

Switching to self-funding: market insights



According to a 2018 Employer Insights research study sponsored by Sun Life, 64% of brokers believe their fully insured clients are becoming more interested in self-funding.¹ Here is what employers are thinking about and actions you can take to help them decide if self-funding is right for them.

Market opportunity for employers with 50–999 employees²

Of the 70% of employers that are fully insured:



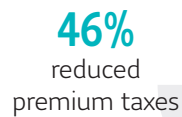
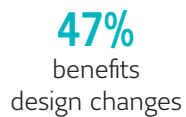
of employers with 100–499 lives are interested in self-funding.¹

Drivers and challenges of switching to self-funding³

Employers weigh the benefit of potential **SAVINGS** versus the potential claim **RISK**

Saving money is the biggest driver

Potential cost savings that are most attractive



Financial risk is the biggest challenge

Type of financial risks that are most concerning



1 out of 3⁴ employers say that they don't know enough about self-funding to be comfortable making the switch

Actions you can take

Step 1: Initiate the conversation⁵

Many employers are discussing self-funding before talking to a broker.

BEFORE talking to a broker

83% of employers spend **SIX MONTHS TO OVER TWO YEARS** talking about self-funding

AFTER talking to a broker

72% of employers that converted to self-funding did so within **ONE YEAR**



Step 2: Create a long-term strategy⁶

70% said that their broker **DID NOT** present a long-term self-funding strategy



Step 3: Discuss stop-loss options⁷

Employers said that their broker **DID NOT** provide a detailed analysis on:

67% stop-loss coverage options



72% stop-loss carrier options



**To learn more, contact your Sun Life
Stop-Loss Specialist.**



1. Sun Life Broker and Employer Voices Online Community surveys. This is a research tool that gains insights from a group of over 300 brokers and 200 employers. Brokers and employers are asked to provide feedback on topics pertaining to their experience in the insurance industry and with Sun Life products and services.
2. Sun Life and conducted by Chadwick Martin Bailey. Employer Insights research study. The blind study included decision makers for companies that have between 50 and 999 employees and offer medical benefits to all their full-time employees. 2016.
3. Sample was 158 fully insured employers that are considering self-funding.
4. Sample was 158 fully insured employers that are considering self-funding.
5. Sample was 54 employers that recently switched to self-funding.
6. Sample was 54 employers that recently switched to self-funding.
7. Sample was 39 employers that recently switched to self-funding with stop-loss.

Issued by Sun Life Assurance Company of Canada and Sun Life and Health Insurance Company (U.S.)

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