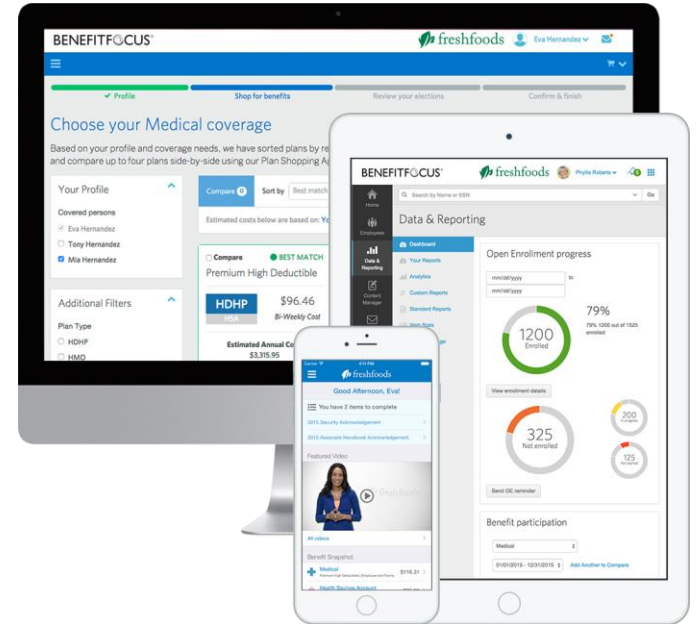


BENEFITFOCUS®

All Your Benefits. One Place.®

Bill Umbehauer and Amy Yantosh
Lehigh Valley Business Coalition on Healthcare
Associate Showcase – March 23rd 2018



BENEFITFOCUS®

Founded in 2000 | NASDAQ: BNFT | 1,700+ Associates

\$230M+ in 2016 Revenue | \$1B+ Market Capitalization

700+ Software Engineers | \$150M in 3-Year R&D

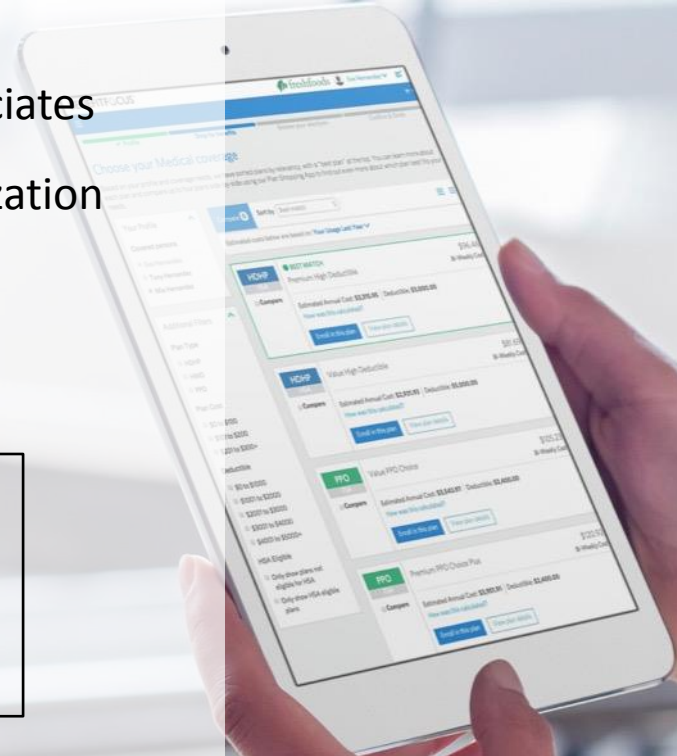
SOC 2 Certified | PCI Compliant

Our Client Base includes:

- 905+ Large Employers
- 50+ Insurance Carriers
- 27 Private Exchanges

Our Platform Supports:

- 25M+ Consumers
- 1,500+ Data Exchanges
- 100+ Benefit Types



About Benefitfocus

- 1 The leading benefits platform → Over 150K employers
- 2 Focused on customer success → Over 95% renewal rate
- 3 The largest R&D investment → Over \$50M per year



LEADING EMPLOYERS INCLUDING:



LEADING INSURERS INCLUDING:



We deliver a world-class benefits experience across



Communication



Enrollment

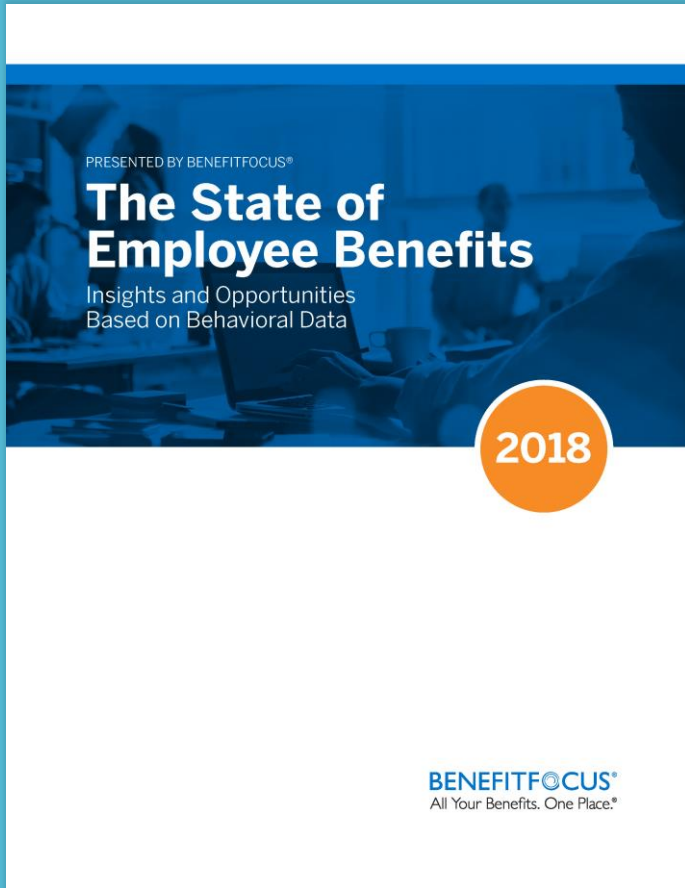


Administration



Account Services

The State of Employee Benefits 2018 Research Series



Jan.

Overview of
large group market

Mar.

Regional breakdown

Apr.

Industry comparisons

www.benefitfocus.com/state-of-employee-benefits

2018 Research Details

500+

large employers

20+

industries

1.3M

consumers

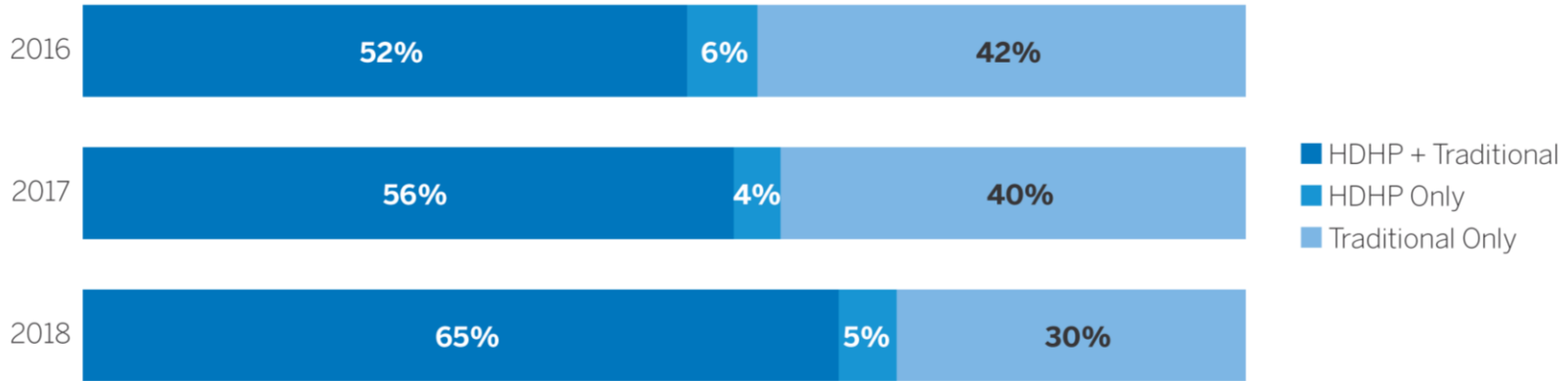
Insights and trends on:

- Group medical plan offerings and design
- Employee election decisions and context
- Consumer-directed healthcare accounts
- Voluntary benefits

Key Findings from Open Enrollment 2018

Health plan choice continues to expand

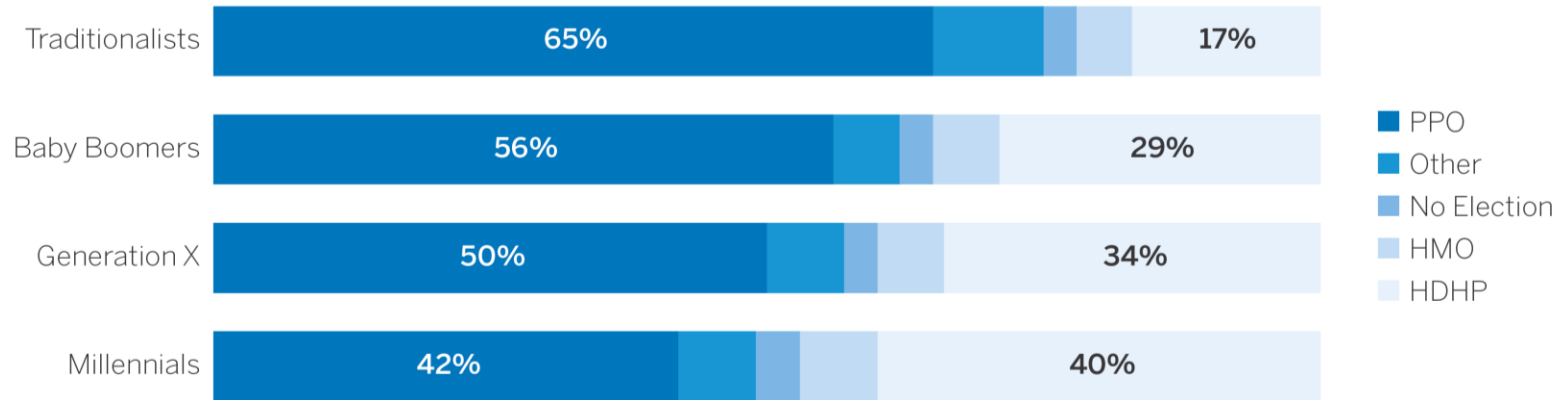
Large Employer Health Plan Offerings, 2016-2018



The share of employers offering mix of HDHPs and traditional health plans is up 25% since 2016.

HDHPs relatively more appealing to younger workers

Employee Health Plan Participation by Age Group, When Offered at Least 1 HDHP and 1 Traditional Plan, 2018



Older employees maintain strong preference for PPOs.

The out-of-pocket load is a heavy one

Average Annual Deductible by Plan Type, 2008-18

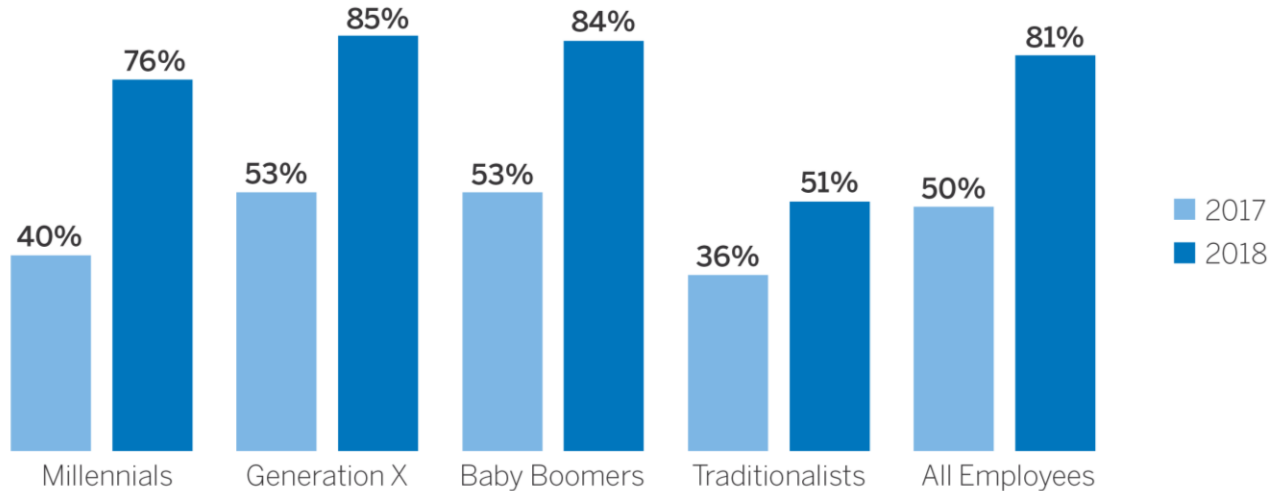
Plan Type	2008*	2018	Change
PPO – Family	\$1,344	\$2,198	+64%
PPO – Single	\$560	\$1,012	+81%
HDHP – Family	\$3,559	\$4,331	+22%
HDHP – Single	\$1,812	\$2,166	+20%

Over the last decade, PPO deductibles have skyrocketed.

*Kaiser Employer
Health Benefits Survey

HSA adoption skyrockets

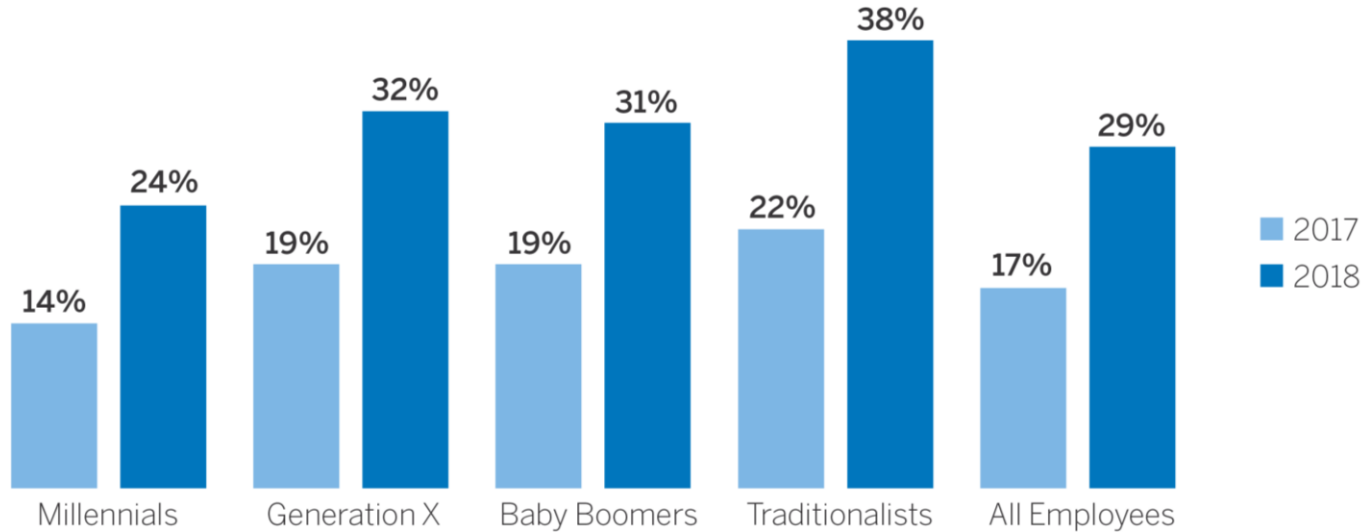
HSA Participation Among Eligible Employees by Age Group, 2017-18



HSA participation increased by more than 60% year over year.

FSA's see significant uptick in participation

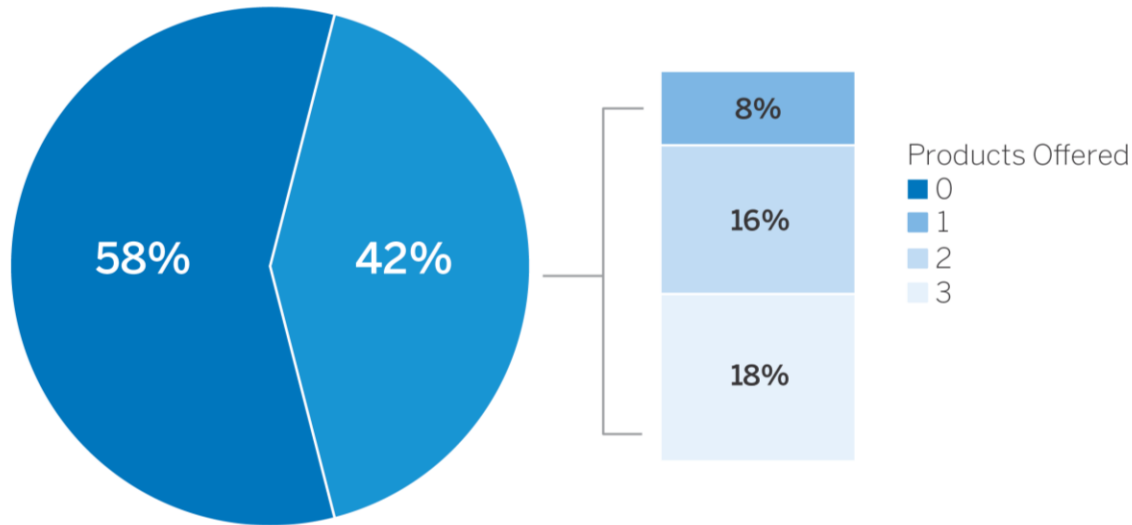
FSA Participation Among Eligible Employees, 2017-18



FSA adoption experienced double-digit growth across all age groups year over year

Voluntary income protection benefits maintain strong presence

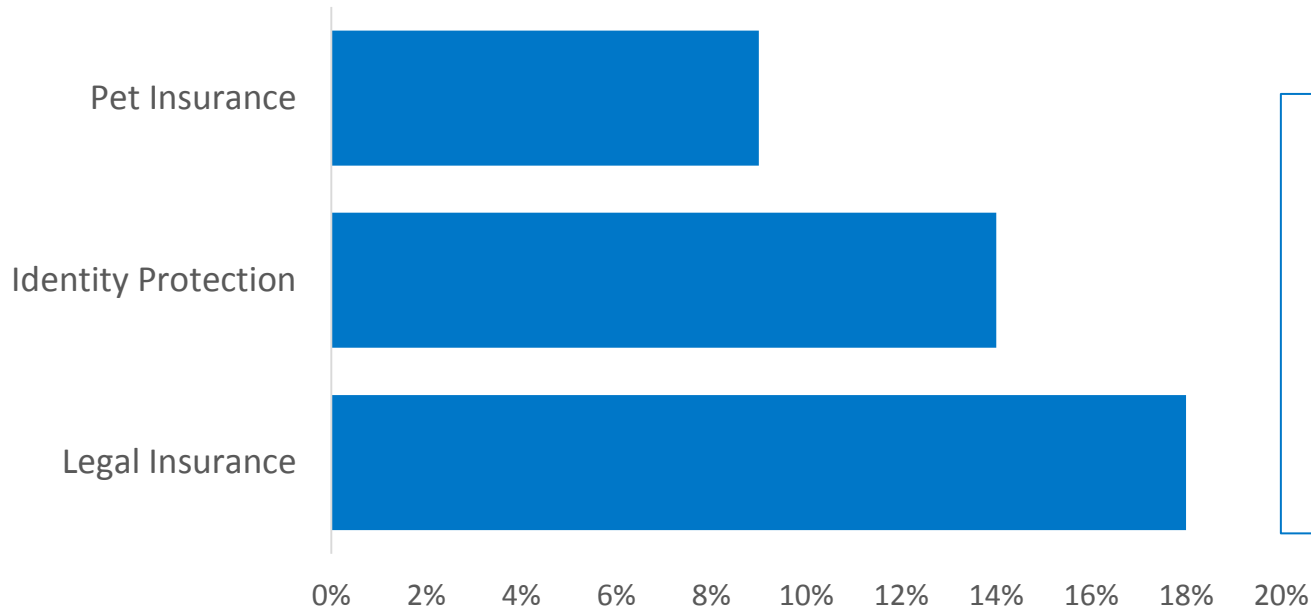
Percentage of Employers Offering a Voluntary Accident, Critical Illness and/or Hospital Indemnity Plan, 2018



Nearly 20% of employers offer three voluntary income protection benefits.

Additional voluntary options address wide array of employee needs

Percentage of Employers Offering Additional Voluntary Benefit Plans, 2018



Many employers are rounding out their benefits package with products to help employees navigate other areas of their lives.

Practical Application

So what does all this data mean for you?

1

Options are everything.

- Health insurance choice to start
- Traditional voluntary to supplement
- Lifestyle benefits to differentiate



2

Personalization makes perfect.

- Demographics drive strategy
- Data powers decisions
- Communication is critical



3

Complexity requires simplicity.

- Consolidate systems
- Automate processes
- Integrate technology and services



QA

The letters 'QA' are rendered in a large, white, sans-serif font against a solid blue background. A circular icon, also in white, is positioned between the 'Q' and 'A'. The icon contains two overlapping speech bubbles, one slightly above and to the left of the other, symbolizing a question and answer.