

**ease**

# **2021 SMB Benefits and Employee Insights Report**

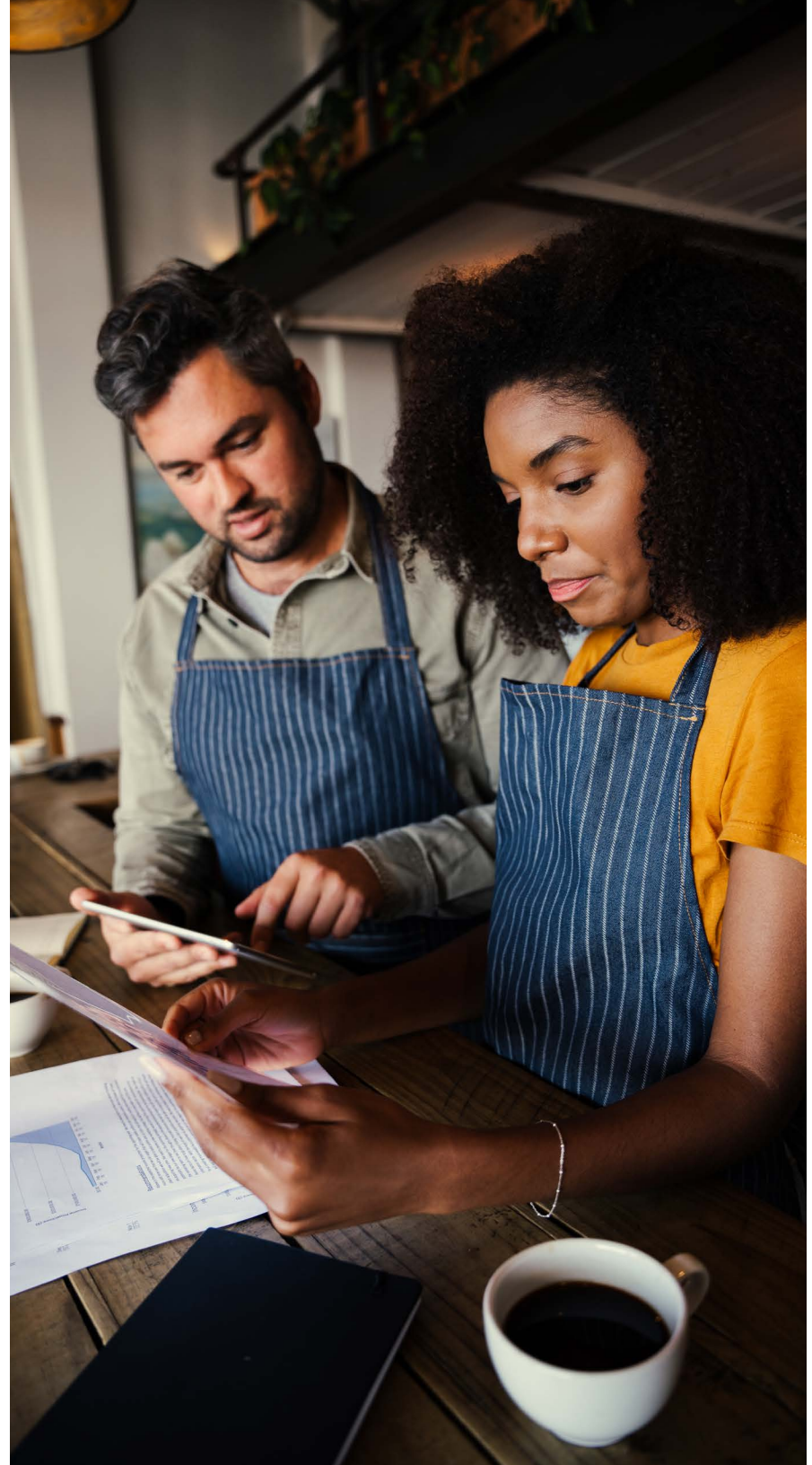
National Data, Trends, and Observations



## Our Second Annual Report + A Year Like No Other

Nearly 60 million employees from small and midsize businesses (SMB) evaluate their health benefits each year. Ease helps insurance brokers streamline this complex process and offer their clients better service through simple technology.

Today, **2,000 insurance agencies** use Ease to forge a deeper relationship with their **75,000 clients** and more than **2.5 million employees**. We have analyzed this wealth of data to extract new industry trends and glean insights into how SMB benefits adjusted and evolved in 2020.



## The 2021 SMB Benefits & Employee Insights Report will cover the following:



Medical premiums and contributions



Health plans offered and types



Voluntary benefit trends and analysis



SMB growth



Special report: impact of COVID-19

The 2021 SMB Benefits & Employee Insights Report is a study of SMBs across the country, such as doctor's offices, manufacturers, restaurant groups, and more. The findings may not apply to businesses with more than 250 employees.

This report focuses on trends from the last three years (2018-2020). During that time Ease has supported 75,000 businesses and more than 2.5 million employees across the country.

We hope you enjoy this report and can use the findings to continue to make better decisions about the benefits you offer, as well as to drive employee engagement. If there's data you wish to see in the future, please send us a note at [hrinsights@ease.com](mailto:hrinsights@ease.com).

### Methodology

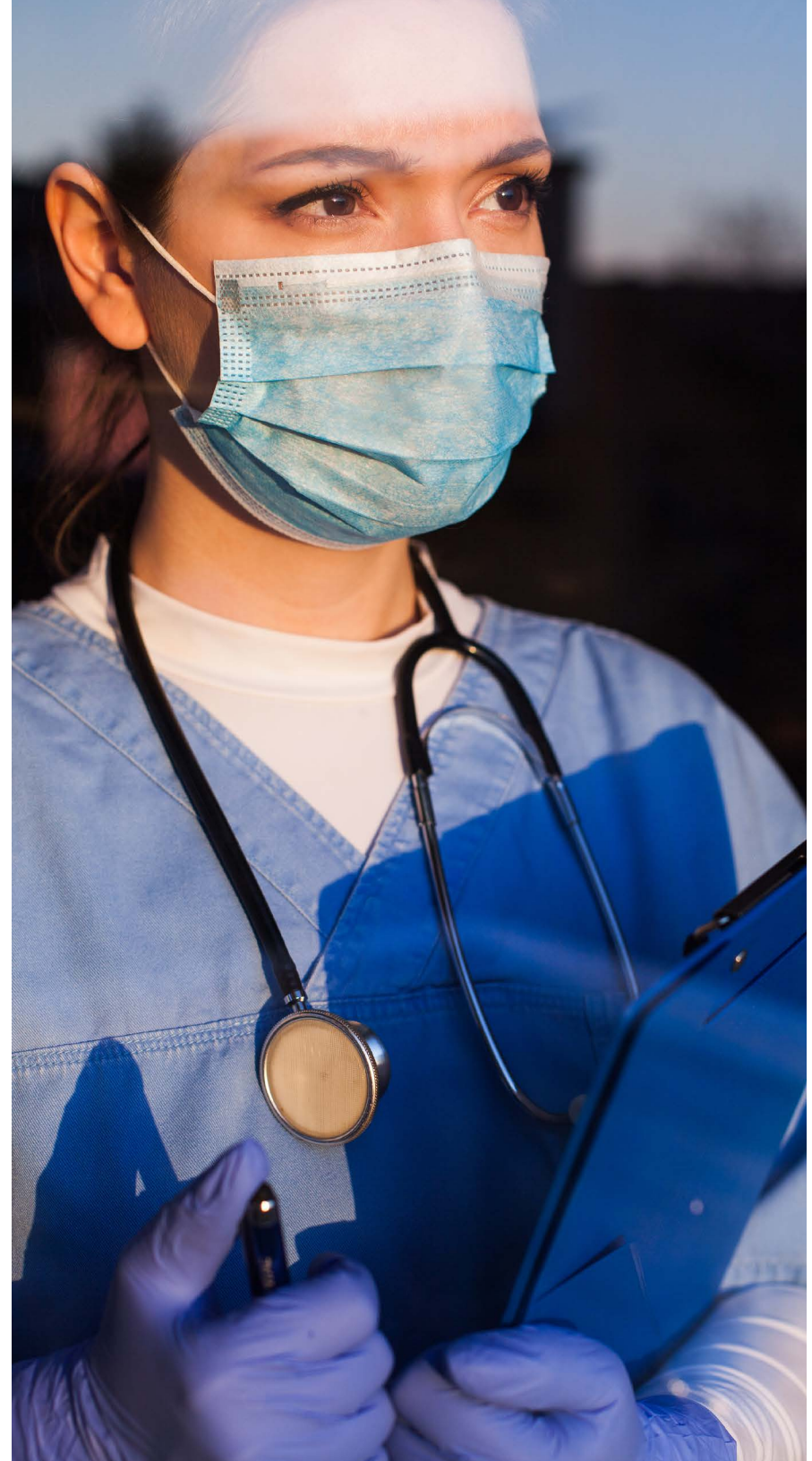
Please note that the data in this report is reflective of the SMBs that use Ease. If you have questions about the trends we talk about in this report, please feel free to confirm with your broker or reach out to a member of the Ease team. This analysis is based on anonymized data and was collected in November and December 2020.

## Medical Premiums & Contributions

**In light of a global health crisis in 2020, rising medical premiums for both families and individuals may not have made front page news, though costs did continue to steadily rise again—a trend that shows no indication of slowing.**

However, the rate of increase is perhaps a story unto itself, with both family and individual rate increases eclipsing the rate of inflation for 2020. In fact, overall healthcare prices only rose 1.8% in 2020, while prescription drug prices dropped 2.4%. Even amidst a pandemic, costs for hospital services rose only 3% from 2019 to 2020, holding steady with the same increase as the prior year. Costs for physicians' services increased by only 1.7%<sup>1</sup>. However, the average company in Ease saw an increase in individual medical premiums of nearly 6%, while the family medical premiums increased 3.74% on average. This inordinate increase compared to both the rate of inflation and even the rate of change for other costs in the healthcare industry landscape pose unique challenges to business decision makers, as they seek to balance meaningful access and quality care with affordability.

<sup>1</sup> <https://www.bls.gov/opub/ted/2021/mobile/consumer-price-index-2020-in-review.htm>



## Monthly Medical Premiums Breakdown

### Individual Plans – All 50 States

	2018	2019	2020	2018-2020	2018-2019	2019-2020
All companies using Ease	<b>\$494</b>	<b>\$510</b>	<b>\$541</b>	<b>▲ 9.32%</b>	<b>▲ 3.16%</b>	<b>▲ 5.98%</b>
1-10 employees	<b>\$497</b>	<b>\$513</b>	<b>\$534</b>	<b>▲ 7.46%</b>	<b>▲ 3.13%</b>	<b>▲ 4.19%</b>
11-50 employees	<b>\$490</b>	<b>\$507</b>	<b>\$518</b>	<b>▲ 5.68%</b>	<b>▲ 3.43%</b>	<b>▲ 2.18%</b>
51-100 employees	<b>\$494</b>	<b>\$503</b>	<b>\$528</b>	<b>▲ 6.91%</b>	<b>▲ 1.91%</b>	<b>▲ 4.90%</b>
101-250 employees	<b>\$492</b>	<b>\$515</b>	<b>\$554</b>	<b>▲ 12.62%</b>	<b>▲ 4.60%</b>	<b>▲ 7.67%</b>

2020 saw increases in medical premiums across the board, a continuation of the trend seen in 2019. In Ease, the average individual medical premium in 2020 was \$541, an increase of 5.98% year over year (YoY). With the exception of companies with 11-50 employees, premiums grew faster from 2019 to 2020 across all

employer sizes, with an average growth rate of 5.98%, as opposed to 3.16% growth from 2018 and 2019. In fact, companies with 101-250 active employees saw the biggest jump YoY—with their individual medical premiums on average increasing nearly 8% from 2019.

## Monthly Medical Premiums Breakdown

### Family Plans – All 50 States

	2018	2019	2020	2018-2020	2018-2019	2019-2020
All companies using Ease	<b>\$1,294</b>	<b>\$1,348</b>	<b>\$1,398</b>	<b>▲ 8.08%</b>	<b>▲ 4.19%</b>	<b>▲ 3.74%</b>
1-10 employees	<b>\$1,283</b>	<b>\$1,320</b>	<b>\$1,341</b>	<b>▲ 4.55%</b>	<b>▲ 2.90%</b>	<b>▲ 1.60%</b>
11-50 employees	<b>\$1,315</b>	<b>\$1,348</b>	<b>\$1,398</b>	<b>▲ 6.30%</b>	<b>▲ 2.45%</b>	<b>▲ 3.76%</b>
51-100 employees	<b>\$1,237</b>	<b>\$1,347</b>	<b>\$1,401</b>	<b>▲ 13.26%</b>	<b>▲ 8.83%</b>	<b>▲ 4.07%</b>
101-250 employees	<b>\$1,303</b>	<b>\$1,400</b>	<b>\$1,524</b>	<b>▲ 16.98%</b>	<b>▲ 7.48%</b>	<b>▲ 8.83%</b>

Family medical premiums also saw an increase across the board, following the trend seen in individual medical premiums. For all companies in Ease, the average family medical premium in 2020 was \$1,398. The year-over-year growth for family medical premiums lagged behind that of individual medical premiums, with only a 3.74% increase from 2019 to 2020. However, one trend that did mirror that of the individual medical premiums was that groups with 101-250 employees saw the most significant jump, growing from \$1,400 to \$1,524 YoY—an increase of 8.83%.

In 2018, family medical premiums for companies with 101-250 employees were only 1.53% higher than those for companies with 1-10 employees. By stark contrast, in 2019, the difference had increased to 5.71%, and by 2020 the difference had grown to 12% higher. The correlation between company size and increased premium cost is one to continue to monitor.

## Monthly Contribution Breakdown

### Employer Contribution: Individual

	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$372	\$379	\$400	▲ 7.35%	▲ 1.68%	▲ 5.58%	75.33%	74.25%	73.97%
1-10 employees	\$356	\$361	\$371	▲ 4.22%	▲ 1.28%	▲ 2.90%	71.66%	70.37%	69.50%
11-50 employees	\$369	\$378	\$381	▲ 3.35%	▲ 2.46%	▲ 0.87%	75.30%	74.59%	73.63%
51-100 employees	\$381	\$382	\$398	▲ 4.44%	▲ 0.18%	▲ 4.25%	77.11%	75.80%	75.33%
101-250 employees	\$362	\$387	\$519	▲ 43.4%	▲ 6.97%	▲ 34.06%	73.49%	75.16%	79.53%

In 2020, companies that use Ease contributed an average of 73.97%, or \$400 per month, to their employees' individual medical premiums. The percent covered by employers declined marginally, from 74.24% in 2019 to 73.97% in 2020; however, the overall individual premium amount continued to experience growth YoY, climbing from \$379 to \$400 on average. This suggests that while premium costs continued to rise, employers costs remained fixed, passing the increase onto their employees.

The highest level of contribution was within employers with 101-250 active employees. Companies of that size contributed an average of \$519 per month, or 79.53% total of their individual employee's medical premiums. This is not far off the national average, which is 83%<sup>2</sup>, up from 82% in 2019. Businesses with only 1-10 active employees saw the smallest contribution to their employees' individual medical premiums, with a contribution of approximately 10% less than that of companies with 101-250 employees.

<sup>2</sup> <https://www.peoplekeep.com/blog/what-percent-of-health-insurance-is-paid-by-employers>

## Monthly Contribution Breakdown

### Employee Contribution: Individual

	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$122	\$131	\$141	▲ 15.34%	▲ 7.68%	▲ 7.12%	24.67%	25.75%	26.03%
1-10 employees	\$141	\$152	\$163	▲ 15.65%	▲ 7.83%	▲ 7.25%	28.34%	29.63%	30.50%
11-50 employees	\$121	\$129	\$137	▲ 12.79%	▲ 6.37%	▲ 6.04%	24.70%	25.41%	26.37%
51-100 employees	\$113	\$122	\$130	▲ 15.22%	▲ 7.74%	▲ 6.94%	22.89%	24.20%	24.67%
101-250 employees	\$130	\$128	\$134	▲ 2.33%	▼ 1.97%	▲ 4.39%	26.51%	24.84%	24.09%



## Monthly Contribution Breakdown

### Employer Contribution: Family

	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$770	\$796	\$827	▲ 7.29%	▲ 3.30%	▲ 3.87%	59.55%	59.05%	59.12%
1-10 employees	\$616	\$618	\$626	▲ 1.69%	▲ 0.36%	▲ 1.33%	48.00%	46.82%	46.69%
11-50 employees	\$812	\$823	\$858	▲ 5.66%	▲ 1.36%	▲ 4.24%	61.74%	61.08%	61.37%
51-100 employees	\$829	\$911	\$943	▲ 13.76%	▲ 9.94%	▲ 3.48%	67.00%	67.68%	67.30%
101-250 employees	\$990	\$1,032	\$1,104	▲ 11.52%	▲ 4.26%	▲ 6.96%	75.97%	73.69%	72.42%

On average, employer contributions to family medical premiums have remained nearly unchanged for the past three years, holding steady at 59.12% in 2020. In fact, employer contributions across all company sizes remained predominantly unchanged for the past

three years, a trend seen nowhere else. While contributions may not be rising, overall family medical premium costs are decidedly on the rise. In Ease, family medical premiums cost nearly \$10,000 a year on average in 2020, up roughly \$500 from the year before.

## Monthly Contribution Breakdown

### Employee Contribution: Family

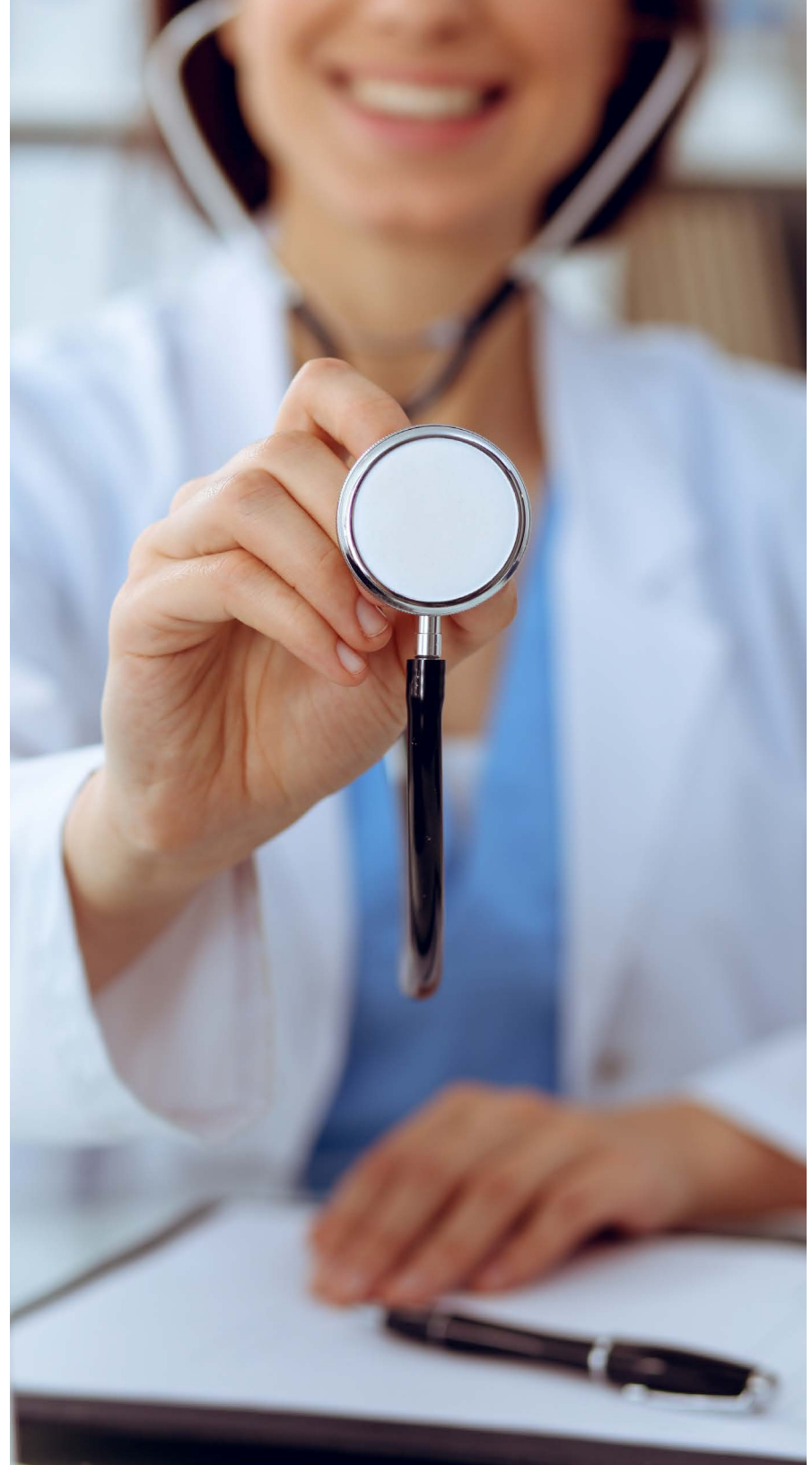
	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$523	\$552	\$572	▲ 9.23%	▲ 5.49%	▲ 3.54%	40.45%	40.95%	40.88%
1-10 employees	\$667	\$702	\$715	▲ 7.19%	▲ 5.25%	▲ 1.84%	52.00%	53.18%	53.31%
11-50 employees	\$503	\$524	\$540	▲ 7.33%	▲ 4.20%	▲ 3.00%	38.26%	38.92%	38.63%
51-100 employees	\$408	\$435	\$458	▲ 12.25%	▲ 6.60%	▲ 5.30%	33.00%	32.32%	32.70%
101-250 employees	\$313	\$368	\$420	▲ 34.23%	▲ 17.67%	▲ 14.07%	24.03%	26.31%	27.58%

## Health Plans Offered & Types

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Over the last three years, the number of medical plans offered per employee has decreased by about 3% on average. This small but steady annual decrease observed since 2018 signifies an effort at cost containment by group leaders and business decision makers.

By controlling—and more notably, shrinking—the number of medical plans available to employees, companies are able to steer their employees to selecting more affordable plan options, such as HDHPs.



### Number of Medical Plans Offered Per Employee – All 50 States

	2018	2019	2020	2018-2020	2018-2019	2019-2020
All companies using Ease	2.78	2.72	2.69	▼ 3.09%	▼ 1.85%	▼ 1.26%
1-10 employees	1.88	1.86	1.85	▼ 1.38%	▼ 0.78%	▼ 0.61%
11-50 employees	3.49	3.87	3.41	▼ 2.50%	▲ 10.72%	▼ 11.95%
51-100 employees	3.92	3.87	3.71	▼ 5.32%	▼ 1.34%	▼ 4.04%
101-250 employees	3.76	3.58	3.64	▼ 3.28%	▼ 4.76%	▲ 1.56%

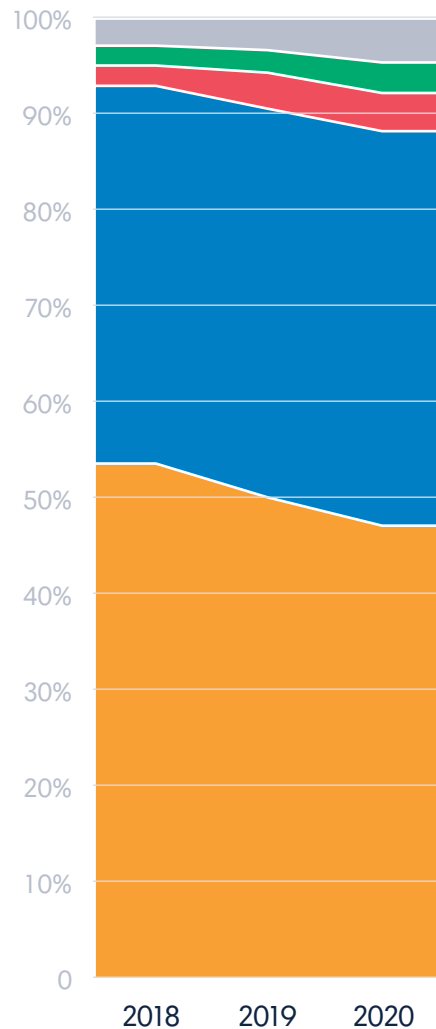


Company size plays a significant role in determining the overall employer cost of a group health plan. As we saw in 2020 in Ease, on average, businesses with more employees offered more medical plans than those with fewer employees. Larger groups may have the advantage of risk pooling, enabling higher cost claimants to be

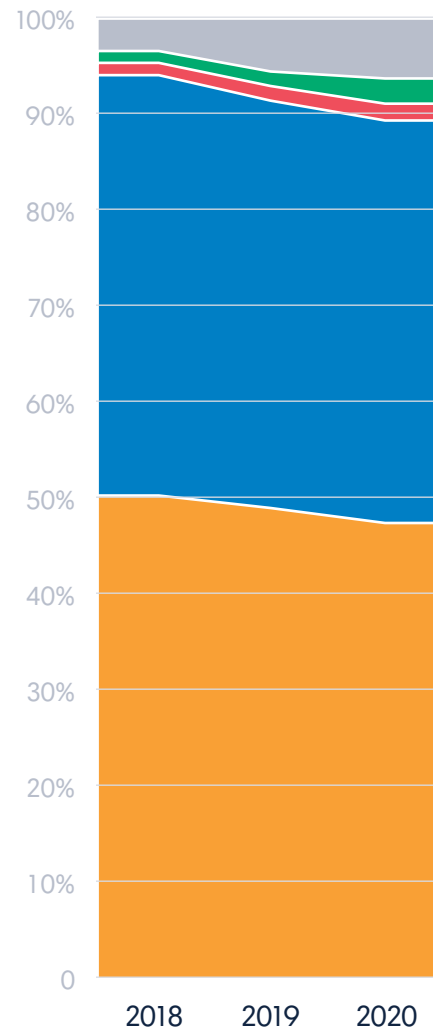
offset by the healthier, lower-cost population within the employer group. It's entirely possible that this risk shifting model allows larger groups to offer a wider variety of medical plans that may be cost-prohibitive to smaller companies.

## Medical Plan Type Enrollment Breakdown – All 50 States

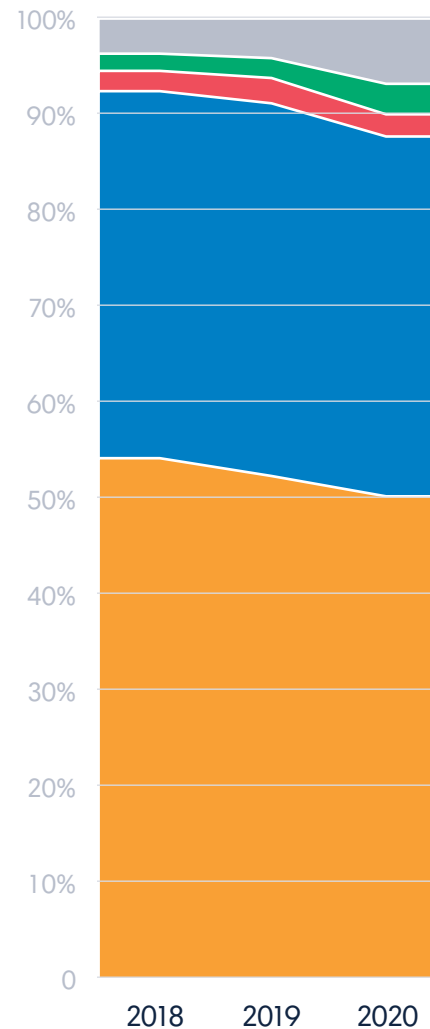
All Companies Using Ease



1-10 Employees



11-50 Employees

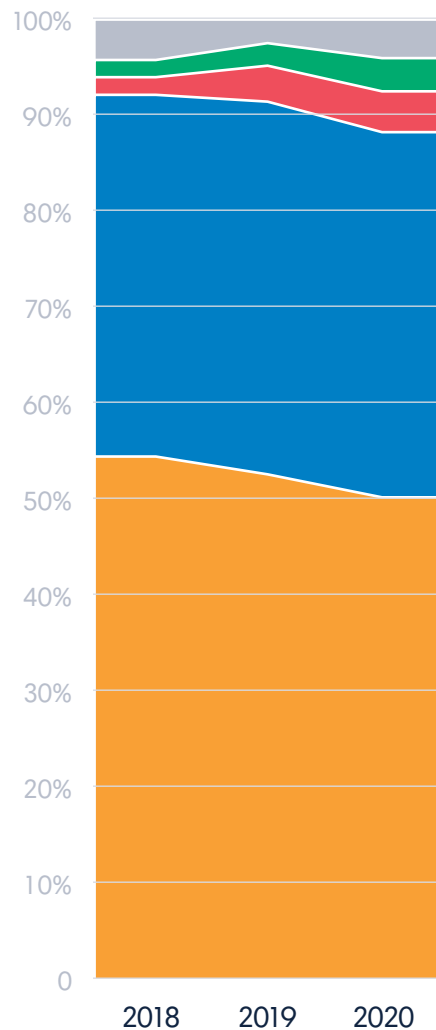


■ HMO   
 ■ PPO   
 ■ HDHP   
 ■ EPO   
 ■ POS

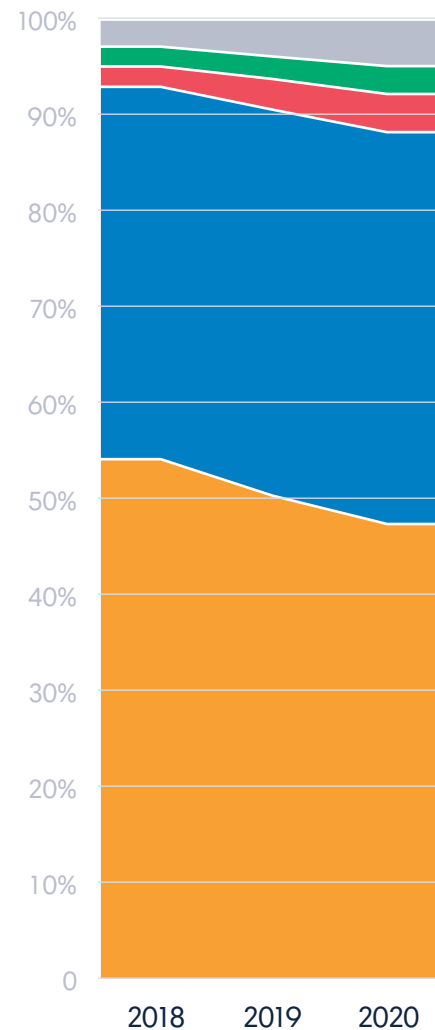
On average in 2020, employees selected HMOs more than any other plan type for medical insurance. This is a continuation of a trend we saw in 2019, though the rate of selection has actually diminished slightly YoY. In fact, in all company size segments except for those with 101-250 employees, the percentage of HMO and PPO plan selection actually decreased from 2019 to 2020.

## Medical Plan Type Enrollment Breakdown – All 50 States

### 51-100 Employees



### 101-250 Employees



■ HMO   
 ■ PPO   
 ■ HDHP   
 ■ EPO   
 ■ POS

Meanwhile, in contrast, HDHP selection increased YoY in all segments other than in companies with 1-10 employees. HDHP plans are particularly popular amongst millennial employees as a lower cost option that is generally attractive to a younger, healthier workforce.

It will be interesting to observe how the pandemic impacted medical plan selection for 2021, and if an ever-growing millennial workforce continues to prioritize driving down monthly premiums or if the pandemic causes a behavior shift to prioritizing containing deductibles and out-of-pocket costs.

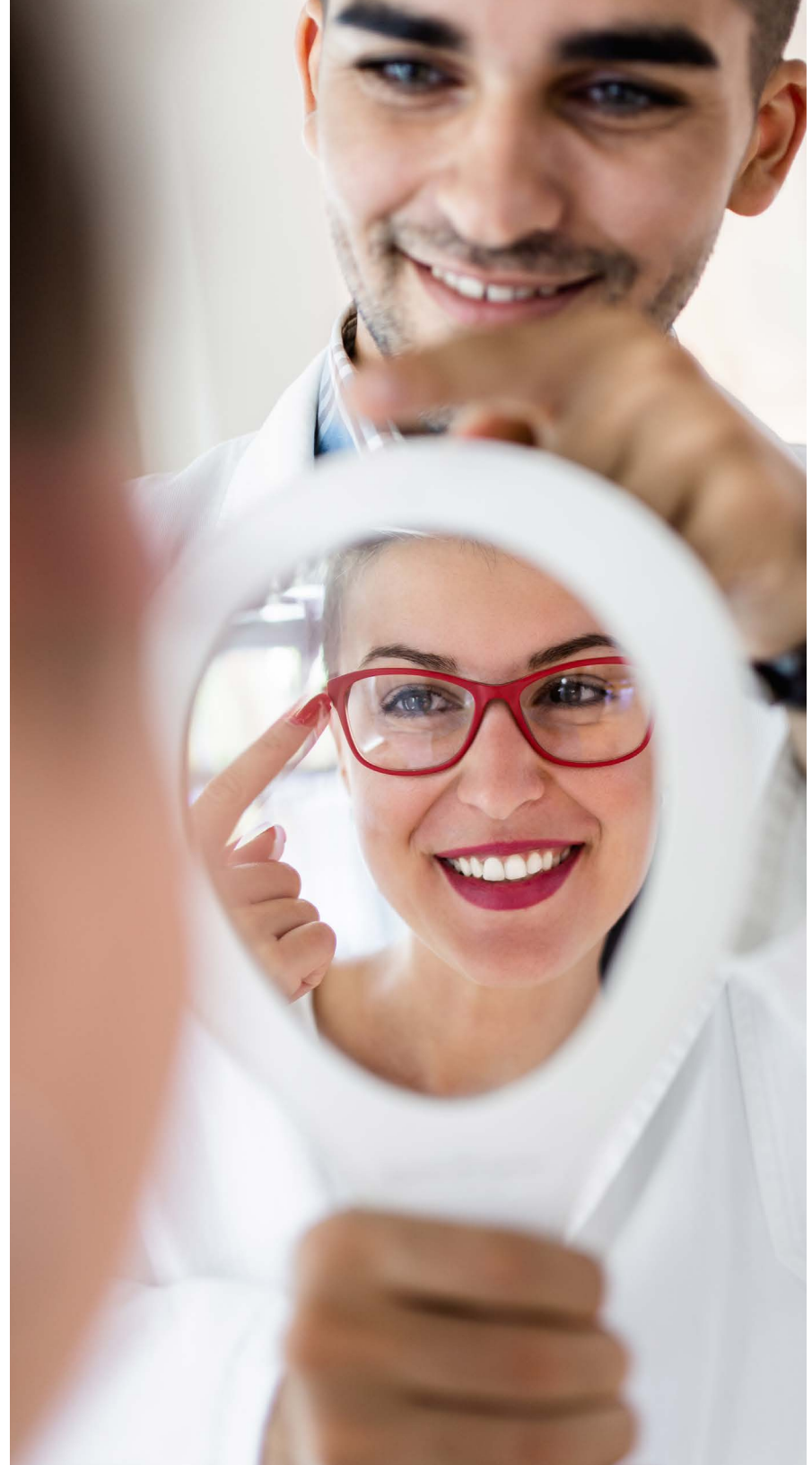
## Voluntary Benefits

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At the end of 2019, as many companies across the country were concluding their renewal period, the United States had an unemployment rate of 3.5%<sup>3</sup>—the lowest it had been since 1969.

It was in this environment that employers found themselves at war for the best talent and in need of total rewards packages to help differentiate their talent brand. Voluntary benefits help supplement the gaps found in core medical plans, and are a smart way for companies to attract top talent.

<sup>3</sup> <https://www.bls.gov/opub/mlr/2020/article/job-market-remains-tight-in-2019-as-the-unemployment-rate-falls-to-its-lowest-level-since-1969.htm>



### Voluntary Benefits Plans Offered Per Employee – All 50 States

	2018	2019	2020	2018-2020	2018-2019	2019-2020
All companies using Ease	<b>3.48</b>	<b>3.53</b>	<b>3.59</b>	<b>▲ 3.06%</b>	<b>▲ 1.40%</b>	<b>▲ 1.59%</b>
1-10 employees	<b>2.26</b>	<b>2.28</b>	<b>2.35</b>	<b>▲ 3.69%</b>	<b>▲ 0.61%</b>	<b>▲ 2.96%</b>
11-50 employees	<b>3.72</b>	<b>3.81</b>	<b>3.88</b>	<b>▲ 4.08%</b>	<b>▲ 2.18%</b>	<b>▲ 1.78%</b>
51-100 employees	<b>4.87</b>	<b>4.97</b>	<b>5.00</b>	<b>▲ 2.72%</b>	<b>▲ 1.92%</b>	<b>▲ 0.75%</b>
101-250 employees	<b>5.53</b>	<b>5.56</b>	<b>5.68</b>	<b>▲ 2.70%</b>	<b>▲ 0.61%</b>	<b>▲ 2.03%</b>

Similar to what we saw with medical plans, the larger the company, the more voluntary benefit plans offered per employee. A company with 101-250 employees offered 3.33 more voluntary benefit plans in 2020 than a company with 1-10 employees offered their

employees. On average, the number of voluntary benefit plans offered per employee has increased by roughly 3% since 2018. The most popular plans are Dental, Vision, Life AD&D, Short-Term Disability, and Long-Term Disability.



## Dental Plans

### Monthly Employer Contributions

	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$31.33	\$29.90	\$27.28	▼12.92%	▼4.54%	▼8.78%	48.92%	47.20%	44.39%
1-10 employees	\$31.85	\$28.90	\$27.75	▼10.05%	▼6.35%	▼3.95%	45.02%	43.22%	41.60%
11-50 employees	\$32.94	\$30.63	\$28.30	▼14.09%	▼7.02%	▼7.61%	49.32%	46.93%	44.76%
51-100 employees	\$32.97	\$30.25	\$28.12	▼14.72%	▼8.26%	▼7.05%	51.24%	48.61%	46.14%
101-250 employees	\$26.82	\$28.38	\$26.56	▼0.95%	▲5.83%	▼6.40%	46.10%	48.00%	45.07%

Over the last three years, employers continued to contribute less to dental plans each year, both in dollar amount and in percentage of premium. In 2020, employers contributed \$324 on average for the

year, a decrease of 8.78% from the previous year. This means that as premiums rise, employers are **not** covering the difference.

## Dental Plans

### Monthly Employee Contributions

	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$32.70	\$33.50	\$34.20	▲ 4.52%	▲ 2.31%	▲ 2.16%	51.07%	52.80%	55.61%
1-10 employees	\$37.70	\$38.00	\$39.00	▲ 3.38%	▲ 0.72%	▲ 2.64%	54.99%	56.78%	58.40%
11-50 employees	\$33.80	\$34.60	\$34.90	▲ 3.17%	▲ 2.34%	▲ 0.80%	50.67%	53.07%	55.23%
51-100 employees	\$31.40	\$32.00	\$32.80	▲ 4.64%	▲ 1.94%	▲ 2.65%	48.76%	51.40%	53.86%
101-250 employees	\$31.40	\$30.70	\$32.40	▲ 3.22%	▼ 1.93%	▲ 5.25%	53.90%	52.00%	54.92%

Employee contributions for dental plans are nearly the same, regardless of company size. However, though the total cost is comparable, employees from companies with 1-10 employees contribute slightly more to their premium compared to employees

from other companies. Similar to what we have observed with other voluntary benefits plans, the percentage of premiums employees contributed in 2020 toward dental plans increased YoY. This signals that as costs rise, employees are absorbing the difference.

## Vision Plans

### Monthly Employer Contributions

	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$5.10	\$5.60	\$4.30	▼16.96%	▲9.90%	▼24.45%	33.88%	43.07%	35.35%
1-10 employees	\$4.70	\$4.40	\$4.30	▼8.98%	▼6.70%	▼2.44%	35.43%	33.31%	32.70%
11-50 employees	\$5.30	\$4.90	\$4.50	▼15.69%	▼7.76%	▼8.59%	40.53%	38.72%	35.96%
51-100 employees	\$5.40	\$5.00	\$4.50	▼15.95%	▼8.00%	▼8.65%	44.78%	41.41%	38.05%
101-250 employees	\$5.00	\$4.60	\$4.20	▼16.41%	▼8.71%	▼8.44%	47.69%	39.69%	36.37%

Across all group sizes, employer contributions for vision insurance in 2020 was the lowest it has been for the three years we have been measuring. On average, employers are contributing less, both in dollar amount and in percentage of premium, toward vision

plans YoY. This means that—similar to other voluntary benefit plan trends in 2020—as premiums rise, employers are not covering the difference.

## Vision Plans

### Monthly Employee Contributions

	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$10.02	\$7.45	\$7.79	▼ 22.22%	▼ 25.60%	▲ 4.55%	66.15%	56.92%	64.65%
1-10 employees	\$8.53	\$8.73	\$8.76	▲ 2.79%	▲ 2.44%	▲ 0.34%	64.58%	66.66%	67.30%
11-50 employees	\$7.76	\$7.72	\$7.94	▲ 2.27%	▼ 0.56%	▲ 2.85%	59.51%	61.29%	64.05%
51-100 employees	\$6.64	\$7.02	\$7.37	▲ 10.92%	▲ 5.66%	▲ 4.98%	55.21%	58.63%	61.91%
101-250 employees	\$5.50	\$6.95	\$7.33	▲ 33.39%	▲ 26.50%	▲ 5.44%	52.30%	60.31%	63.64%

In 2020, employees paid a higher percentage of their vision premium year over year. Interestingly, employees who worked for companies with 51-100 employees contributed the least toward

their vision premiums in 2020, at just under 62%. The average amount employees contributed nationally for vision grew to \$93.48 a year, up 4.55% from 2019.

## Life AD&D

### Monthly Employer Contributions

	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$6.03	\$6.68	\$7.74	▲ 28.32%	▲ 10.68%	▲ 15.94%	58.36%	57.14%	57.45%
1-10 employees	\$7.69	\$8.77	\$10.41	▲ 35.37%	▲ 14.08%	▲ 18.66%	67.54%	69.05%	70.45%
11-50 employees	\$6.25	\$7.44	\$7.66	▲ 22.56%	▲ 19.02%	▲ 2.98%	59.82%	60.05%	57.70%
51-100 employees	\$7.30	\$7.78	\$7.31	▲ 0.07%	▲ 6.49%	▼ 6.03%	61.89%	60.39%	56.05%
101-250 employees	\$4.97	\$6.27	\$6.69	▲ 34.61%	▲ 26.12%	▲ 6.74%	52.74%	55.06%	52.29%

In Ease, the percentage of premium employers contributed toward Life AD&D decreased slightly from 2018 to 2019, with no meaningful change from 2019 to 2020. However, the actual dollar amount employers are contributing has increased in all but one segment YoY. Therefore, we can conclude that premiums are increasing, and that while employers are sharing some of the burden of increased

costs, they are still shifting some of it to the employee. In stark contrast to the trends seen in medical premium contributions, in the voluntary benefits landscape, the larger the company, the less the employer contributes to Life AD&D—both in terms of dollar amount and percentage of premium.

## Life AD&D

### Monthly Employee Contributions

	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$4.30	\$5.01	\$5.74	▲ 33.26%	▲ 16.50%	▲ 14.39%	41.63%	42.89%	42.55%
1-10 employees	\$3.69	\$3.93	\$4.36	▲ 18.12%	▲ 6.38%	▲ 11.04%	32.45%	30.93%	29.53%
11-50 employees	\$4.20	\$4.94	\$5.62	▲ 33.81%	▲ 17.67%	▲ 13.72%	40.21%	39.91%	42.34%
51-100 employees	\$4.50	\$5.11	\$5.73	▲ 27.50%	▲ 13.57%	▲ 12.26%	38.10%	39.64%	43.95%
101-250 employees	\$4.45	\$5.12	\$6.10	▲ 36.98%	▲ 14.91%	▲ 19.20%	47.29%	44.98%	47.71%

We have seen in Ease that employee costs for Life AD&D have increased steadily across all company sizes each year for the past three years. Generally speaking, the employees bear the burden of increased Life AD&D premium costs.

## Short-Term Disability

### Monthly Employer Contributions

	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$9.28	\$10.03	\$10.21	▲ 9.98%	▲ 8.04%	▲ 1.80%	48.10%	45.53%	42.94%
1-10 employees	\$5.08	\$4.59	\$5.68	▲ 11.88%	▼ 9.51%	▲ 23.64%	15.35%	13.60%	15.27%
11-50 employees	\$7.55	\$8.54	\$8.62	▲ 14.11%	▲ 13.07%	▲ 0.92%	36.97%	36.65%	32.82%
51-100 employees	\$10.78	\$12.45	\$10.67	▼ 1.00%	▲ 15.54%	▼ 14.32%	60.11%	57.46%	49.91%
101-250 employees	\$13.41	\$12.53	\$13.45	▲ 0.26%	▼ 6.59%	▲ 7.34%	70.94%	58.61%	60.83%

In Ease, the percentage of premium employers contribute toward short-term disability has decreased annually since 2018, from 48.10% to 42.94%. However, the actual dollar amount they contribute has increased for all size segments except companies with 51-100 employees. Therefore, we can conclude that premiums are increasing, and that while employers are sharing some of the burden of increased costs, they are still shifting some of it to the

employee. Unlike the trend seen in Life AD&D, larger companies actually contribute a higher percentage of premium toward short-term disability than their smaller-sized counterparts—a shocking 60.83% of premium vs. 15.27%. In 2020, companies with 101-250 employees paid 57.76% more toward short-term disability than companies with only 1-10 employees.

## Short-Term Disability

### Monthly Employee Contributions

	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$10.02	\$12.00	\$13.57	▲ 35.52%	▲ 19.81%	▲ 13.11%	51.89%	54.47%	57.07%
1-10 employees	\$28.01	\$29.20	\$31.51	▲ 12.51%	▲ 4.25%	▲ 7.92%	84.67%	86.41%	84.73%
11-50 employees	\$12.87	\$14.76	\$17.63	▲ 36.99%	▲ 14.65%	▲ 19.48%	63.04%	63.37%	67.17%
51-100 employees	\$7.15	\$9.22	\$10.71	▲ 49.67%	▲ 28.89%	▲ 16.13%	39.90%	42.55%	50.08%
101-250 employees	\$5.50	\$8.85	\$8.66	▲ 57.59%	▲ 61.01%	▼ 2.12%	29.07%	41.39%	39.18%

The per-month price that employees pay for short-term disability is directly correlated to the size of their company, with the cost going down as employee size goes up. Employees at companies with 101-250 employees contributed 47.71% toward short-term disability premium in 2020, whereas employees at companies with 1-10

employees contributed 84.73% toward their premium for short-term disability. Additionally, employee contributions have increased since 2018, meaning employees are bearing the burden of increased short-term disability premium costs.



## Long-Term Disability

### Monthly Employer Contributions

	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$13.29	\$15.30	\$14.12	▲ 6.23%	▲ 15.09%	▼ 7.70%	77.34%	76.62%	70.26%
1-10 employees	\$16.35	\$16.45	\$16.95	▲ 3.66%	▲ 0.62%	▲ 3.02%	62.33%	59.92%	55.73%
11-50 employees	\$12.77	\$16.45	\$14.23	▲ 11.50%	▲ 28.86%	▼ 13.47%	71.36%	70.84%	61.75%
51-100 employees	\$15.82	\$16.60	\$14.87	▼ 6.03%	▲ 4.94%	▼ 10.46%	84.24%	82.07%	76.12%
101-250 employees	\$10.87	\$12.56	\$13.74	▲ 26.45%	▲ 15.52%	▲ 9.46%	81.23%	80.33%	73.38%

In 2020 on average, employers contributed the same amount of money toward long-term disability as they did in 2019; however, the actual percentage of premium they contributed **decreased**. This means that as premiums rose, employers were not covering the

difference. This is likely the result of employers looking for creative ways to lower their overall costs in the most minimally abrasive way possible to their employees.

## Long-Term Disability

### Monthly Employee Contributions

	All 50 states 2018	All 50 states 2019	All 50 states 2020	% change 2018 to 2020	% change 2018 to 2019	% change 2019 to 2020	% of premium in 2018	% of premium in 2019	% of premium in 2020
All companies using Ease	\$3.90	\$4.67	\$5.97	▲ 53.35%	▲ 19.80%	▲ 28.01%	22.66%	23.37%	29.72%
1-10 employees	\$9.88	\$11.00	\$13.46	▲ 36.25%	▲ 11.33%	▲ 22.39%	37.67%	40.08%	44.27%
11-50 employees	\$5.12	\$6.77	\$8.82	▲ 72.13%	▲ 32.10%	▲ 30.30%	28.63%	29.14%	38.25%
51-100 employees	\$2.96	\$3.63	\$4.66	▲ 57.38%	▲ 22.59%	▲ 28.38%	15.76%	17.94%	23.85%
101-250 employees	\$2.51	\$3.08	\$4.98	▲ 98.68%	▲ 22.65%	▲ 61.99%	18.75%	19.69%	26.61%

On average, employees are contributing more toward their long-term disability premiums and their costs per month are increasing year over year. This means that as premiums increase, employees are bearing the brunt.

### Total Monthly Benefits Cost for Employee – All 50 States

	2018	2019	2020	2018-2020	2018-2019	2019-2020
All companies using Ease	<b>\$277</b>	<b>\$306</b>	<b>\$375</b>	<b>▲ 35.38%</b>	<b>▲ 10.51%</b>	<b>▲ 22.50%</b>
1-10 employees	<b>\$317</b>	<b>\$335</b>	<b>\$355</b>	<b>▲ 12.22%</b>	<b>▲ 5.80%</b>	<b>▲ 6.06%</b>
11-50 employees	<b>\$292</b>	<b>\$321</b>	<b>\$368</b>	<b>▲ 26.01%</b>	<b>▲ 10.04%</b>	<b>▲ 14.51%</b>
51-100 employees	<b>\$289</b>	<b>\$328</b>	<b>\$389</b>	<b>▲ 34.54%</b>	<b>▲ 13.46%</b>	<b>▲ 18.57%</b>
101-250 employees	<b>\$272</b>	<b>\$296</b>	<b>\$396</b>	<b>▲ 45.35%</b>	<b>▲ 8.64%</b>	<b>▲ 33.79%</b>

We examined how much employees pay in total for their benefits in 2020. As the size of the company grew, the amount employees paid towards their benefits declined. In fact, employees who work for companies with 101-250 employees paid 10.23% less than those

working for companies with 1-10 employees. On average, there was a greater increase in total employee cost from 2019 to 2020 than 2018 to 2019.

## SMB Growth

Ease has partnered with 2,000 health insurance agencies who support 75,000 SMBs, giving us unique insights into SMB growth.



### Average SMB Size – All 50 States

	2018	2019	2020	% change 2018 to 2020
1-10 employees	4.84	4.81	4.79	▼ 1.02%
11-50 employees	24.79	24.90	24.78	▼ 0.05%
51-100 employees	69.37	70.36	70.08	▲ 1.02%
101-250 employees	144.15	146.26	146.28	▲ 1.47%

Since 2018, smaller businesses have slightly decreased the number of employees they employ, while larger businesses have slightly increased their headcount.

As we saw during the pandemic throughout 2020, the key to small businesses survival is anticipation and adaptation. Small businesses forced to do more with less are in greater need of the right tools and technology to supplement tasks and activities previously conducted by employees.

#### In Summary

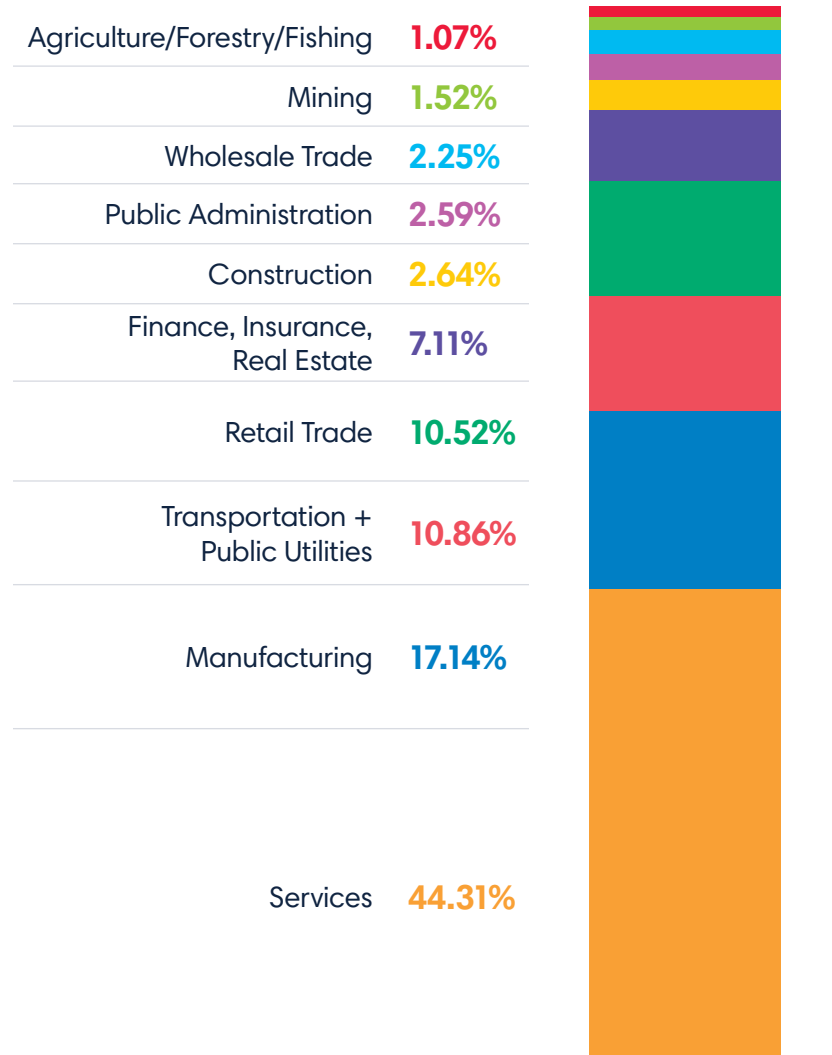
- Businesses with 1-10 employees, the average size has **decreased slightly** to 4.79 employees (-1.02%)
- Businesses with 11-50 employees, the average size has seen **a nominal dip** to 24.78 employees (-0.05%)
- Businesses with 51-100 employees, the average size **has grown** from 69.37 to 70.08 employees (+1.02%)
- Businesses with 101-250 employees, the average size **has grown** from 144.15 to 146.28 employees (+1.47%)

## Companies Using Ease

Despite the spike in national unemployment and overall market volatility seen by employers in 2020 as a result of COVID-19, groups in Ease demonstrated overall stability. Perhaps the biggest contributor for employer groups in Ease still experiencing growth in the face of a turbulent job market can be found by looking at the makeup of these employers relative to those in the hardest hit industries. While COVID-19 certainly upended the job market in 2020 from a national perspective, certain industries were hit harder than others. The **five hardest hit industries**<sup>4</sup> from a job loss and revenue perspective were:

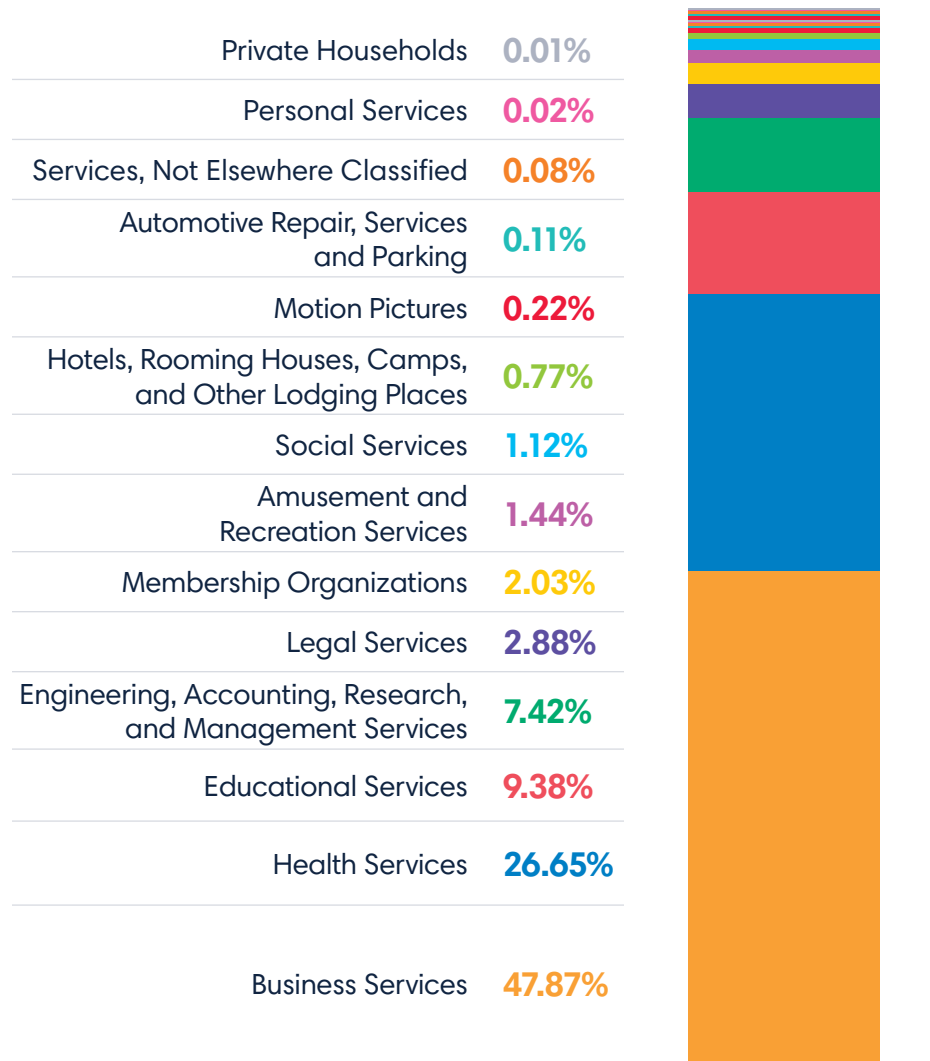
- Hotel
- Sports and performing arts
- Furniture and home furnishing stores
- Restaurants and bars
- Motion picture and sound recording

Of these **75,000 SMBs within Ease**, their company breakdown is made up primarily of “services,” at 44.31%, followed by manufacturing at 17.14%, and then transportation + public utilities at 10.86%.



<sup>4</sup> <https://www.businessinsider.com/jobs-industries-careers-hit-hardest-by-coronavirus-unemployment-data-2020-5#2-amusement-parks-and-casinos-9>

Within the services segment, the largest representation by far is that of business services at 47.87% of the category, followed by health services at 26.65%, and educational services at just under 10%.



Of the businesses in Ease that have experienced growth since 2018, it has looked like the following:



**2020 SMB Growth – All 50 States**

	Now employ 11-50	Now employ 51-100	Now employ 101-250	Now employ 250+
Of businesses with 1-10 employees in 2018	<b>12.59%</b>	<b>0.64%</b>	<b>0.28%</b>	<b>0.02%</b>
Of businesses with 11-50 employees in 2018	>	<b>6.10%</b>	<b>0.65%</b>	<b>0.04%</b>
Of businesses with 51-100 employees in 2018	>		<b>11.03%</b>	<b>0.29%</b>
Of businesses with 101-250 employees in 2018	>			<b>2.00%</b>

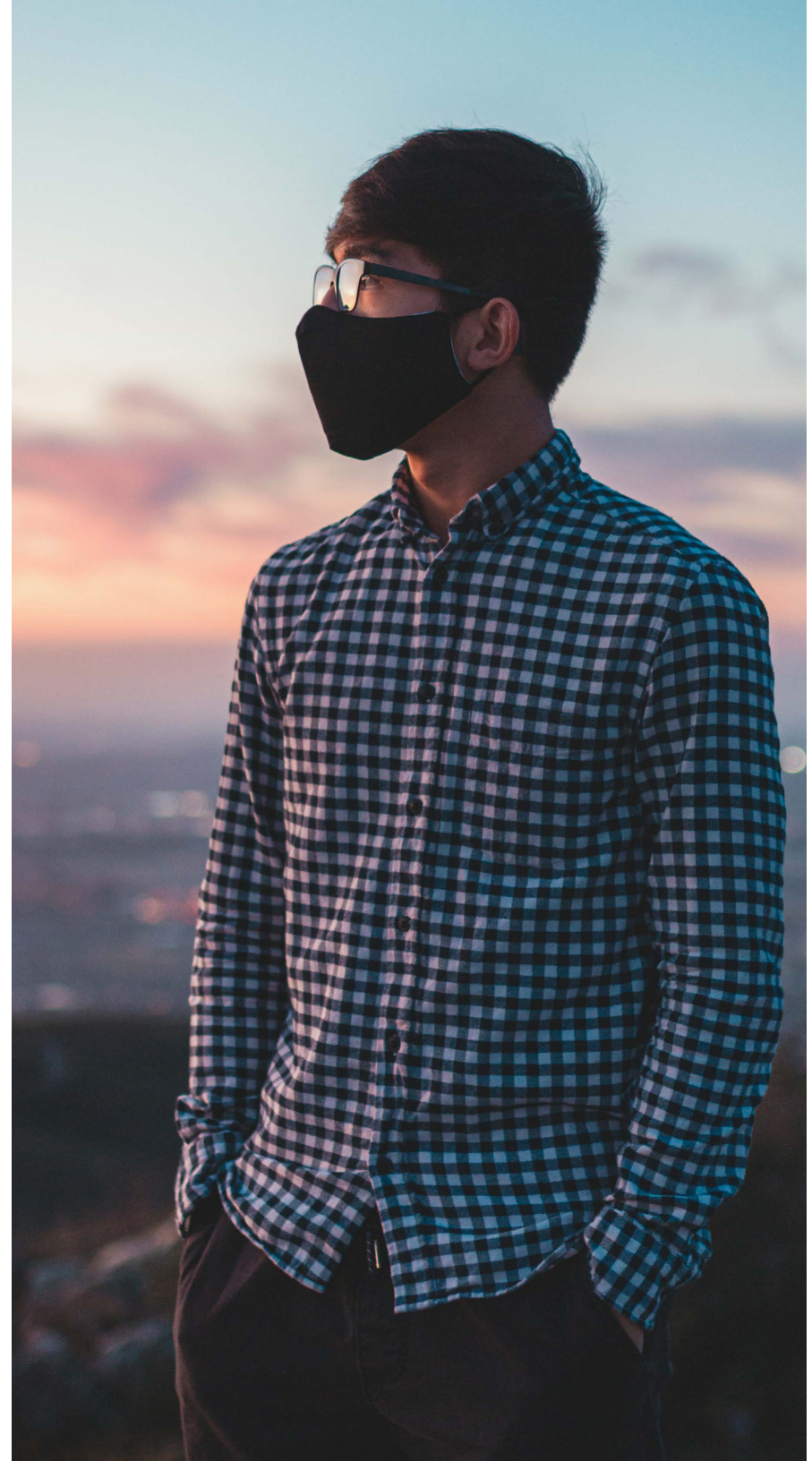


## Special Report: COVID-19

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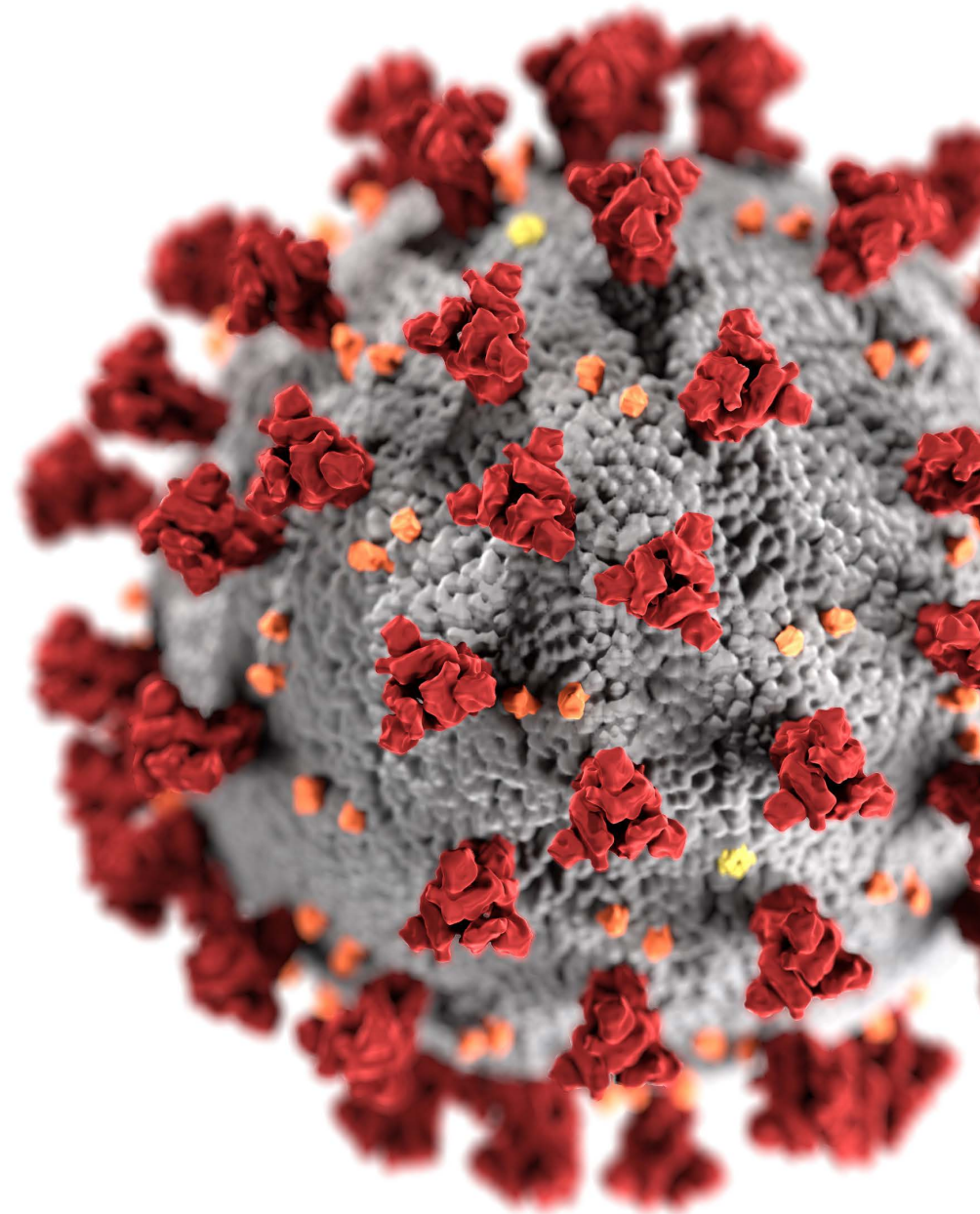
Over the course of the last year, we have found ourselves in the midst of the worst global pandemic in more than a century. In an instant, COVID-19 upended our sense of normalcy, including the way we live and do business.

As we explore the insights and trends that shaped 2020, we wanted to offer a glimpse into how COVID-19 impacted the SMB benefits space, as well as shifted the way employees interacted with their benefits.

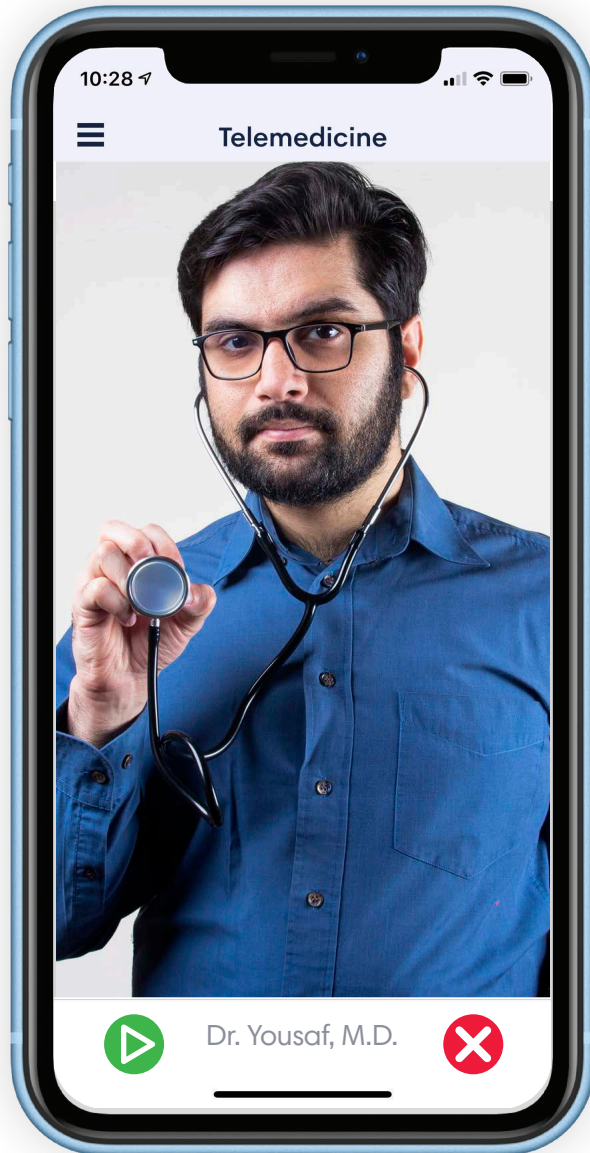


In 2020, brokers we surveyed indicated they had to help their groups with the following activities:

- Laying off of employees/navigating COBRA | **81%**
- Furloughing of employees | **74%**
- Hiring employees and conducting onboarding/benefits election remotely | **69%**
- Implementing a telehealth option for their groups' employees | **33%**
- Closing of a business | **19%**
- None of the above | **7%**



## Telemedicine



### Employee Telehealth Enrollment – All 50 States

	2019-2020
All companies using Ease	▲ <b>109.22%</b>
1-10 employees	▲ <b>104.93%</b>
11-50 employees	▲ <b>75.60%</b>
51-100 employees	▲ <b>342.15%</b>
101-250 employees	▲ <b>130.66%</b>

As many PCPs closed their offices and physical points of care presented risk of exposure, telemedicine rapidly became a critical necessity in 2020. We saw an explosion in the number of employees enrolled in telemedicine, with a YoY increase of 109%.

The “digital first” care model is unlikely to lose ground in 2021, as we continue to see the effects of COVID-19. Insurance carriers and the legislature alike have made significant strides in 2020 to create easier adoption of telemedicine. As a result, the number of employees enrolling in telemedicine has increased across companies of all sizes, with companies with 101-250 employees experiencing the largest increase.

## Furloughs and Rehiring

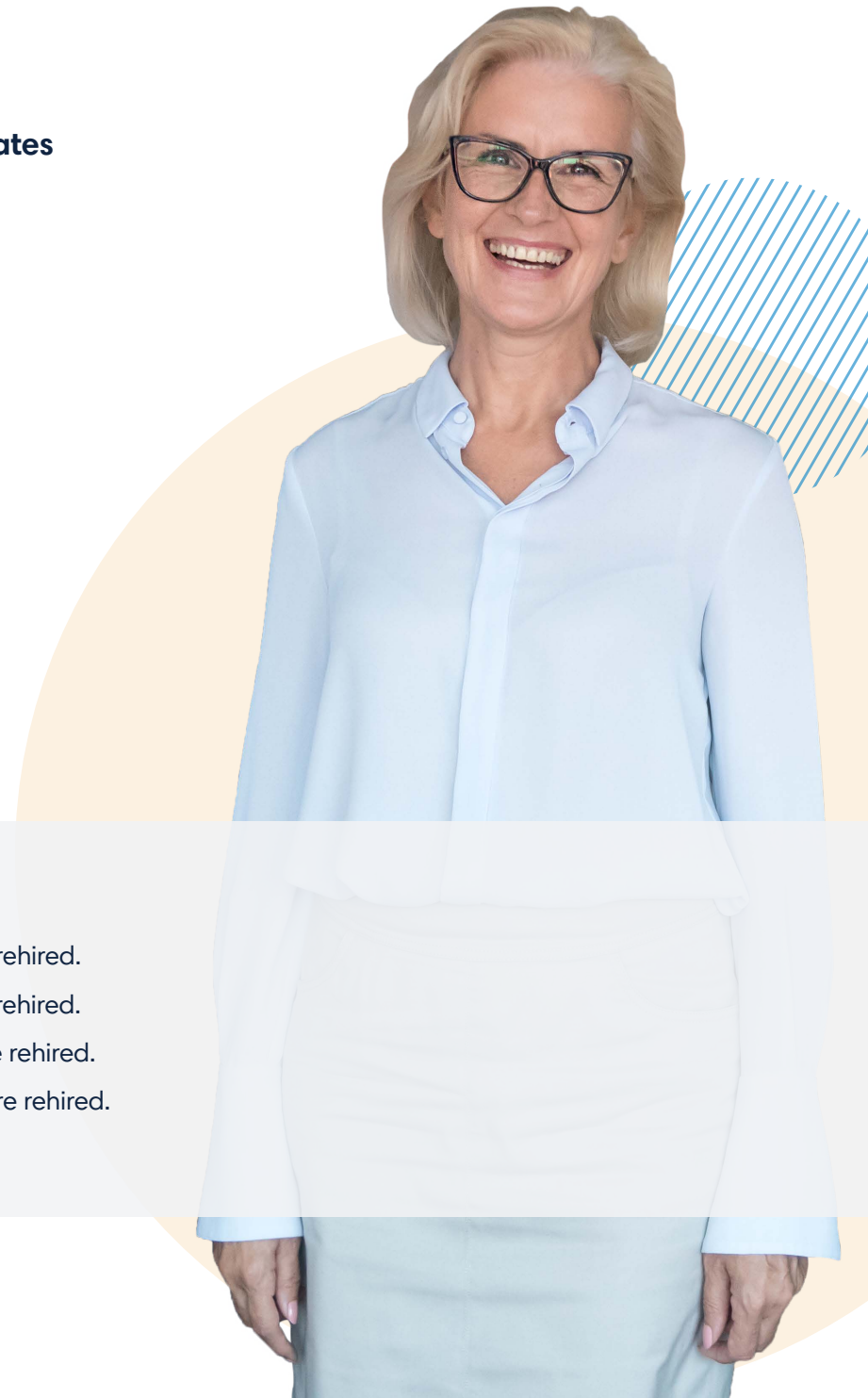
In 2020, millions of Americans found themselves furloughed in the wake of the pandemic. According to the Bureau of Labor Statistics, **by April 2020, more than 18 million workers were on furlough.** However, as the year wore on, the job growth we experienced in the second and third quarters was tied to the return of furloughed workers to their companies. In Ease, we saw the following rehiring of employees furloughed due to the pandemic:

### Employees Rehired – All 50 States

	2020
All companies using Ease	<b>0.85%</b>
1-10 employees	<b>37.09%</b>
11-50 employees	<b>2.21%</b>
51-100 employees	<b>3.29%</b>
101-250 employees	<b>4.24%</b>

### In Summary

- **37.09% of employees** who worked for companies with 1-10 employees were rehired.
- **2.21% of employees** who worked for companies with 11-50 employees were rehired.
- **3.29% of employees** who worked for companies with 51-100 employees were rehired.
- **4.24% of employees** who worked for companies with 101-250 employees were rehired.

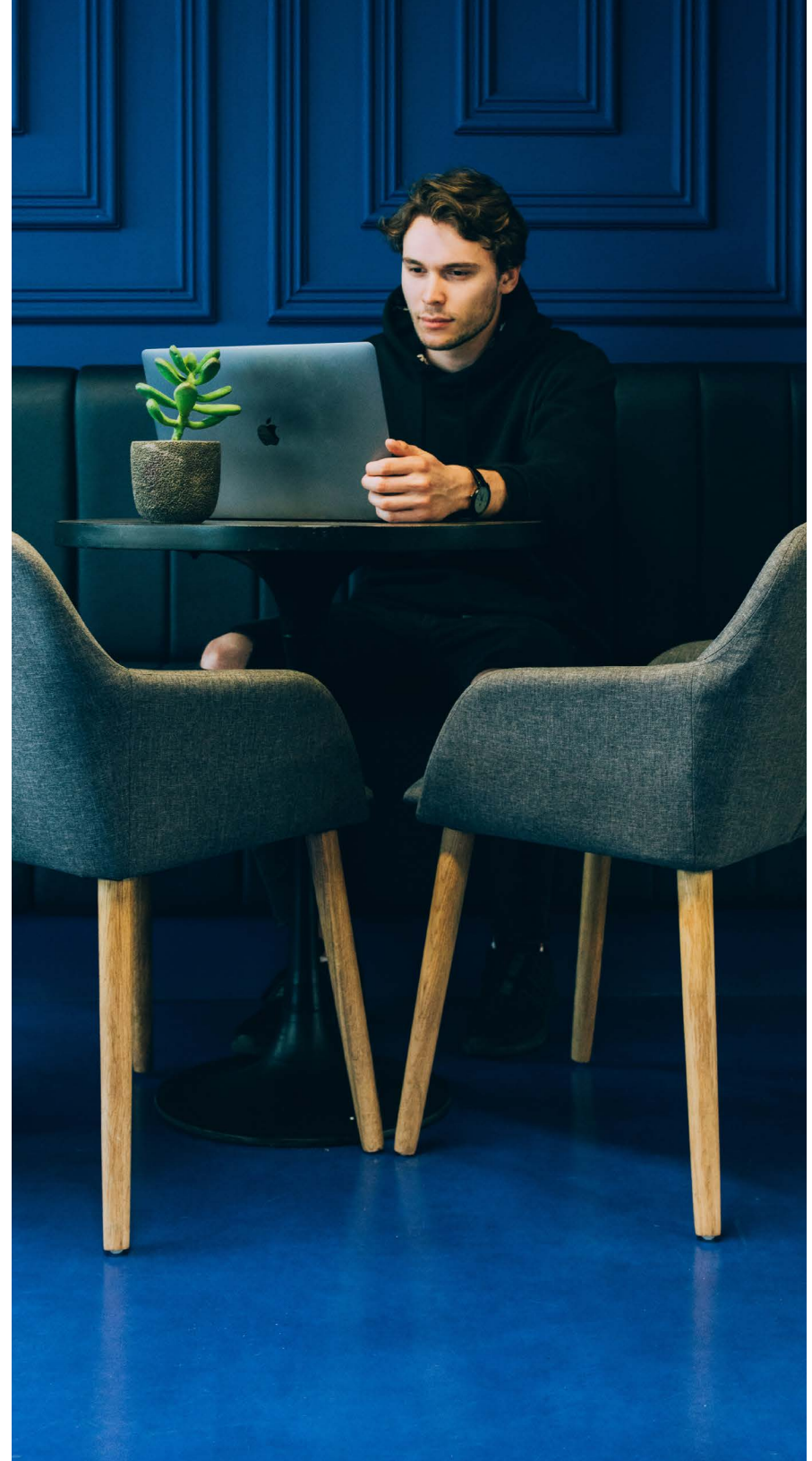


## Ease is Here to Help

As a business owner or HR leader, understanding your company's benefits and their associated costs are key to supporting your employees—especially in today's uncertain landscape. From managing a newly remote workforce or furloughing employees, to conducting a virtual open enrollment, your rhythms and responsibilities likely shifted substantially in 2020.

Now, as we enter our second year of defining our next normal, we see a continuation of the rise of healthcare costs and a sustained need to offer competitive total rewards packages, all while seeking new and innovative ways to contain mounting costs. These are uncertain times, but when you partner with Ease, you'll have confidence in the face of uncertainty.

Thanks to our 2,000 health insurance agencies, 75,000 businesses, and 2.5 million employee users we are able to offer you meaningful analysis and insights to help better understand the latest trends in healthcare and voluntary benefits.



## Are you a health insurance broker or work at an insurance agency? You are in the right place.

This report is only a piece of what Ease has to offer to help you provide value to your clients like never before. With Ease as your partner, you can develop powerful new ways to increase your commissions while providing a seamless benefits experience. With 5,000+ digitally-mapped forms, Ease's suite of online tools eliminates the need to collect paper forms. You can streamline enrollment, reduce errors, cut the paperwork, and give your SMB clients an easy-to-use tool to better manage changes throughout the year. Join the 2,000 agencies that trust Ease as their ben admin solution.

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[requestinfo@ease.com](mailto:requestinfo@ease.com).

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