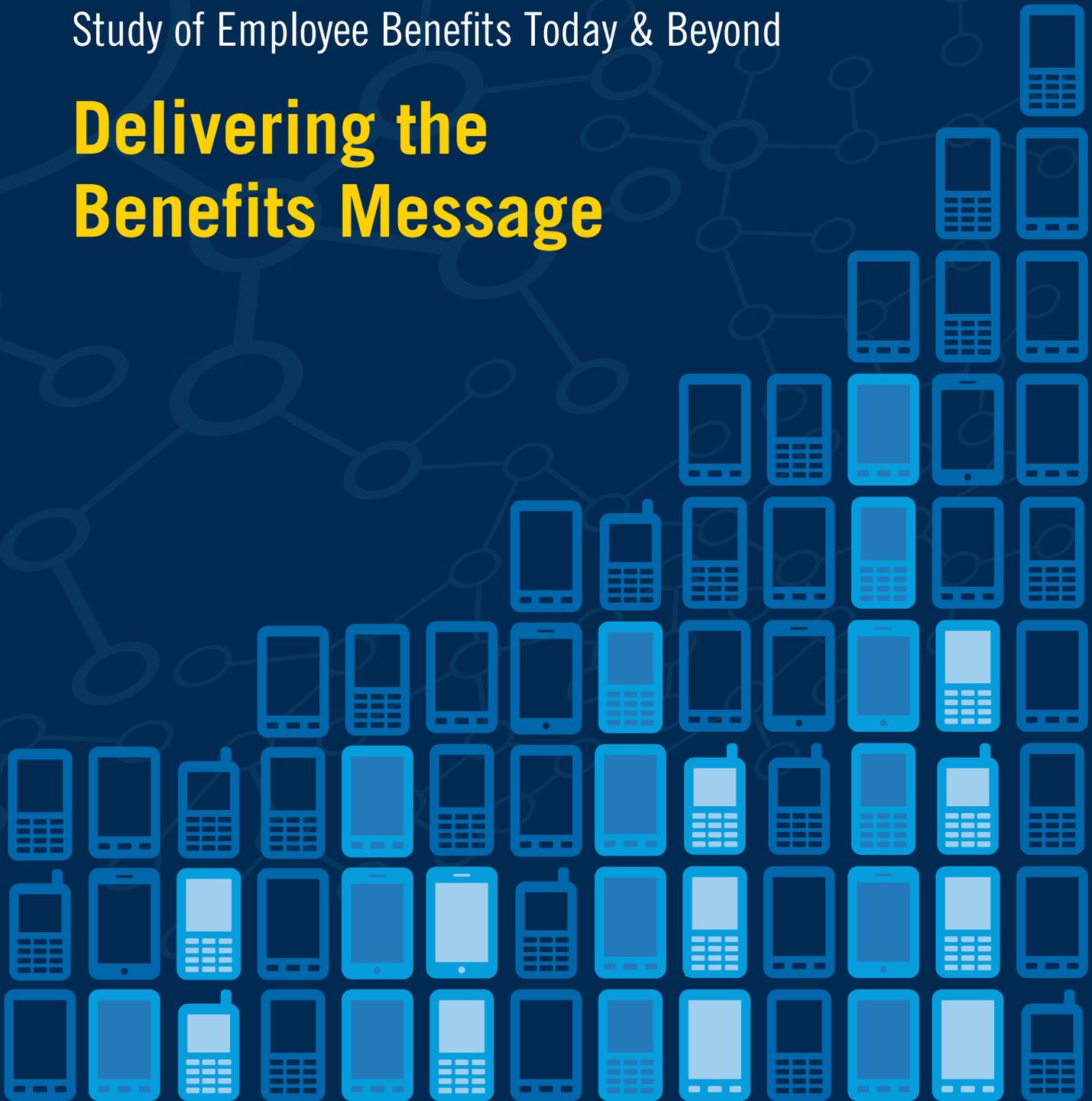


Eighth Annual

Study of Employee Benefits Today & Beyond

Delivering the Benefits Message



The Prudential Insurance Company of America (Prudential)
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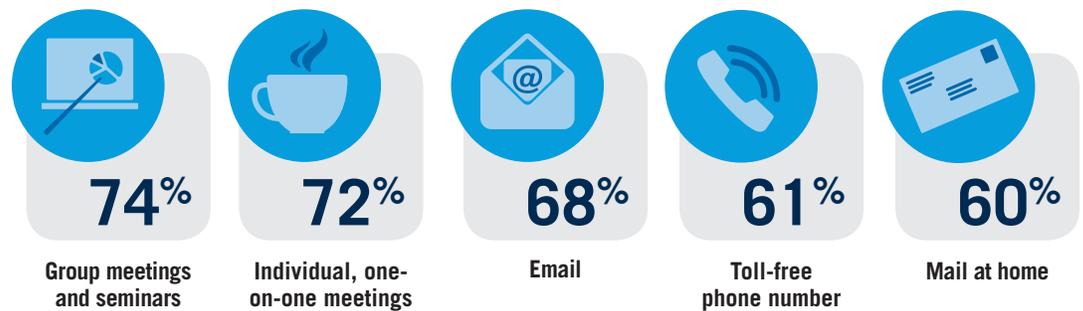


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Overall, usage of both traditional and emerging communications methods has increased.

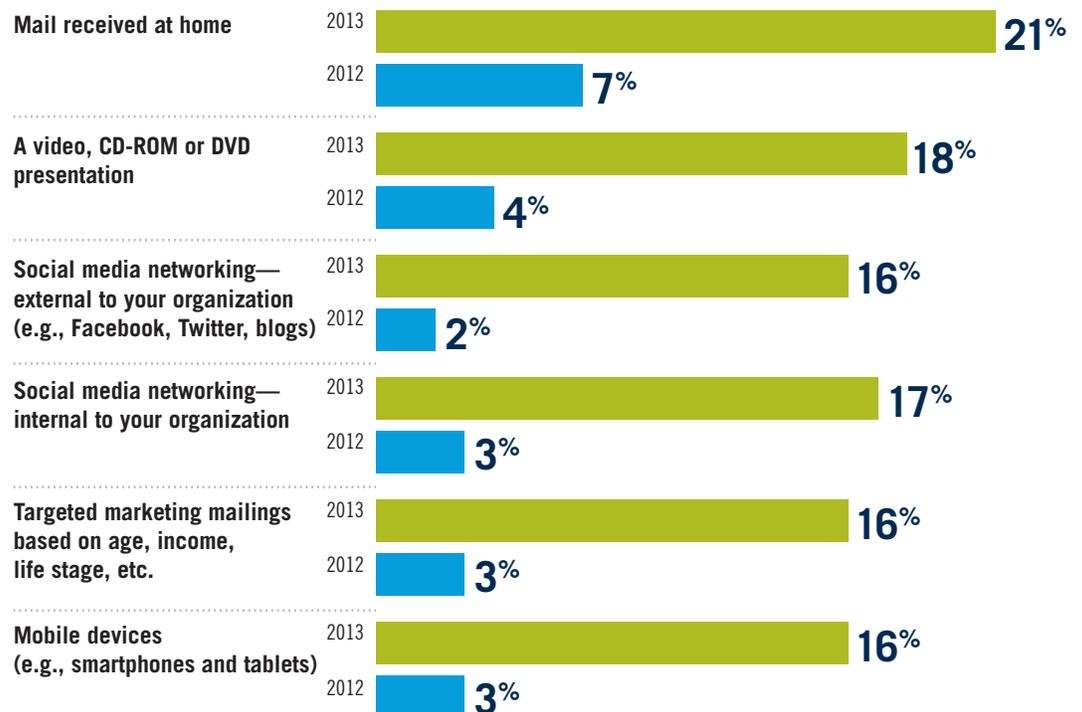
This year, we've seen a number of benefits communication vehicles increase in usage, and not just digital ones. For all the methods employers were asked about, we saw the level of "not using" drop for each. It's clear that employers are taking a multichannel approach to meet the needs and preferences of their employees. Some of the more traditional methods are still reporting in the top five, but we have also seen a jump in employers reporting great success with newer communications vehicles. Twenty-one percent of employers say that mail used at home has been used with "great success," up from 7% in 2012. Video, CD-ROM, or DVD presentations jumped from 4% to 18% this year. External social media networking also had a notable increase, going from 2% in 2012 to 16% in 2013.

Most successful communication methods¹



¹ Percentage of employers saying great and moderate success.

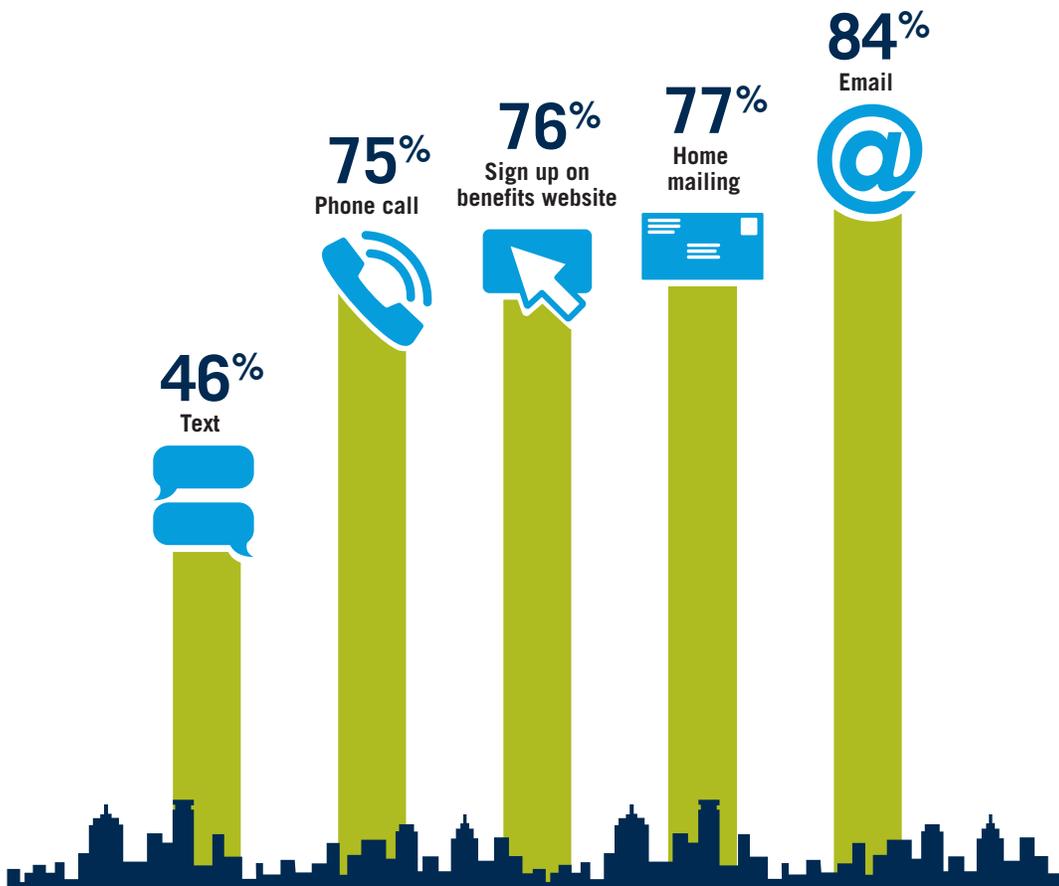
Methods of communication used with "great success" during enrollment



Employers are thinking about additional ways carriers can communicate with their employees outside of the annual enrollment period.

As discussed in the voluntary benefits theme, employers are gravitating toward a year-round, more value-added benefits education and enrollment strategy. When asked which communications vehicles would best support such an approach, email was number one (84%), which echoes employee preferences. Surprisingly, only 46% of employers say that text (SMS) messages to mobile phones was a good way to reach employees, even though many employees used texting as a key communications platform in their daily lives. We also found that 46% of employers would grant a TPA permission to share employee life stage and life event information with their carrier to facilitate an ongoing communications strategy.

Best communications methods outside of enrollment



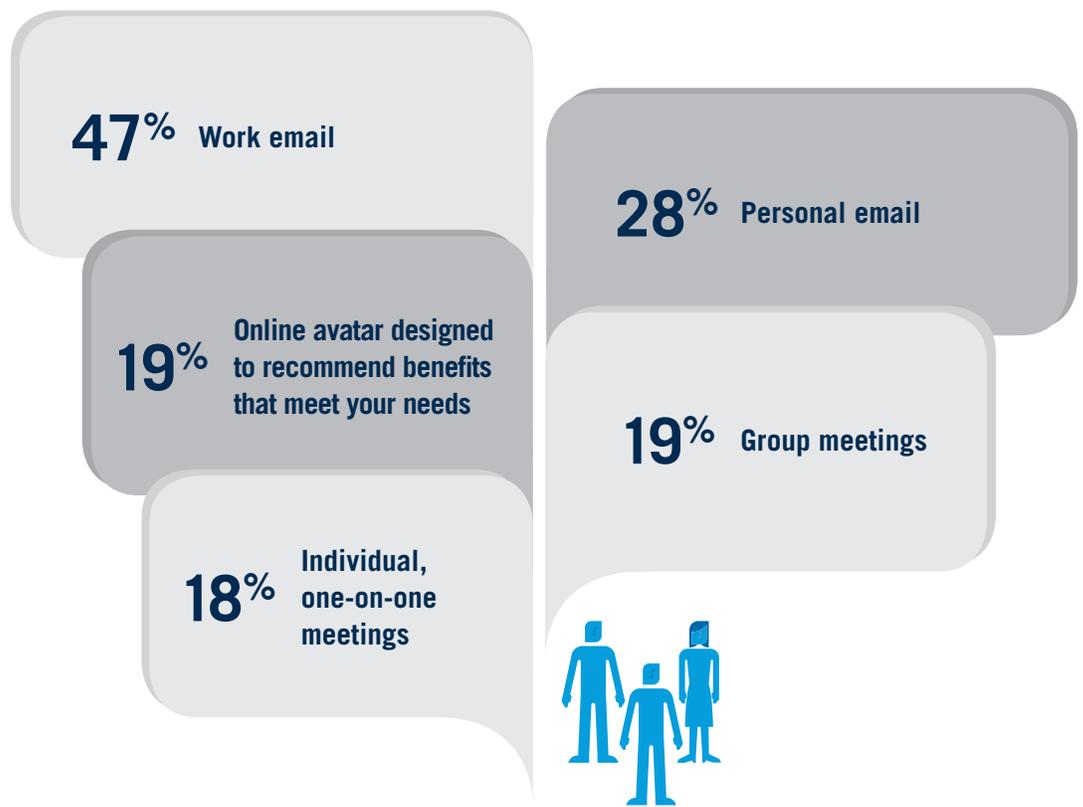
24%

of employees prefer downloading or sharing benefits information via their smartphone.

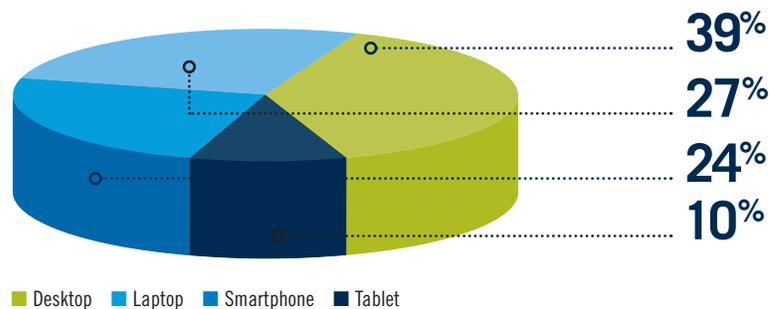
Employees' preference for digital communications is strong but not exclusive.

In 2013, the top three communications vehicles preferred by employees come from the digital realm—work email (47%), personal email (28%), and online avatar (19%). Group meetings (19%) and individual, one-on-one meetings (18%) round out the top five, showing that some traditional methods still rate with employees. Over the past year more people have enrolled, obtained plan information, and used financial planning tools on computers and mobile devices than last year. Employees believe a majority of benefits-related activities will be available via mobile devices (smartphones or tablets) in the next five years.

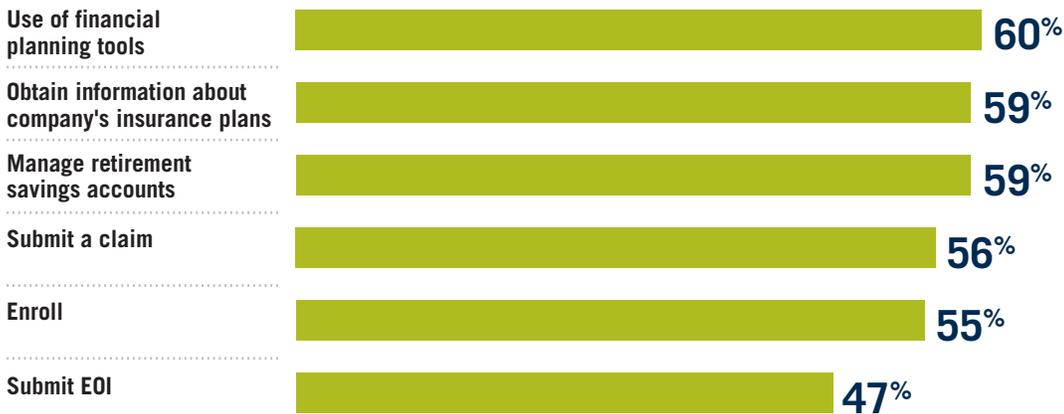
Employee preferences in receiving communications



Devices preferred for downloading or sharing information



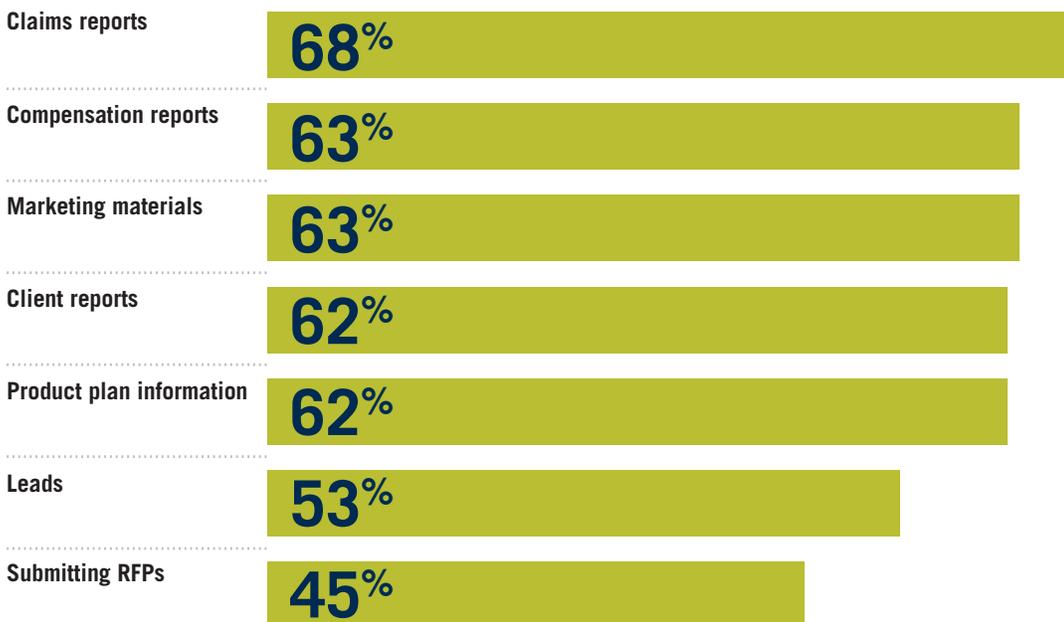
Benefits-related activities expected to be available via mobile device 5 years from now



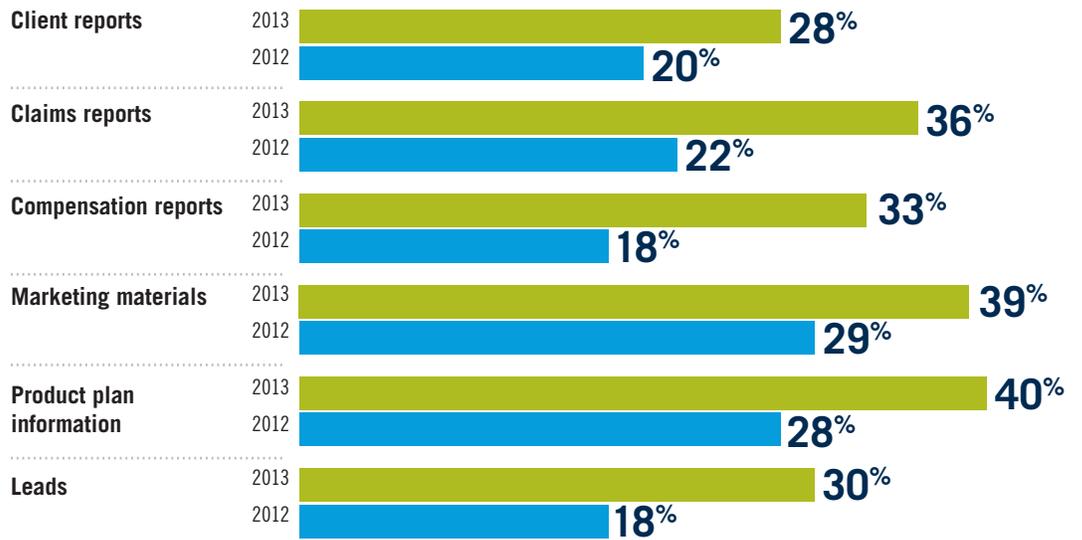
Brokers' use of mobile devices has increased significantly across all activities.

Broker usage of tablets and smartphones in their day-to-day business activities has grown a lot over the past year. There's at least a 10 percentage point increase in almost every activity that brokers say they are currently doing via tablet or smartphone. Brokers expect that claims reports (68%), compensation reports (63%), and marketing materials (63%) will be the top three activities available via mobile device, five years from now.

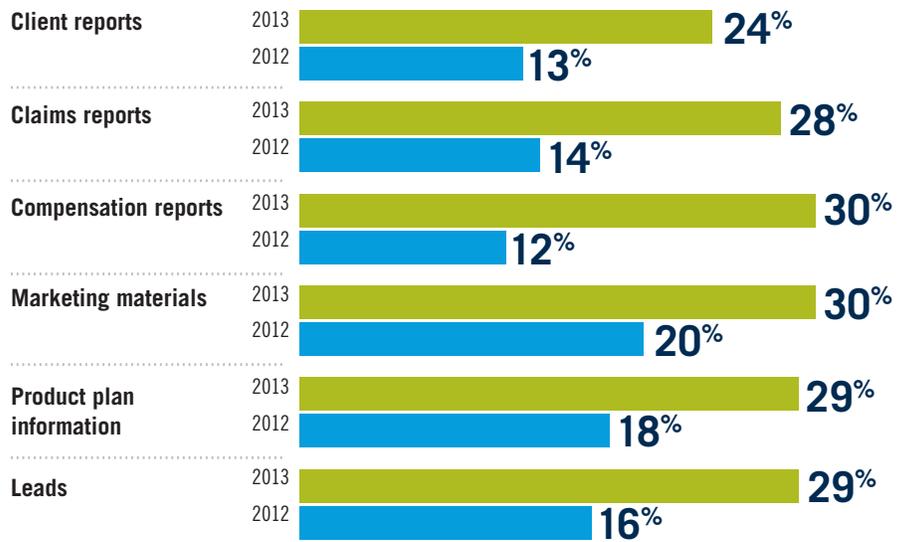
Broker-related activities expected to be available via mobile device 5 years from now



Accessing by tablet



Accessing by smartphone



Methodology

The *Eighth Annual Study of Employee Benefits: Today & Beyond* was fielded via the Internet during August and September 2013* and consists of three distinct surveys: one among employers, another among employees, and the third among group employee benefits brokers and consultants. The year's study was conducted for Prudential by MRops in conjunction with Oxygen Research.

Overview of Employer Survey

Employer results are based on a national survey of 1,000 employee benefits decision makers. Respondents included business executives, business owners, human resources professionals, and financial management professionals. The survey sample covers all industries, including government, and is nationally representative of all U.S. businesses with at least 25 full-time, benefits-eligible employees.

Data shown in this report is weighted to reflect the actual proportion of U.S. businesses by company size, industry, and region based on data from the U.S. Census Bureau. The margin of error is +/- 3.0% at the 95% confidence level.

Overview of Employee Survey

Employee results are based on surveys conducted among 1,000 employees, ages 22 or older, who work full-time for a company with at least 25 employees. The survey of employees was conducted during the same time period as the plan sponsor and broker surveys.

The survey sample is nationally representative of all U.S. workers at companies with at least 25 full-time employees. Data shown in this report is weighted to reflect the actual proportion of U.S. workers by gender, region, race and ethnicity, education level, household income, and age based on data from the Bureau of Labor Statistics and the U.S. Census Bureau. The margin of error is +/- 3.0% at the 95% confidence level.

Overview of Broker Survey

Broker/consultant results are based on surveys conducted among 318 insurance professionals. Additionally, 38 Prudential brokers also participated. Screening criteria ensured that these professionals spend a large portion of their time selling and servicing plan sponsors. The margin of error is +/- 4.0% at the 95% confidence level.

*The surveys were fielded from August 8 through September 13, 2013.

About Prudential Group Insurance

Since 1916, Prudential Group Insurance, a division of Prudential Financial, Inc., has been helping meet benefits challenges of employers and employees across the United States. Today, we are well recognized for manufacturing and distributing a wide range of employer-paid and voluntary coverages, including group life, accidental death & dismemberment, disability, critical illness, and retiree and global solutions. Please contact your Prudential representative or visit www.prudential.com/gi to find out more.

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