

Retirement plan solutions for the insurance industry

AN INDUSTRY IN TRANSITION

The insurance industry has been in transition for many years. And the pandemic accelerated many evolutionary industry trends that were already underway, as it pushed digitization and cybersecurity farther and faster than previously thought possible, simplified processes through advanced technologies, and evolved customer preferences in the process.

Small business insurance was significantly impacted, as many small companies shut their doors. And while this industry's unemployment rate is still lower than the country's overall rate, it is creeping back up. Plus, according to the Bureau of Labor Statistics, "Nearly 400,000 employees are expected to retire from the insurance industry workforce within the next few years."¹ And, one of the biggest challenges for this industry is adapting to the flexibility, training and career growth that employees desire.

INSURANCE/REINSURANCE RETIREMENT PLAN REPORT CARD

Challenge	Why it matters	How ADP retirement solutions can help
Only 48.3% of plans believe their employees will achieve their retirement goals by age 65 and 43.1% of plans do not offer automatic escalations.	Today, both employees and employers are concerned about their ability to prepare for retirement — and with good reason. The more participants save on a tax-deferred basis, the better off they will be.	Save Smart® enables participants to automatically increase their savings rate at designated intervals (like at annual review time).
73.4% of plans believe they are responsible for helping with financial wellness, but only 20-58% truly provide anything on it.	Employees, even well-paid ones, often struggle with paying daily bills, debt, saving and more. In fact, the majority of workers live paycheck to paycheck, and 40% of U.S. households would struggle to cover a \$400 emergency expense. ²	ADP Achieve can help you build a robust financial wellness program for your workforce that can help employees improve their financial literacy, manage debt, protect their identity, plan for retirement, save for college, and more.
While retail, institutional and custom target-date funds account for 80.3% of the default investment options, only 66.2% of insurance/reinsurance plans believe their IPS specifically covers target date funds and their underlying funds.	Providing an investment policy statement (IPS) is part of your fiduciary responsibility. If the IPS does not accurately reflect the underlying asset classes for the investments, that may put you under increased fiduciary risk.	ADP makes available a sample IPS for your use. And, if you and your advisor are looking for fiduciary support, we offer the options listed above.

Source: PLANSPONSOR Defined Contribution (DC) Survey, 2020.

¹ Insurance Industry Talent Crisis- AmTrust Financial. amtrustfinancial.com.

² Kathryn Mayer. 7 benefit trends to watch in 2021. Human Resource Executive. January 5, 2021.



ADP CAN HELP

Your retirement plan can help you or hinder you in attracting and retaining motivated, productive employees. ADP can help you gain insights into how your plan measures up against other industry retirement plans and where there might be room for improvement.

“Like health insurance, **improving retirement benefits has a positive impact on improving employee satisfaction...**

Employees at organizations **that don't offer a 401(k) match are less likely to want to stay** at that company until retirement.”

— PeopleKeep³

³ PeopleKeep Team. Which benefits have the biggest effect on employee retention and recruiting? PeopleKeep blog. January 15, 2021.



MORE THAN A PROVIDER, **ADP IS YOUR RETIREMENT ALLY.**

With more data and experience than any other provider, our advanced technology makes retirement plans easy and engaging. Our flexible, simple to manage retirement plans are backed by:

- Seamless data integration to streamline plan administration and mitigate unnecessary risk.
- A data-driven approach to employee education delivering personalized insights that empower employees to make informed savings decisions.
- Plan design to best meet the needs of your business and workforce.
- Industry-recognized security to ensure that your employee data is secure and compliance is managed.

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Investment options are available through the applicable entity(ies) for each retirement product. Investment options in the “ADP Direct Products” are available through either ADP Broker-Dealer, Inc. (ADP BD), Member FINRA, an affiliate of ADP, Inc., One ADP Blvd, Roseland, NJ 07068 or (in the case of certain investments) ADP, Inc. Only registered representatives of ADP BD may offer and sell ADP retirement products and services or speak to retirement plan features and/or investment options available in any ADP retirement products. Registered representatives of ADP BD do not offer investment, tax or legal advice to individuals. Please consult with your own advisors for such advice.

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Let's Talk.

Let's talk about how ADP can help you solve plan design challenges so you and your workforce can unlock the full potential of your retirement plan.



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