

The Case for Offering Competitive Life and Disability Benefits

Company Overview

This prospect was a mid-sized beverage distributor, located in Charlotte, NC and employing 135 full-time employees.

Key Challenges

This company had experienced steady growth but had been struggling recently with employee retention, particularly among mid-level employees who expressed concerns about financial security in case of unexpected life events. They provided employees with a strong company paid health insurance option but no disability coverage and minimal life insurance coverage of only \$25,000 per employee.

MBA Solution Presented

To improve retention and employee satisfaction, we suggested the company make the following changes to their benefit portfolio:

- **Add Short-Term and Long-Term Disability (STD and LTD) Insurance.** We advised they provide a program with employer paid STD covering 60% of salary for up to 12 weeks and a voluntary LTD plan covering 50% of salary up to retirement age.
- **Increased Life Insurance.** The basic life insurance policy was raised to one year's salary for all workers, with optional additional coverage available at a low group rate.
- **Educational Sessions on Benefit Utilization.** Employees were educated on the value of these benefits, increasing awareness and engagement.

Measurable Results

After one year, the company saw measurable improvements. Employee retention improved by over 25%, recruitment efficiency increased, and a company-wide survey indicated that 82% of employees felt more secure with the new benefits, up from 47% the previous year.

The overall cost increase to the employer was only 2.1% of payroll, proving cost-effective in retaining skilled talent.