

Group benefits

Tap into small-business needs for big-business results

How to work with owners of small businesses



Expand your success in the small business market

Most small businesses — 58% — currently offer at least one insurance benefit to their employees.¹ This underserved market, which accounts for 99.9 percent of U.S. businesses and 59 million U.S. employees², creates a huge opportunity for you! Owners of small businesses are looking for ways to recruit and keep the best employees. And employees want to work for companies that provide competitive benefits.

Use this marketing guide to help you:

- › Understand the group benefit opportunities in the small business market.
- › Find employers who need group benefits for their employees.
- › Approach and work with small business owners.
- › Design a group benefits package with specialized tools.

Open doors with group benefits

Small business owners know there's competition for the talent pool, so they're looking for every advantage. Working with them to create a strong benefits package that includes dental, vision, disability life, critical illness³, and accident insurance is one way you can help them keep valued employees **and** attract the best talent.

Plus, once you establish trust with business owners and help them meet group benefit needs, you have the opportunity to uncover additional needs, such as business protection, personal insurance, and retirement solutions.

Network your way to sales

Turn current relationships into sales opportunities

Use your existing relationships with clients and other professionals to uncover group benefit opportunities with small businesses:

401(k) clients — Since they've shown an interest in providing retirement benefits, they may be receptive to learning about group benefits.

Business owner clients — Shift the focus from the business owner's needs to the owner's employees and how a group insurance benefits package can help meet their needs and those of the organization.

Other professionals — Collaborate with attorneys, accountants, and bankers who have small business clients to discover opportunities to work together.

Professional groups — Employees of law firms and medical offices, for instance, have specific needs that you can help address.

Referrals to potential clients — After successfully helping business owners address their needs, ask them to refer you to other business owners they know who may benefit from your solutions and services.

Broaden your reach by meeting new people

Extend your success in the small business market in a variety of ways:

Attend local business and industry association meetings and events to develop connections and deepen relationships.

Join local chapters of business-owner networking groups to expand your contacts and prospects.

Reach out to business owners featured in local business journals and articles — both print and online.

Use social media to build a following of clients and prospects.

Access online resources to find business owners in your local area, including:

- **zoominfo.com** — Free background information is provided and updated regularly.
- **bbb.org** — This Better Business Bureau site is well-known and may contain prospect information.
- **martindale.com/law-firms.htm** — Browse law firms and select by area of practice and geographic territory.
- **manta.com/business** — Get ideas on how to find and work with small business owners.

“

Start networking with employers you know and develop relationships with those you want to know.

”

Leverage how-to tips

Overcome employer objections

Use these talking points to minimize employers' concerns about offering group benefits:

"It's too costly."

Suggested response: "I can help you design a benefits package that's affordable for your business and employees."

You have three options for who pays for the insurance coverage. You can pay for all the coverage, or your employees can pay for it, which is referred to as voluntary. This option allows you to give employees access to quality benefits, but they select and pay for the coverage they need. Or you can share the cost with your employees."

"I don't have time."

Suggested response: "Services are available at no cost to you to explain your benefits package to

employees and help them enroll. This frees up time to focus on running your business. And 24/7 online services can help you manage your benefits package when it's convenient for you."

"I don't have enough employees."

Suggested response:

"You only need a small number of enrolled employees to offer group benefits. With just three

enrolled employees, you can provide benefits that are paid by you. And with as few as five enrolled employees, you can offer benefits where the cost is paid by your employees."

Close the sale with best practices

Keep these tips in mind when working with business clients and prospects:

Start with the basics — Dental, vision, disability, and life insurance build a foundation of financial security. From there, they can add supplemental benefits, such as critical illness³ and accident insurance, to fill gaps in coverage.

Treat all clients big — Employers may not view their businesses as small, especially if they're growing. They want their group benefits to grow with them, so flexibility and choices are important.

Manage benefit cost — Help your clients offer a broader, more comprehensive benefits package by having employees pay some or all of the cost.

Design a top-notch benefits package

Get these tools at principal.com/smallbusiness.

Principal Benefit Design ToolSM (benefitdesigntool.principal.com) — Let your clients know how their group insurance and retirement benefits compare to their peers.

How do your benefits measure up? — Give your clients insight on what benefits other companies offer and who pays for them.

Guide to building your benefit package — Review a range of benefit designs with your clients to help them determine how to structure their benefits for their budget.

An industry leader in your corner

You can provide a strong benefits package to your business clients with the advantages below. The solutions you offer can help set them apart from the competition, as well as recruit and retain the best employees.

Broad portfolio — Your clients can work with just one company to provide dental, disability (long- and short-term), life, vision, accident, and critical illness³ insurance.

Flexibility — The insurance product and benefit design can be tailored to meet the needs of your clients and their employees, including solutions specific to business owner needs.

Employee minimums — Your clients can offer employer-paid coverage⁴ with as few as three enrolled employees and voluntary coverage with as few as five.⁵

Guaranteed coverage — For groups with five enrolled employees, insurance coverage is guaranteed without answering any health questions.

Multi-product discount — Employers may get a 5 percent discount if they offer three or more qualifying benefits.

Personalized enrollment — The benefit cost is illustrated for each employee, making enrollment easy for your clients.

Online benefit management — Employers can take care of benefits at their convenience with 24/7 access to their program.

Local sales and support — You and your clients can benefit from support that's close to where you live and work when it's needed.

You can trust Principal® to help you deliver customized, affordable employee benefit solutions to small businesses. We currently have 73,000+ employer relationships with 3.7 million covered members.

 **Let's connect** | Contact your local sales representative or visit advisors.principal.com today.

¹ Think Small: Trends in Small Businesses Offering Employee Benefits, 2019, LIMRA

² Frequently Asked Questions About Small Business, U.S. Small Business Administration Office of Advocacy, 2018, <https://cdn.advocacy.sba.gov/wp-content/uploads/2017/08/04125711/Frequently-Asked-Questions-Small-Business-2018.pdf>

³ Specified disease in New York.

⁴ Dental, disability, life, and vision only.

⁵ May be waived for qualified groups with at least 5 eligible employees. A minimum of 3 enrolled employees per coverage is required. In NY, 50% of eligible employees, or 5, whichever is fewer.



principal.com

Insurance issued by Principal Life Insurance Company, Des Moines, IA 50392-0001

For broker use only. Not for use with consumers or the public. This summary is not a complete statement of the rights, benefits, limitations or exclusions of the coverage described here. For cost and coverage details, contact your Principal® representative.

Remember to abide by the company policy and use only pre-approved social media posts and images.

Principal, Principal and symbol design and Principal Financial Group are trademarks and service marks of Principal Financial Services, Inc., a member of the Principal Financial Group

GP61050-05 | 07/2019 | © 2019 Principal Financial Services, Inc.