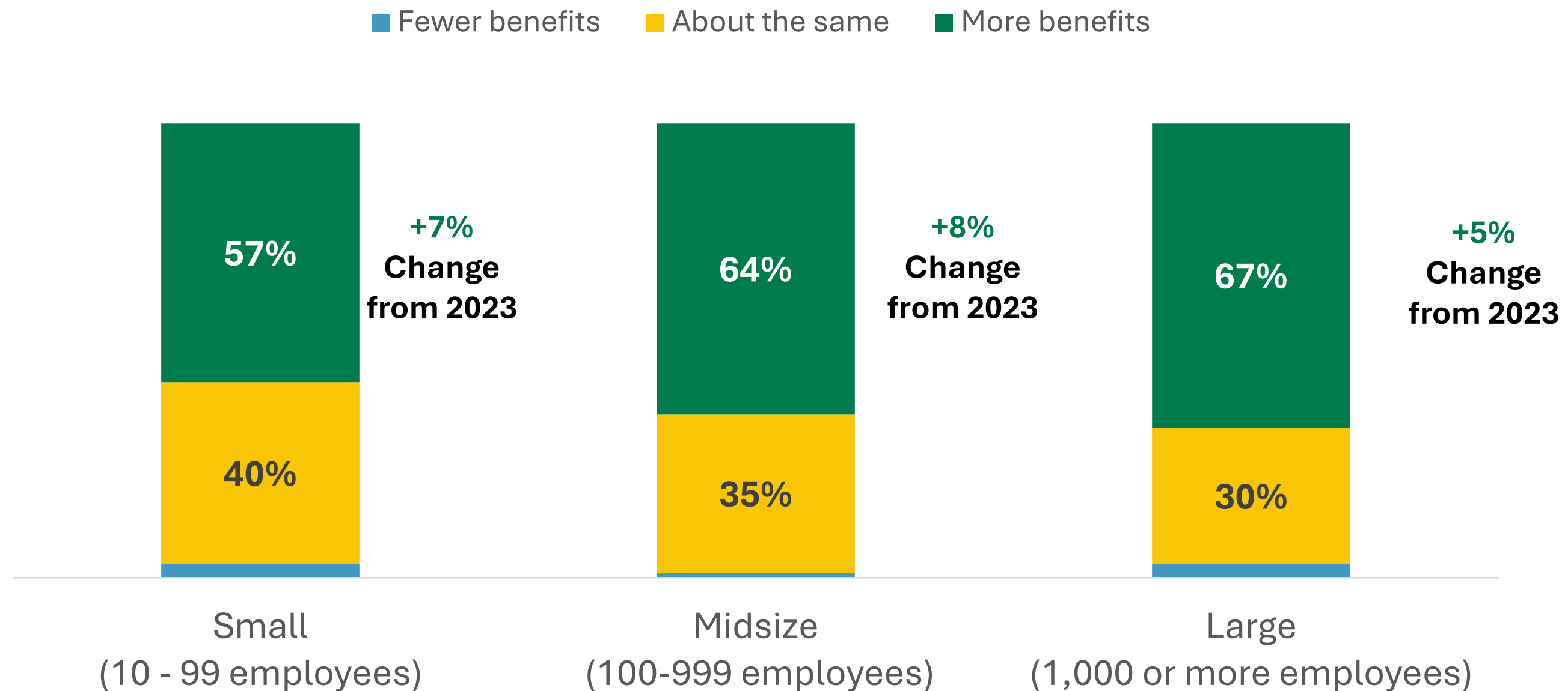
Demonstrate value for the money employees are investing in their products

Employees are interested in wellness benefits as a means to reduce stress.



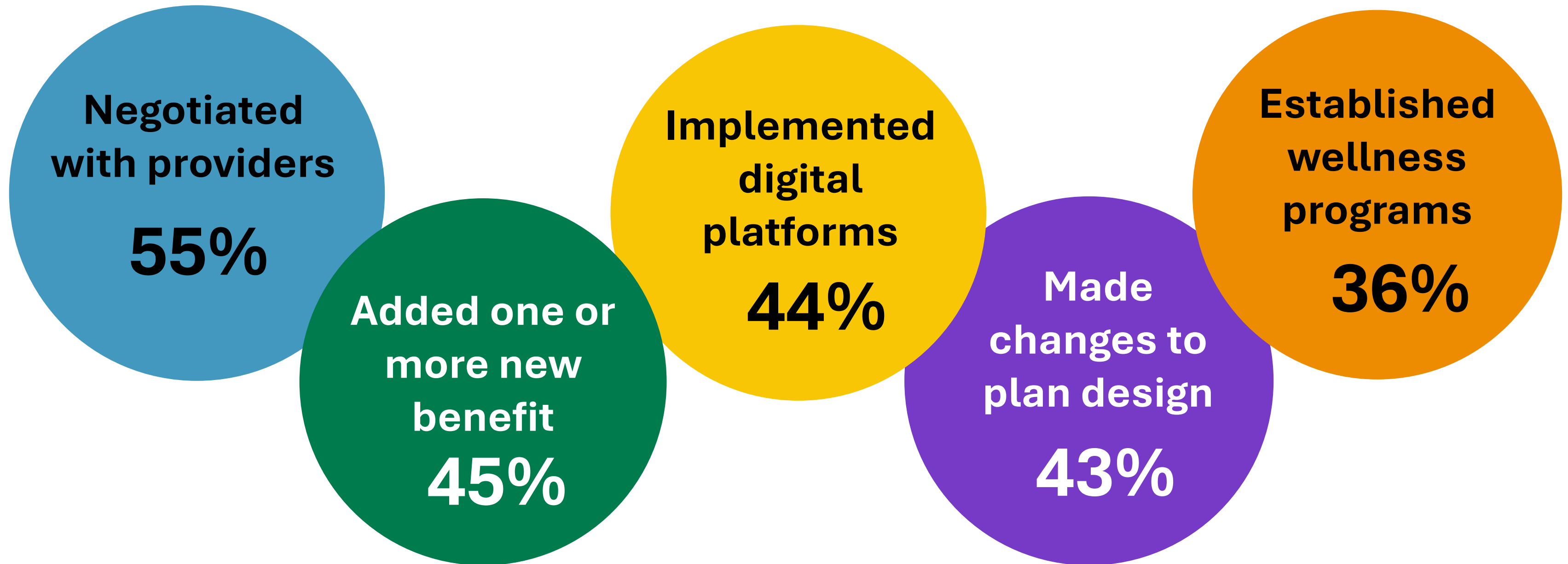
Majority Of Employers Expect To Offer More Benefits In The Future

In five years, do you think your company will be offering fewer, the same, or more benefits than it does now?



Actions Taken to Manage Benefits Programs

Percent of Employers



Employers Demand Economic Value

55%

Negotiated with providers for better terms, lower premiums, fees, etc.

43%

Made changes to plan design to manage costs

30%

Eliminated underutilized or ineffective benefits

Percent of employers

Source: *The Future Is Now: Workplace Benefits Distribution Amid a Changing Landscape*, LIMRA, 2025.

Economic Uncertainty Looms Over the 401(k) Market

- Participant 401(k) account balances rose throughout much of 2023 and 2024 and dropped by Q4 2024, ending the year nearly **5% lower** than they had been in Q1.
- In past economic recessions and crises, new plan formations have slowed down, but coverage mandates today may mean a less dramatic reduction in new plan activity.

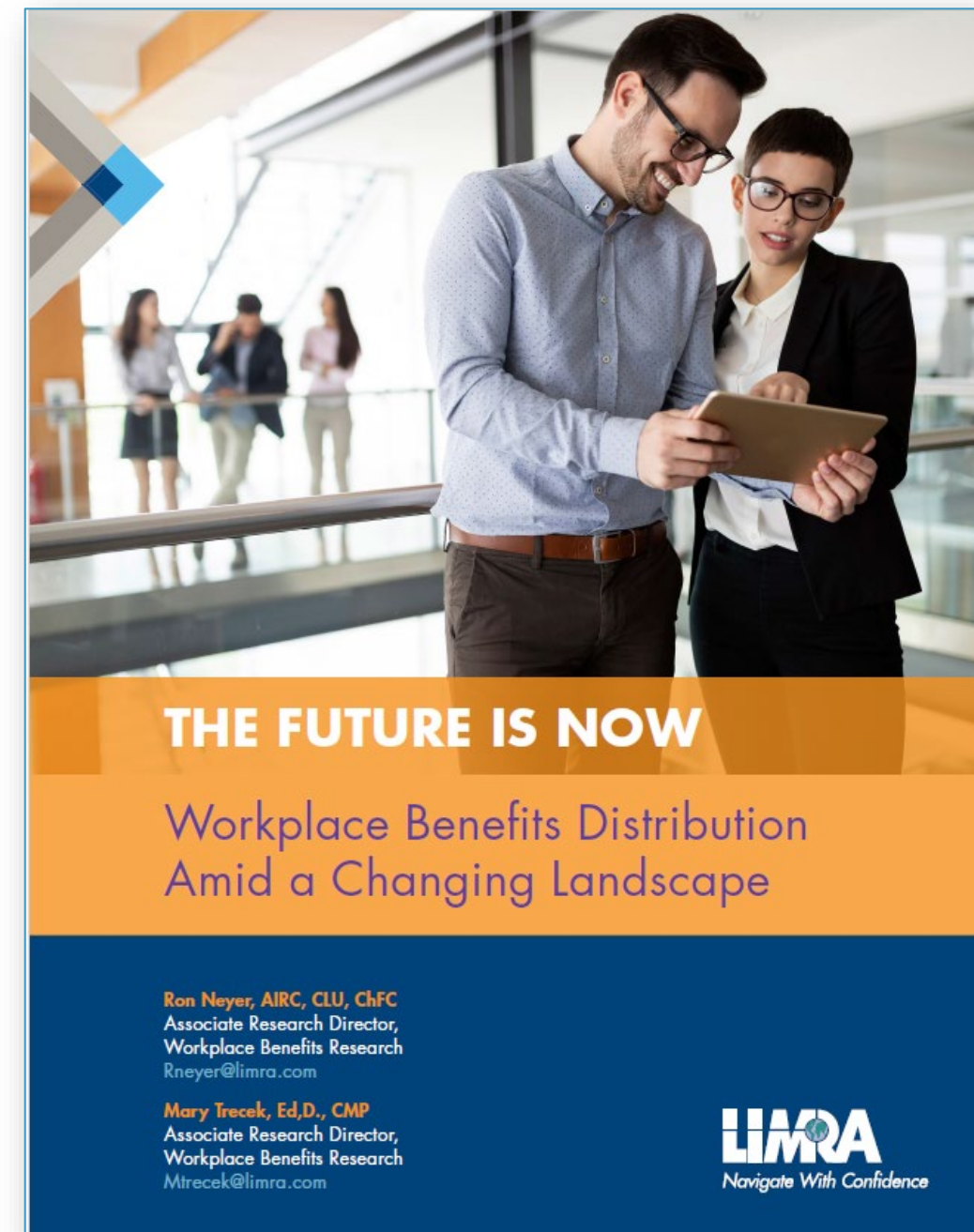


The Evolution of Distribution

The Changing Face of Distribution

While brokers will continue to drive workplace distribution, market forces are reimagining that relationship while other players in the ecosystem exert strength and authority.

The Future Is Now
Workplace Benefits Distribution Amid a Changing Landscape
LIMRA, 2025



Key Themes Expressed by Brokers

- Clients are more demanding and focused on economic value.
- Remote work has been pretty much solved.
- Clients are expressing a need for broader support services beyond traditional offerings.
- While there are pockets of success, as a group, carriers are behind on delivering meaningful value.
- Expanding leave options and flexible leave policies.
- Integration of AI and benefits technology.
- Increased focus on mental and financial wellness.



Other Distribution Options

- Direct-to-Employer
- Professional Employer Organizations (PEOs)
- Associations
- Partnerships
- MEPs and PEPs



The Need for Innovation

30% of employers eliminated underutilized or ineffective benefits over the past two years.

Brokers' Perspectives

“We are selling products today that were built in the sixties, seventies and eighties ...We haven't had a fundamental new product or new addition for decades. **That's scary, right?**”

“It sounds terrible, but **I haven't seen a lot of innovation**. I feel like a lot of the carriers are kind of waiting to see what an employee in 2024 wants. Kind of post-pandemic, what are they looking for? Not a lot of change there.”

“While distribution is very important, service delivery, product development, **innovation and technology win the day.**”



Digital Transformation

Powered by Technology

75% of carriers cite new technologies (AI, machine learning, etc.) as having an extreme or major impact on their distribution-focused technology investments in the next five years.

Brokers' Perspectives

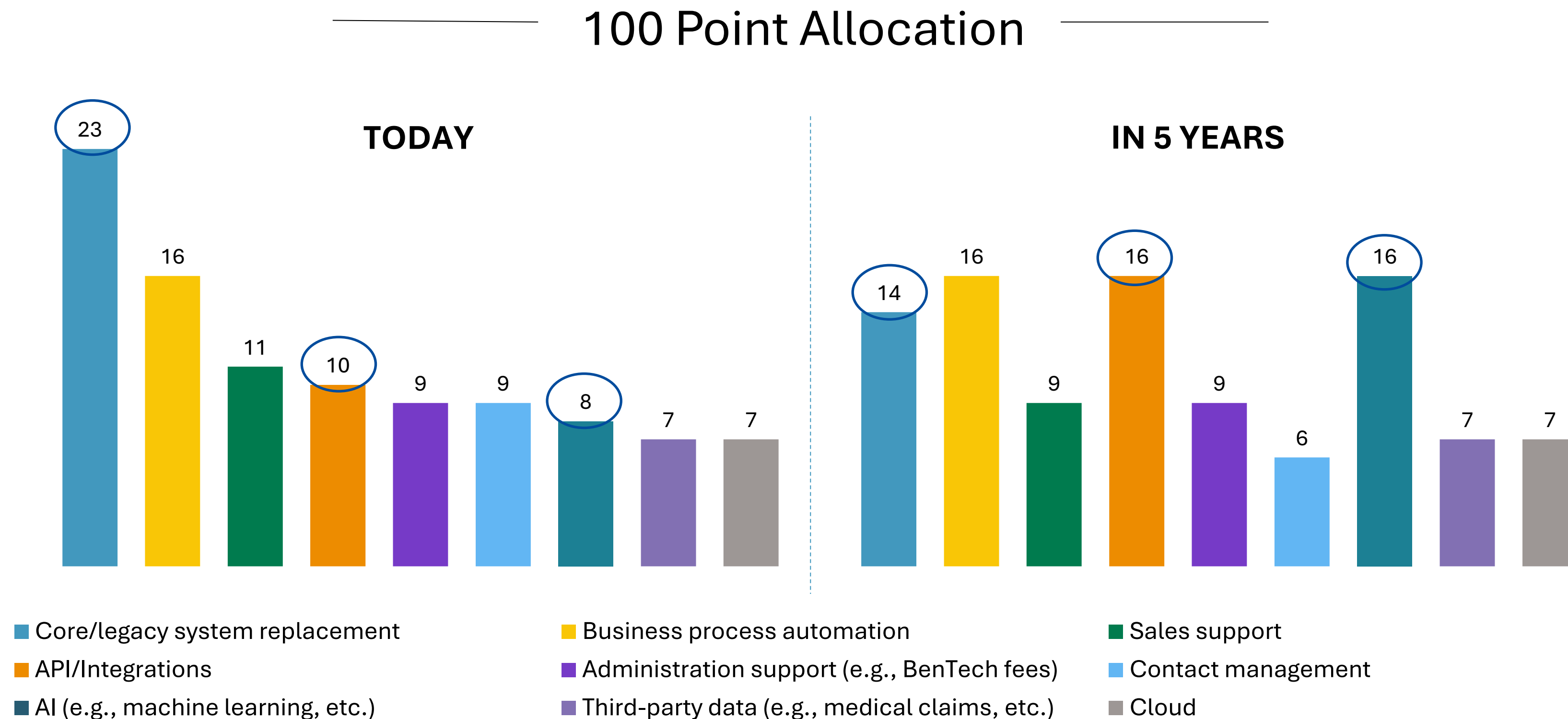
“For a couple of years now, two of the three [carriers] that I keep mentioning, they’ve been **using data**. They are using unique ways of AI to increase the utilization of the product. So that’s a big piece. **We love that type of stuff.**”

“**API is a big one.** When you are talking to a client or a prospect, I would say that is pretty attractive. There are no files that need to be exchanged. It goes right to the cloud. It’s a great selling point to someone like me in my position.”



“I still think we are missing a large piece of how technology and insurance work together. **It’s still a dotted line.** There is still a huge room for improvement. We are not lacking options, but we are lacking practicality in value.”

Distribution Technology Investments Will Shift Over Time



Source: *The Future Is Now: Workplace Benefits Distribution Amid a Changing Landscape*, LIMRA, 2025.

Technology Is At The Forefront of Employers Thinking

61% of employers cite data privacy and cyber-security concerns as having a significant influence* on their benefits strategies.

47% of employers feel that using their company and employees' data to inform strategy, enhance the employee experience, and make data-driven decisions would have a significant impact* on the success of their benefits program.

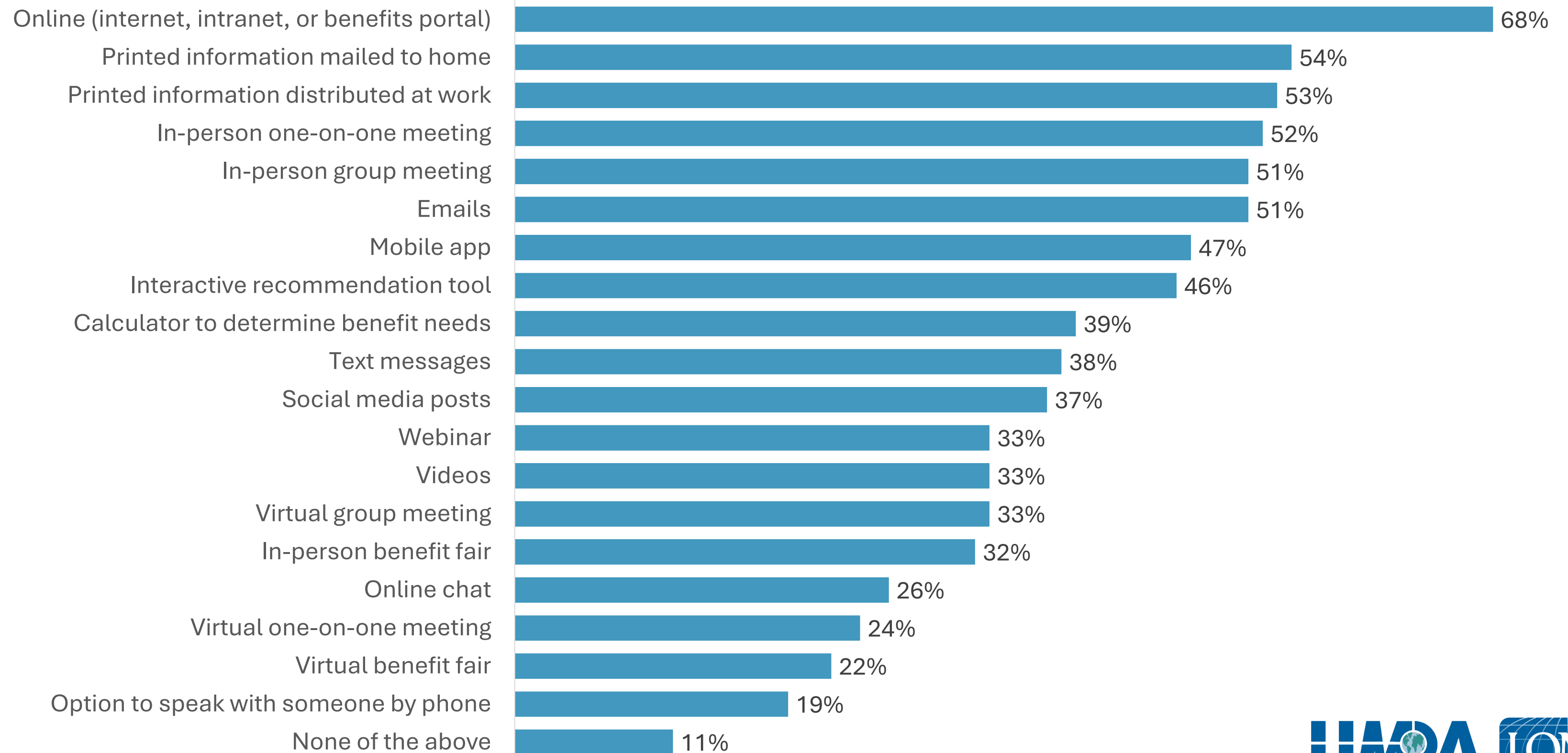
44% of employers implemented new digital platforms for benefits administration, employee communication and engagement over the past two years.



*percent of employers rating 6 or 7 on a 7-point scale

Source: The Future Is Now: Workplace Benefits Distribution Amid a Changing Landscape. LIMRA, 2025.

Resources Used (When Available)



Represents the percent of employees who say they actually used a specified resource to learn about their benefits. Based on employees who are offered insurance benefits and are aware that the specified resource was available to them before or during open enrollment. Multiple responses allowed.

Source: 2025 BEAT Study: Benefits and Employee Attitude Tracker, LIMRA.

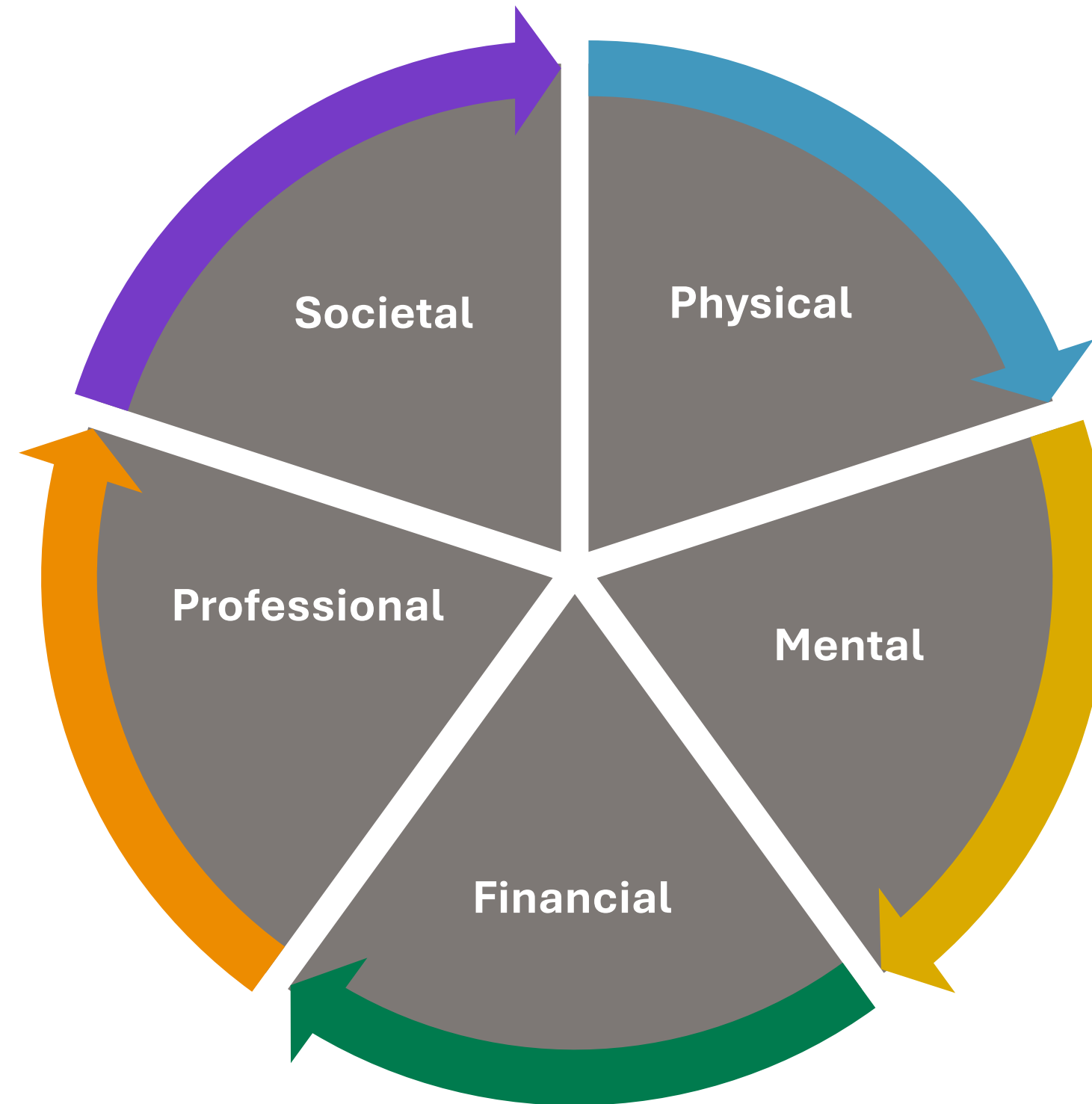
Striking a Balance

“You can’t lose the people. You can’t lose that people connectivity. You can automate all the tactical crap that you want, and that is fabulous, as long as all that works right. But if you sever that human tie, eventually all the other stuff won’t matter, because that is where the rubber meets the road.”



Looking Ahead: Workplace Benefits

“The Wheel of Wellness”



Benefits Are No Longer a “One-Size-Fits-All” Offering



Offering employees a variety of benefits, frequent communication, and customization options increases their perception of the value of these benefits, the likelihood of their staying with an employer, and their performance.

Drivers of Growth: Voluntary Benefits

78 percent of workers feel it is important for employers to offer comprehensive insurance benefits, giving employees the option to participate, *even if employees must pay for some or all of the benefit(s) themselves.*



Thank You



Navigate With Confidence