



Benefits Breakdown

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Cybercrime and Benefits Plans

According to recent estimates from the University of Maryland, a cyberattack occurs every 39 seconds. Data breaches and cyberattacks are daily headlines—and employee benefits plans are no exception to that threat. In fact, employee benefits plans are even more vulnerable as the coronavirus pandemic continues; organizations and benefits providers are relying heavily on electronic access, ultimately creating new vulnerabilities. Some examples of cyberthreats include phishing, malware and ransomware attacks.

Virtually any type of employee benefits plan is vulnerable to hackers. These plans can be exposed to risks relating to privacy, security and fraud. Sensitive information contained in benefits plans is valuable to cybercriminals.

Lost or stolen mobile devices, laptops and flash drives that hold personal information are additional tangible threats to benefits plans. These situations are especially concerning now that more employees are working from home. Given the new remote-working landscape as a result of the pandemic, plan sponsors should, at minimum, consider updating work-from-home policies to include cybersecurity clauses.

Overall, always be prepared for the worst to happen. In the unfortunate event of a security breach, it's important to be prepared with a basic communication and action plan. Reach out to discuss your cybersecurity concerns, including cyber risk coverage levels and general best practices.

Benefits Education for Young Employees

Employee benefits aren't always simple. In fact, for many young employees, they're downright confusing. Look at basic health insurance term knowledge, for example. Only 7% of individuals can define terms like premium, deductible and coinsurance, according to UnitedHealthcare. This limited understanding can result in significant—and often unnecessary—expenses for both employees and employers. From a monetary perspective, low health literacy is estimated to cost the U.S. economy between \$106 billion and \$238 billion annually, according to the National Library of Medicine.

The good news is that employees can be taught how to be wiser benefits consumers, but the earlier their training starts, the better. Properly educating employees can help keep costs down for everyone and improve overall well-being.

Moreover, employers have a responsibility to educate their workforce about their benefits. Young employees can't be expected to understand their benefits nor make wise health care choices if they don't understand the basics of benefits.

Speak with your broker contact to receive a sample of employee education materials or discuss an education campaign that's right for your employees.

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