



Maximizing your benefits ROI

Driving value with strategic HRIS integrations



The promise of benefits integration

Companies invest a lot in their human resources information systems (HRIS) and in their employee benefits programs. So employers are always on the lookout for ways to maximize their return on both, and their brokers and business partners need effective ways to help.

Integration with their HRIS is one great way for employers and their partners to get the most out of their benefits program — but only if that integration is designed to do more than simply pass the most basic employee information back and forth. Integrations must truly capitalize on the efficiencies the HRIS offers, while creating an easy and engaging benefits experience for employees.



This guide covers:

- ✓ What employers and their brokers need to know about HR tech integrations
- ✓ What the right integration can do for an organization
- ✓ What kind of savings employers can expect from a superior integration





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What are benefits integrations?

In broad terms, benefit integrations are digital connections between an HRIS and an insurance carrier's systems that allow information to be shared back and forth quickly and automatically.

Integrations help HR teams take a major step forward on the digital transformation journey, by allowing them to forgo low-value, repetitive process tasks in favor of strategic initiatives like recruiting great workers, keeping them around, and improving employee support.

Here's how:

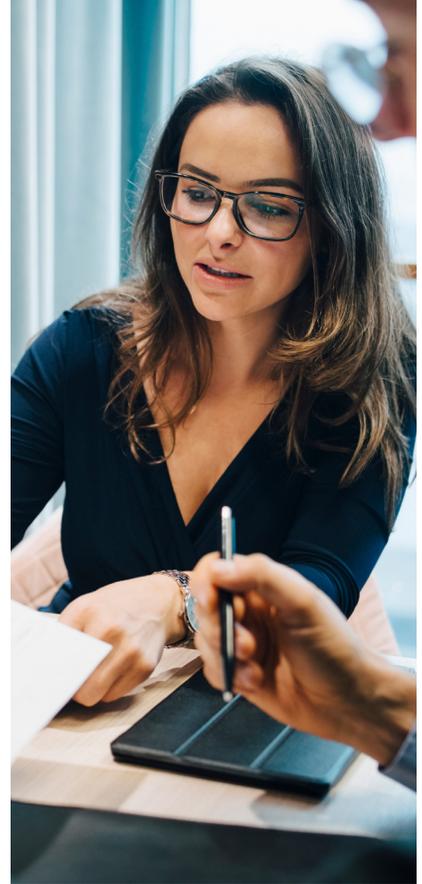
- **Time savings.** Integrations can reduce or eliminate the time and effort associated with manual data entry.
- **Error reduction.** They can cut the costly errors that often result from entering data by hand.
- **Process simplification.** They allow HR to complete benefit tasks within the main system used for other work, without switching between systems or transferring data via file feeds.
- **Real-time synchronization.** They reduce rework and other complications in billing, claims and coverage by ensuring that employer and carrier systems are always in sync.
- **Broker focus.** They can reduce the need for brokers to troubleshoot and assist with benefits administration, so advisors can spend more time searching out ways to help drive utilization and impact company success.

Integrations can share many types of benefits information, including:

- Plan details, rates and eligibility criteria
- Employee benefit selections
- Evidence of insurability (EOI)
- Payroll-deduction calculations
- Employee changes (in name, address, benefit elections, compensation, dependents, etc., that have a bearing on insurance coverage or claim payment)
- Leave and absence eligibility and tracking (if the carrier manages the company's employee-leave program)



Integrations move
HR closer to digital
transformation



How to get integration right

By its very nature, digital information sharing will save HR time and trouble compared to old-fashioned paper and manual processes.

But the best integrations go further than simple sharing, by embedding benefits data throughout all the relevant business processes. By doing so they create a **double ROI**:

- They streamline processes and increase efficiency by **leveraging existing investments** in HRIS technology.
- They lead to **higher participation** in the benefits package the employer provides.

Here are the four hallmarks of superior benefits integration:

1

Streamlined plan setup and implementation

A smooth benefits administration process requires thoughtfully constructed insurance plans designed to “plug and play” with your specific HR system.

Many times, the information that carriers use in setting up plans does not reflect how employers think about their business, or the language their HR information system uses for benefit plans. The result is hours spent in meetings, on the phone and sending documents back and forth to translate insurer language into the terms used by the organization’s HR technology.

Then, the plan often has to be manually entered into the company’s HR system before enrollment can begin. For each benefit, HR needs to enter the policy number, eligibility rules, number and description of employee classes, number and description of divisions, age bands, rates for each plan, benefit information, plan options, definition of earnings and more.

Using manual processes costs HR significant time and effort and introduces the possibility of errors that can cause problems with coverage and billing down the road. Plus, brokers are often called upon to help, which takes time away from more strategic efforts on their client’s behalf.

The right integration can leapfrog over all that by allowing the carrier to deliver a carefully coded plan that is automatically understood by the employer’s HR system, and can be uploaded and confirmed in minutes rather than days — with no manual effort.

The best integrations go beyond information sharing to embedding benefits data throughout all relevant business processes

Employees and employers embrace self-guided enrollment options

EMPLOYEES' TOP RESPONSES*

What are your preferred ways to learn about your benefit options?



42%

Benefits portal or website



38%

Review printed materials



28%

In-person meeting with benefits counselor

EMPLOYERS' TOP RESPONSES**

What benefit enrollment method(s) will/did your organization use this year?



48%

Internal company site for online self-guided enrollment



43%

Carrier or enrollment company portal for online self-guided enrollment



40%

Enrollment during group meetings with counselor or HR



35%

Enrollment during 1-1 meetings with counselor



32%

Paper enrollment

* Source: Unum, 2021 Employee Enrollment Survey of 1,462 U.S. Workers, August 2021.

** Source: Unum, 2021 Employer Benefits Education and Enrollment Survey of 404 U.S. Employers, August 2021.

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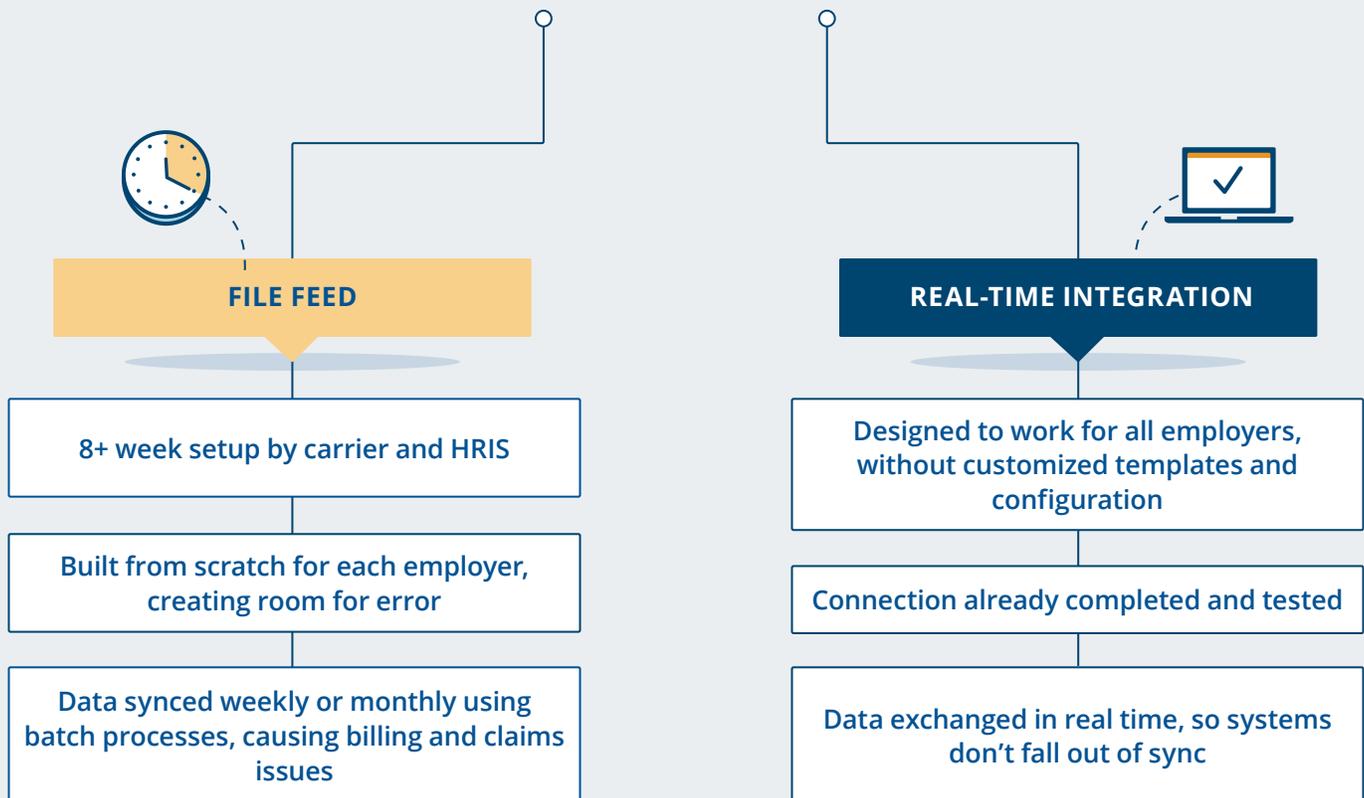
Real-time enrollment data transfer

In a recent survey, over 40% of employees ranked self-service online enrollment as one of their top preferred ways to select benefits.¹ Real-time data sharing allows employers to seamlessly embed the enrollment process into their HR system, allowing employees to complete enrollment in one familiar system. Integration also allows data fields to be prepopulated with information that's already on record (such as name, address, salary and dependents). If updates are made to that information, they're reflected everywhere in the system.

Even more important, integrated employee enrollment data lets HR avoid manually entering information from paper forms or using file feeds to send the enrollment data to the carrier. Instead, the information is automatically synced with the carrier's system — once again saving HR time and avoiding costly errors. See [File feed vs. integration: What's the difference?](#)



File feed vs. integration: What's the difference?





3

Embedded EOI

Integrations allow the process of providing evidence of insurability to be embedded into the enrollment process, by sharing application data with the insurance carrier in real time. With embedded EOI, employees who want higher coverage levels can answer medical questions online as they enroll, instead of using paper application forms or logging into a separate online process after the fact.

The result is a superior experience for employees and HR alike, leading to a higher return on investment in benefits and HR technology. When employees can easily complete EOI during the enrollment process, they are much more likely to follow through on their applications and receive the coverage levels they want. This higher participation can in some cases lead to lower insurance rates down the road. In addition, eliminating paper and separate digital processes frees HR from spending hours or even days distributing forms or emailing links, and then checking and reminding people to complete the process.

When employees can complete EOI during the enrollment process, they are much more likely to follow through and receive the coverage they want

Another major benefit of embedded EOI is the speed of decision making and the complications such quick turnaround avoids down the road. Through integration, back-end underwriting processes and services can deliver immediate application decisions, compared to waiting weeks for mail-in forms to be processed. Not only does this give employees confidence in the process, it means that premium payments and payroll deductions can be processed immediately, instead of reconciling and correcting invoices after the coverage decision comes in.



4

Much more than simple sharing

Syncing and sharing information is great, but to really maximize the value of an HRIS investment, integrations need to go further. For every absence, benefit selection, employee information change or other transaction made in either the carrier's or the employer's system, the best integrations make sure that all the right additional records are updated, automatically and in real time.

So, for example:

- The company's bill for coverage reflects new employees, terminations, dependent changes, etc., in real time, so there's **no need to go through a monthly reconciliation process** — and HR can pay the bill online with confidence in just a couple of clicks.
- Real-time absence information is integrated **right down to the employee's time card**, with the proper absence code, and is easily visible to HR for tracking and management.

How the right benefits integration delivers savings: An overview



PLAN SETUP

- Cuts time, effort and errors by building plans that work seamlessly with the HRIS



BILLING

- Ensures correct billing and reduces reconciliation by eliminating information time lag



EOI

- Cuts time, effort and manual data entry associated with paper forms
- Encourages employees to complete applications
- Offer quick decisions and confirmation



ENROLLMENT

- Cuts manual data entry and time spent on file feeds by synchronizing enrollment data in real time
- Allows employees to enroll using a convenient, familiar system



ABSENCE

- Cuts manual data entry and improves HR line of sight by automatically syncing employee leave and eligibility information, right down to the time card

How to quantify the impact



Employers can estimate the financial impact from a comprehensive HRIS integration by evaluating the current state of their benefits administration against the time savings, process simplification, error reduction, and other potential cost avoidance the integration can offer.

For robust integrations, the cost savings can total tens of thousands of dollars per year or more, depending on how many employees a company has, how many integration modules it chooses and the current cost of HR personnel. This is an important factor to consider when comparing the price and overall strategic value of a carrier's offerings.

Note that these calculations do not account for the positive effects of providing a better benefits experience for employees, including lower recruitment costs and higher productivity. Research shows that when employees like their benefits:²

- About two-thirds say they're more
 - productive
 - likely to stay at their organization
 - likely to recommend their workplace
- About one-half also say they're more engaged at work.

When a company can provide easy enrollment experiences, eliminate frustrating errors, and speed up processes across the board, it's on a better path to realizing these additional benefits.

See [Calculating integration ROI](#) for step-by-step guidance on determining the savings potential of benefits integration.

The broker advantage: How benefit integrations free up advisor time

1

PLAN SETUP

Integrated HR systems simplify plan setup by accurately syncing information, so clients are satisfied and brokers don't need to reach out to the carrier to do IT's job. No more troubleshooting errors, either. Broker time can be focused on helping get more people the coverage they need.

2

ENROLLMENT

Built-in modern user experiences educate current and prospective policyholders so brokers don't need to. Plus, digital enrollment and evidence of insurability boost participation rates, ensuring clients are protecting their employees and getting coverage to everyone without needing to chase anyone down.

3

BILLING

No more combing through client receipts and reaching out to carriers each time changes are needed to payroll deductions. Integrations are built to account for shifts in employment and premiums with accurate and hands-free deductions.

4

NOTIFICATIONS

Reminders don't need to come from brokers. Integrated systems know to send out notifications when tasks are coming due, keeping late parties up to date.

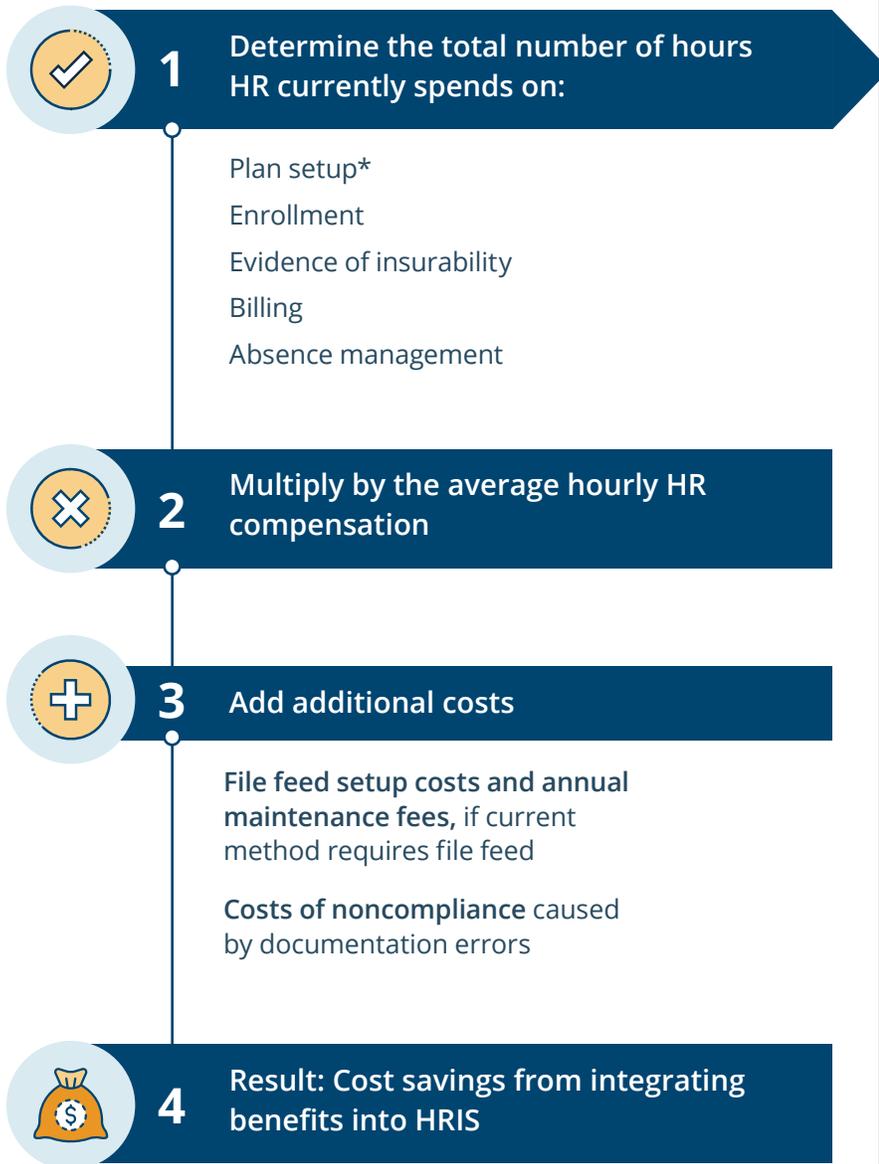
5

REPORTING

No need to waste any more time working with outdated spreadsheets and manually calculating results. Reports are automatically generated and easy to digest whenever they're needed.



Calculating integration ROI: Methodology



*Unum customer experience shows employers can expect to save about 75% of plan setup direct costs with integration.

Take these activities into account:

Plan setup*

- Phone calls, emails and meetings to set plan details and calculate rates
- Manually entering details for each plan into HRIS
- Correcting errors and troubleshooting plan setup

Enrollment

- Entering enrollment data into HRIS
- Making manual changes and updates
- Correcting data entry errors

Evidence of insurability

- Distributing paper forms, reminding employees and checking on completion
- Entering application data into HRIS
- Correcting errors, filling in missing info
- Sending file feed to carrier
- Checking on decisions

Billing

- Reconciling billing with changes made during lag time
- Calculating premiums
- Correcting errors
- Submitting payment by check

Absence management

- Updating HRIS with information for each absence
- Ensuring absences are correctly reflected on time cards



ILLUSTRATIVE — FICTIONAL COMPANY

Calculating integration ROI: Example

Industry: Manufacturing

Employees: 1,000

Number employee-paid benefits offered: 5

Percent typically electing at least one benefit: 20%

Percent applications typically requiring EOI: 35%

Fully loaded HR hourly rate: \$90

Current benefits administration method: File feed to carrier

 **1 Determine the total number of hours HR currently spends on:**

Plan setup	*105 hours
Enrollment	132 hours
Evidence of insurability	52 hours
Billing	182 hours
Absence management	100 hours
<hr/>	
Total	571 hours

 **2 Multiply by the average hourly HR compensation**

$$571 \text{ hours} \times \$90 \text{ per hour} = \$51,390$$

 **3 Add additional costs**

File feed setup costs and annual maintenance fees, if current method requires file feed

Costs of noncompliance caused by documentation errors

First year file feed setup	\$25,000
Compliance cost	\$1,300
<hr/>	
Total additional cost	\$26,300

 **4 Total cost savings**

$$\$51,390 + \$26,300 = \underline{\underline{\$77,690}}$$

All data shown in this scenario is fictional and does not portray a specific customer or any specific customer data. Estimated costs are based on average Unum HR Connect® customer experience.

*140 hours x 75% — expected time savings per Unum customer experience.



Choosing a carrier

Many carriers offer API (application programming interface) connections that can help reduce manual benefits effort and sync employee information. Beyond those basics, however, look for a carrier that:

- Has deep experience and certified experts working with the particular HRIS, so implementing the integration is easy and everything runs smoothly, without glitches and excess troubleshooting
- Uses strong security measures to protect sensitive data
- Goes beyond syncing basic employee information and benefit elections, with connections for things like plan setup and absences, to solve the company's most time-consuming benefits and leave management issues
- Provides expert live support when needed, to solve problems quickly and easily and give employees superior, empathetic support

About Unum

At Unum, we help the working world thrive throughout life's moments. We help millions of people gain affordable access to disability, life, accident, critical illness, dental and vision benefits through the workplace — benefits that help them protect their families, their finances and their futures.

About Unum HR Connect®

HR Connect by Unum is a comprehensive benefits integration that eliminates common errors and saves HR professionals hours of valuable time every month — freeing them to focus on strategic goals like attracting and supporting a great workforce. By replacing manual, file-driven processes with automated, real-time information sharing, HR Connect simplifies administration and delivers a better benefits experience for HR and employees alike.



Contact your Unum sales representative for a demo of Unum HR Connect.

Your rep can also walk you through our Unum HR Connect Value Calculator, to see your potential annual savings.



Better
benefits
at work.™

¹ Unum, 2021 Employee Enrollment Survey of 1,462 U.S. Workers, August 2021.

² Unum, 2021 Employee Enrollment Survey of 1,462 U.S. Workers, August 2021. Of employees who rated their benefits excellent or very good.