2019 EMPLOYEE WELLNESS INDUSTRY TRENDS REPORT

Wellable

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EXECUTIVE SUMMARY

OVERVIEW

Despite uncertainty in financial markets and the risk of global trade disruptions, the economy continues to show strength with unemployment at its lowest point in decades. As a result, finding and retaining quality employees is becoming more challenging as the labor market tightens. To address this challenge, employers are expanding benefits, including wellness programs, to help employees thrive and want to show up for work every day. The goal of this report is to quantify and better understand the wellness strategy companies are implementing in 2019. Employers and brokers can use this information to make better benefits decisions to ensure they are creating competitive wellness plans to address the needs of current and prospective employees.

To provide a broader perspective, survey respondents were consultants and wellness directors at health insurance brokers across the country. These professionals have insights on the thoughts and strategies of the numerous employers they advise. As part of the research, the survey explored three key areas: (i) investment trends, (ii) decision influencers, and (iii) vendor evaluation. For more detail and commentary on survey responses, please see the detailed sections later in the report.

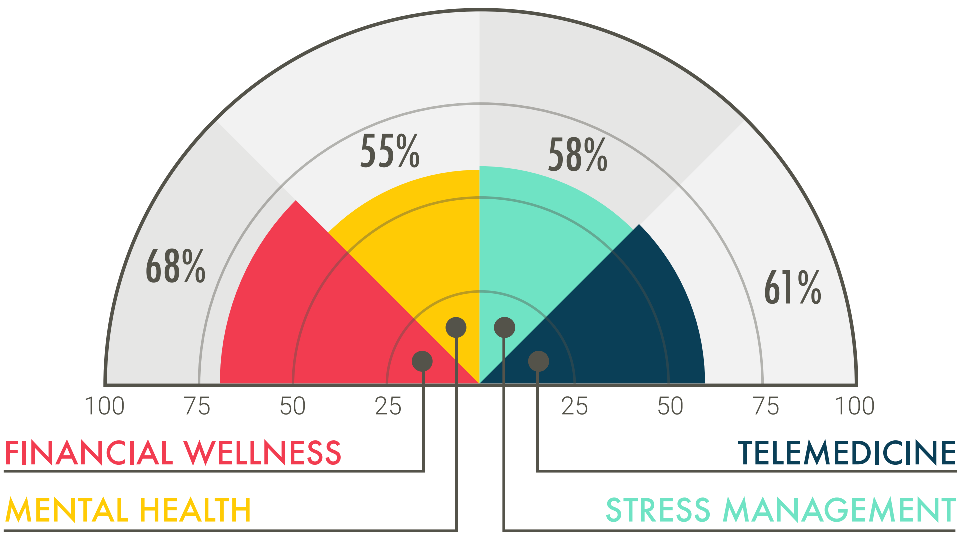
INVESTMENT TRENDS

Executive Summary

The survey identified 20 specific wellness programs and strategies, such as biometric screenings, flu shots, and telemedicine, that employers may be considering investing in the coming year. Respondents were asked whether they expect their employer clients to invest less, the same, or more in the associated programs. Overall, employers are increasing their investment into health and well-being programs with more than double planning to invest more (35%) compared to those who plan to invest less (14%). As more companies recognize the advantages of employee wellness programs and the labor market pushes them to expand benefits to compete for talent, wellness offerings will continue to see more investment.

INVESTMENT TRENDS

Percentage of respondents who answered “Investing More”



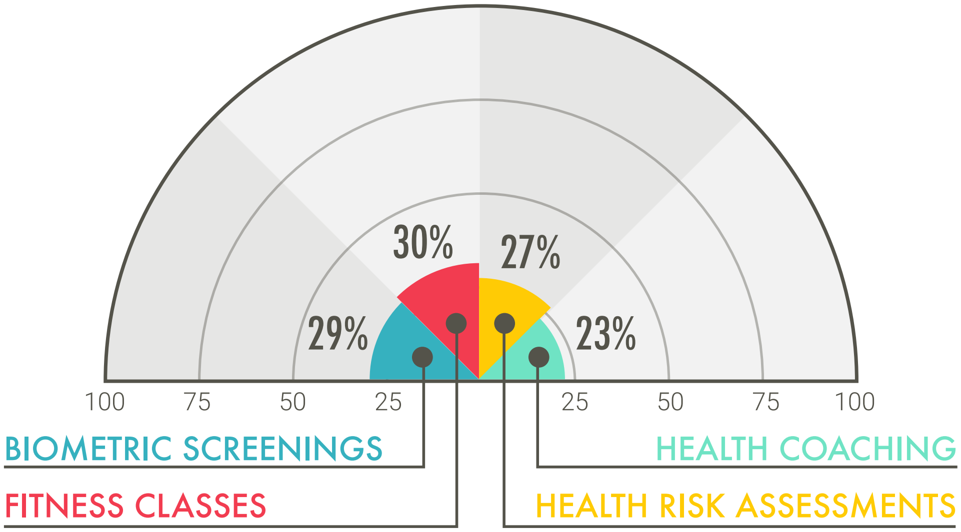
RISING STARS

Financial wellness (68%), telemedicine (61%), and stress management (58%) programs ranked the highest in terms of the percentage of employers expecting to invest more. This may not come as a surprise to many individuals, as stress management (for mental health, which ranked fourth in expectations for more investment) has been an area of focus for employers for many years, and financial security is a large cause of stress for individuals across the United States.

Telemedicine, with the hopes to provide a low-cost and convenient alternative to physician visits, also remains a popular area of investment for employers trying to manage healthcare expenses. For solutions that require significant capital outlays or emerging technologies, they are often being led by large employers (>1,000 employees) that have the financial means to pursue innovations in employee wellness.

INVESTMENT TRENDS

Percentage of respondents who answered "Investing Less"



FALLING GIANTS

Fitness classes (30%), biometrics screenings (29%), health risk assessments (27%), and health coaching (23%) ranked the highest in terms of the percentage of employers expecting to invest less. The common theme amongst these programs (and others that ranked high for less investment) are that they are services, which means they are harder to scale, cost more per engaged employee, and are often unavailable to remote employees. One exception would be health risk assessments, which are affordable and easily scalable, but these programs are losing favor with some employers as their efficacy continue to be called into question by research.

One notable addition to this year's survey was the rise of employers expecting to invest less in biometric screenings. There was a 10 percentage point increase from last year in the number companies that plan to invest less. This is likely a result of the judicial system vacating the Equal Employment Opportunity Commission (EEOC) wellness rules, which will take effect on January 1, 2019. With no new rules from the EEOC, employers requiring screenings run the risk of being sued.

NEW WELLNESS OFFERINGS

FINANCIAL WELLNESS

81%

Education (Seminars/ Webinars/Other Resources)

54%

Digital Financial Tools

50%

Retirement Planning

Since the demand for financial wellness and mental health programs was so strong in last year's report, this year's survey explored what specific programs employers are implementing to address these elements of well-being. It asked each respondent to identify the top three new offerings employers are using to promote financial wellness and mental health in the workplace.

Educational programs comprised of seminars, webinars, and other resources was by far and away the most popular resource companies used to address employee financial wellness needs. This is likely the result of abundant free resources in this area. Digital financial tools and retirement planning rounded out the top three with student debt assistance and 401 (k) matching programs following close behind.

Coaching was the least chosen financial wellness tool with only 29% of respondents choosing it as a top three offering. Similar to health coaching, the cost of individualized help often is a barrier to adoption, especially with smaller employers. Although student debt assistance fared better (46%), it was mostly seen as a tool for large employers (73%) rather than small (30%) and medium (48%) ones.

NEW WELLNESS OFFERINGS

MENTAL HEALTH

Similar to educational resources for financial wellness, employers favor one specific type of resource for mental health – Employee Assistance Programs (EAPs). EAPs were more than a 20 percentage point favorite relative to the next most popular option, educational programs. Since it is widely known most employees do not utilize their EAP resource, especially when compared to statistics on the number of individuals that are mentally unwell, there should be concern from companies that current initiatives may not be delivering the results they expect.

Educational programs comprised of seminars, webinars, and other resources (46%), flexible work schedules (30%), and digital health tools (29%) were the only other offerings ranking in the top three in at least a quarter of the responses. Four options (caregiver benefits, support groups, workload management, and yoga) were top three solutions for mental health for less than 10% of respondents.

67%

Employee Assistance Program (EAP)

46%

Education (Seminars/ Webinars/Other Resources

30%

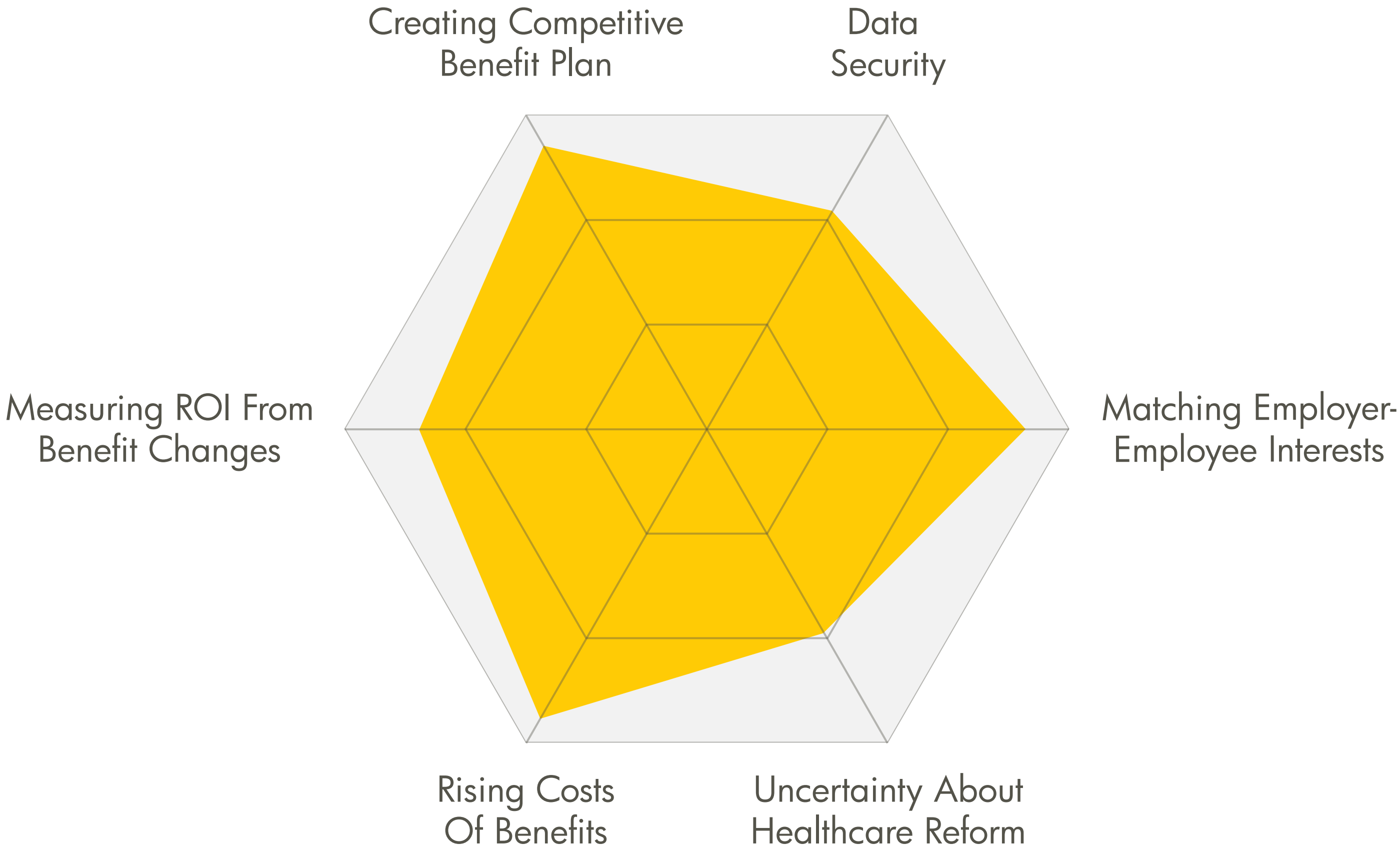
Flexible Work Schedules

29%

Digital Health Tools

DECISION INFLUENCERS

Executive Summary



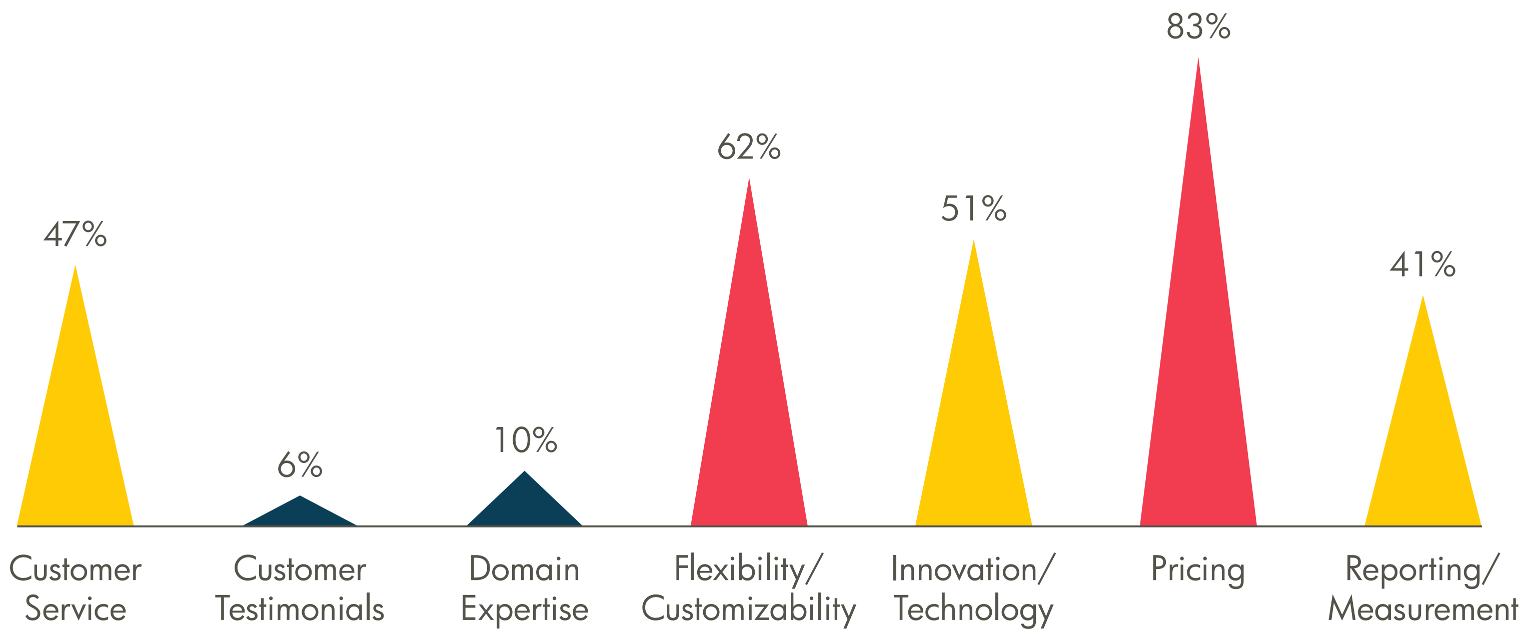
The survey identified six factors companies consider when making benefit decisions and to what degree these factors influence their choices. As expected, companies weigh numerous considerations when making benefit decision, which is why “significantly influence” was the top choice across four of the six factors. However, the extent to which significantly influenced was the most popular choice varied across the options.

Rising cost of benefits and creating competitive benefit plans were the most influential factors with 79% and 73% of respondents saying they significantly influence employer benefit decisions, respectively. The tightening labor market is allowing employees to be more selective about where they choose to work, which is resulting in an employer arms race to expand benefits while balancing costs. Despite the political turmoil in Washington, only 25% of employers are expected to be significantly influenced by uncertainty about health care reform while 30% (the highest of any of the factors) expect employers to be minimally influenced.

VENDOR CRITERIA

Many employers will need to solicit the help of external vendors to implement a successful wellness program, and they evaluate these vendors based on a number of categories. Based on the survey results, two things are clear: (i) pricing is and remains the top criteria and (ii) customer testimonials and domain expertise don't really matter that much. Eighty-three percent of brokers felt pricing was a top three criteria when evaluating vendors, but very few felt customer testimonials and domain expertise were a top three consideration. Flexibility and customizability ranked as the second highest criteria (62%), and the remaining criteria, which include customer service, technology, and reporting, were effectively equally considered.

Employer size did play a factor in the importance of these criteria. Although pricing still ranked high, flexibility and customizability ranked the highest for large employers. Presumably, these organizations have more substantial budgets and are willing to pay for more flexibility. Small employers disproportionately valued reporting features. This may be a result of the vendors that offer solutions to smaller groups having limited capabilities.



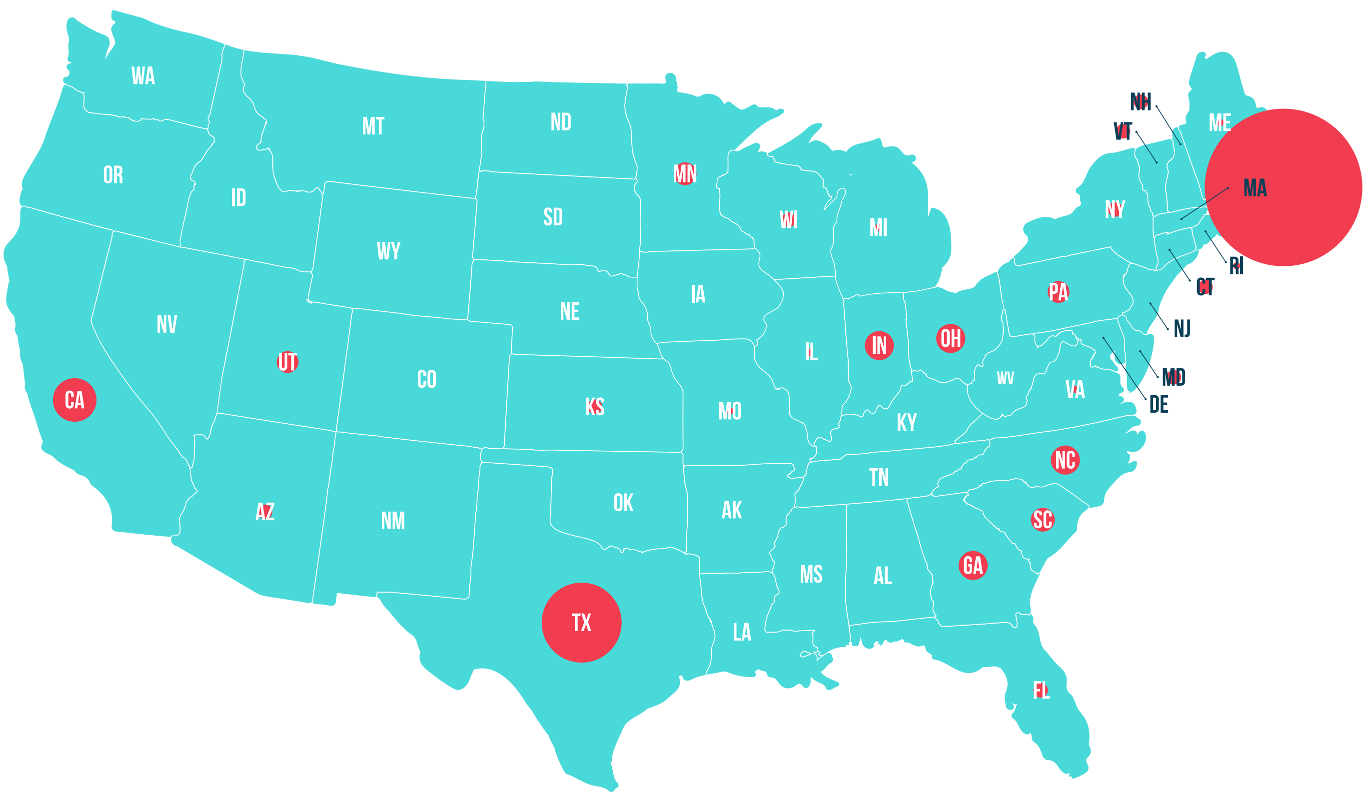
PART 1

PARTICIPANT PROFILE

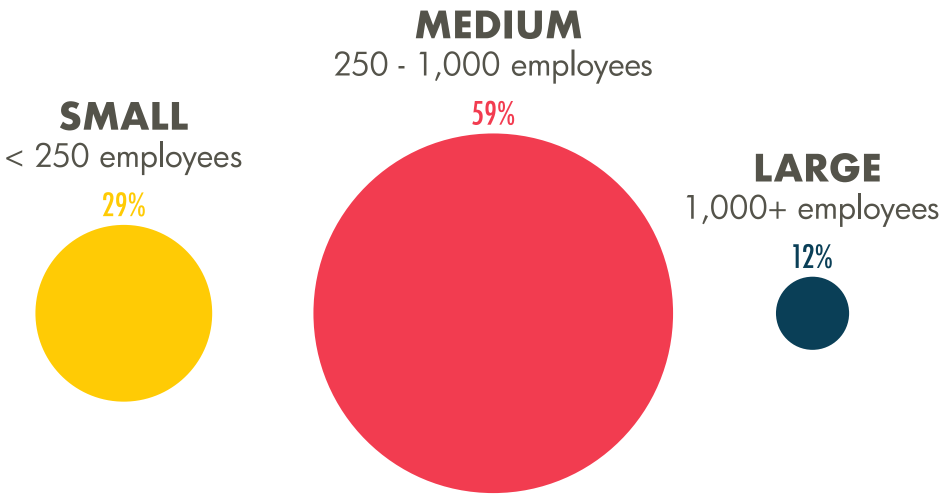
OVERVIEW

To better understand the perspectives of a vast and diverse set of employers, the 2019 Employee Wellness Industry Trends report surveyed the trusted advisors of companies across the country – health insurance brokers. Health insurance brokers and their wellness directors work closely with organizations to develop short- and long-term strategies for employee wellness success as well as assist in the identification and evaluation of vendors. Through responses from 92 of these professionals, the 2019 Employee Wellness Industry Trends report reflects the current positions of thousands of companies and millions of employees.

The survey also captured the geography, years of experience, and average client size of the respondents to identify trends that may exist in specific demographics.



OVERVIEW



AVERAGE CLIENT SIZE

BROKER YEARS OF EXPERIENCE

PART 2

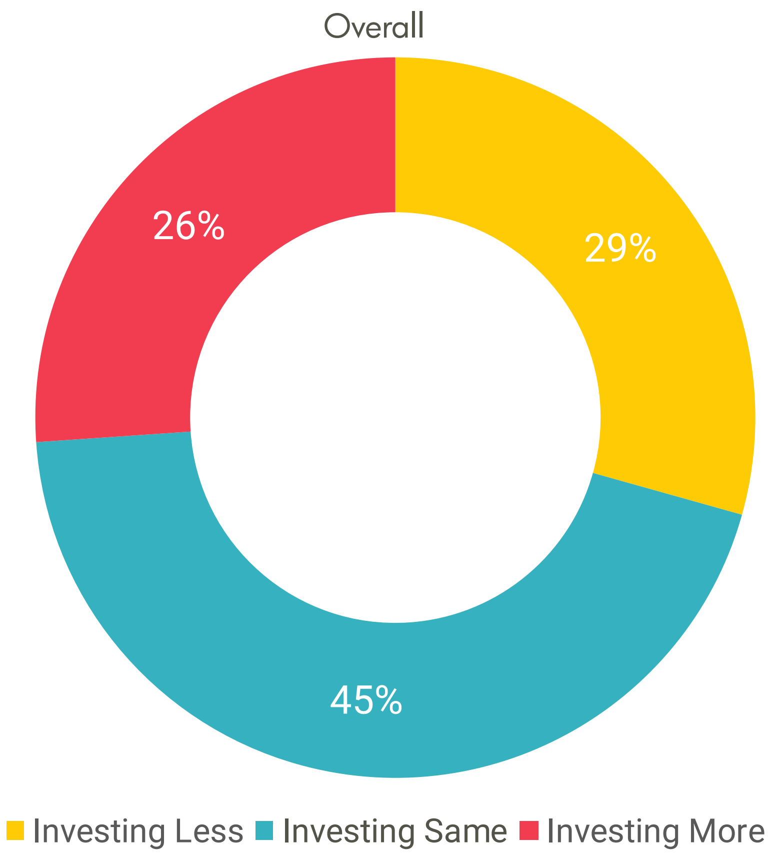
INVESTMENT TRENDS

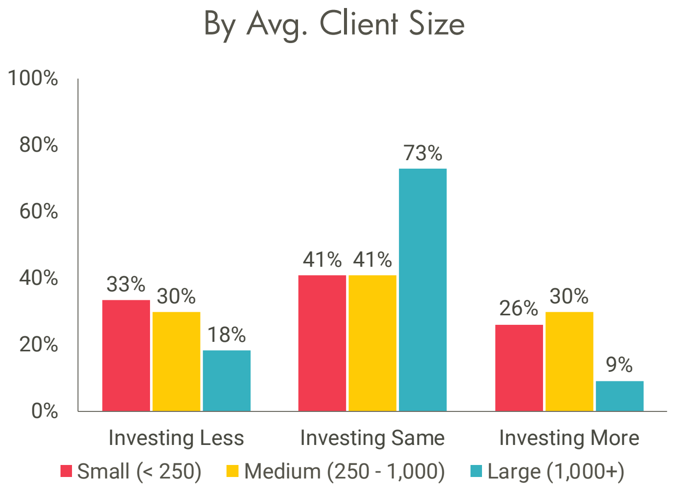
BIOMETRIC SCREENINGS

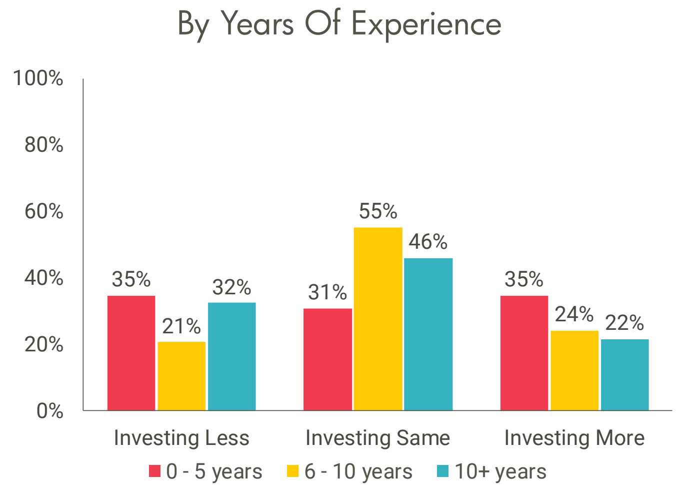
Investment Trends

Despite the overwhelming research that suggests biometric screenings do not deliver the results that employers previously believed, more than a quarter of companies plan to invest more into these programs. Less than 30% realize the failings of this type of program and are planning to invest less.

Although, there was a 10 percentage point increase from last year in the number companies that plan to invest less. This is likely a result of the judicial system vacating the EEOC wellness rules, which will take effect on January 1, 2019. With no new rules from the EEOC, employers requiring screenings run the risk of being sued.





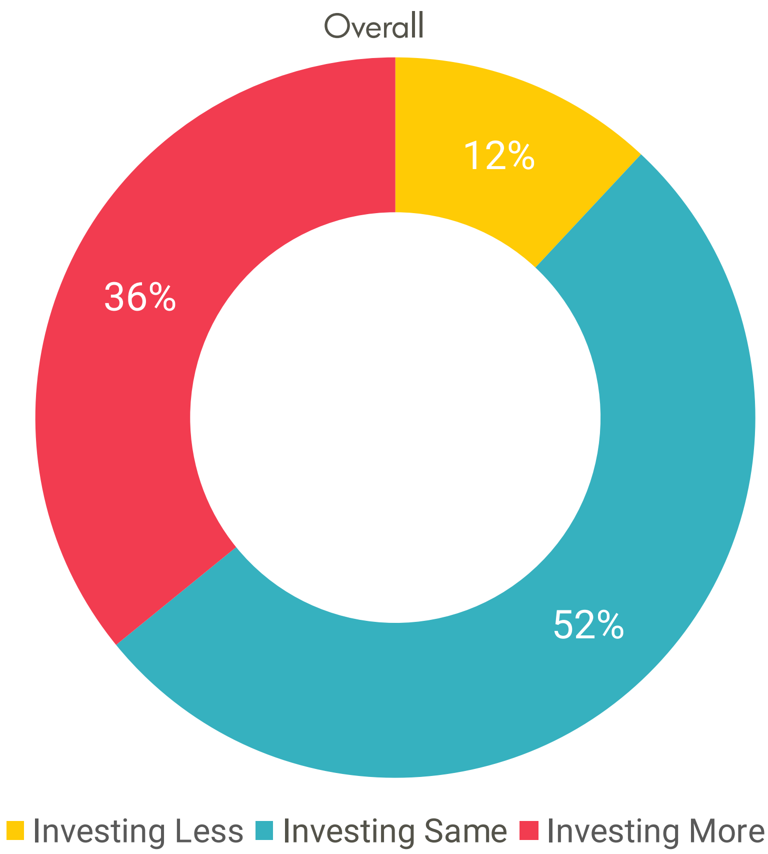


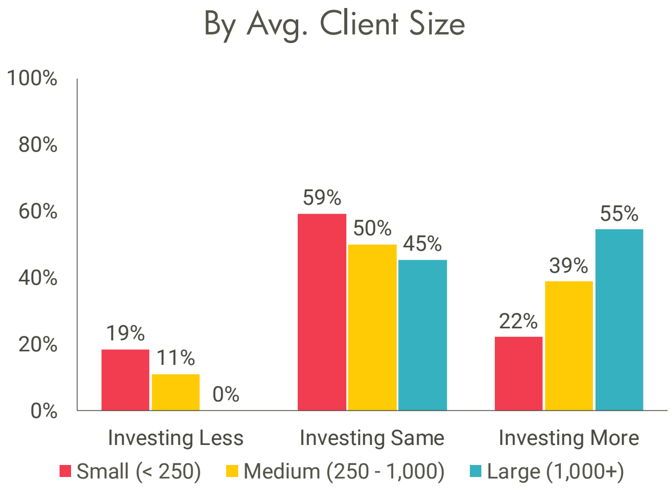
DISEASE MANAGEMENT

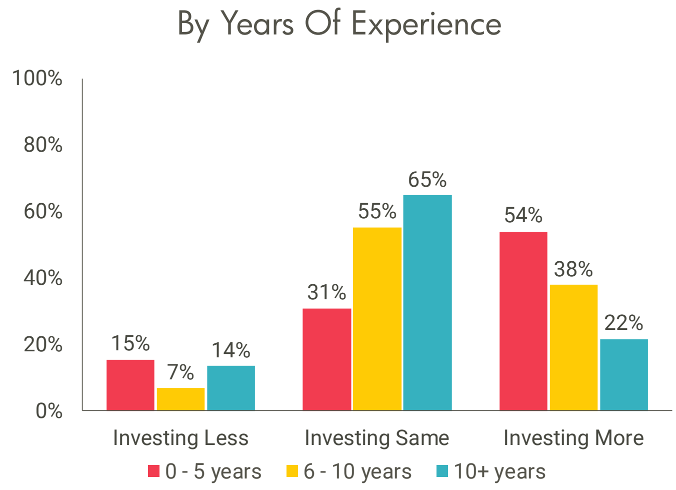
Investment Trends

Eighty-eight percent of employers will be investing the same or more into disease management, which suggests these programs are here to stay. Disease management programs are targeted, often focusing on specific chronic conditions that may be particularly prevalent with an employee population.

Traditionally, disease management programs have been limited to larger employers that have enough employees suffering from a specific condition to justify the resources, but per the survey, medium sized employers are beginning to adopt them. Nearly four out of ten medium sized employers plan to invest more into these types of programs in the coming years.





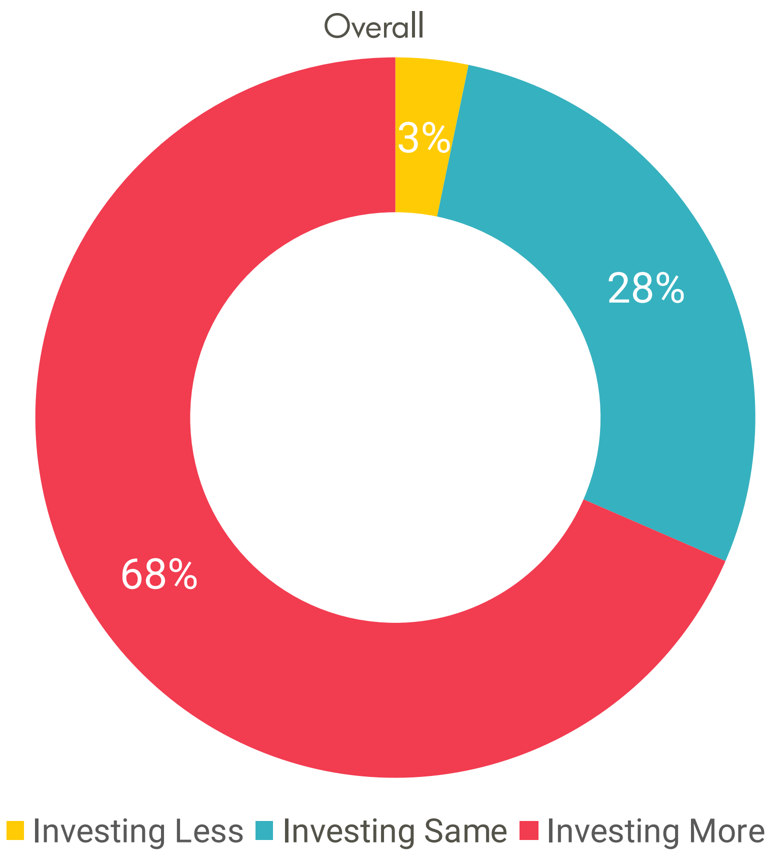


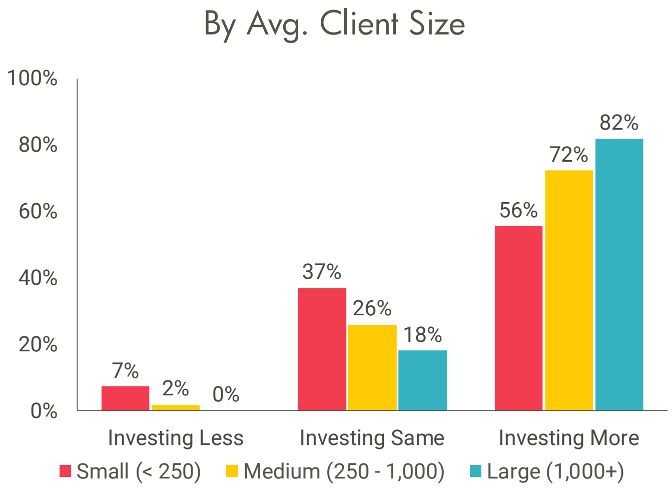
FINANCIAL WELLNESS

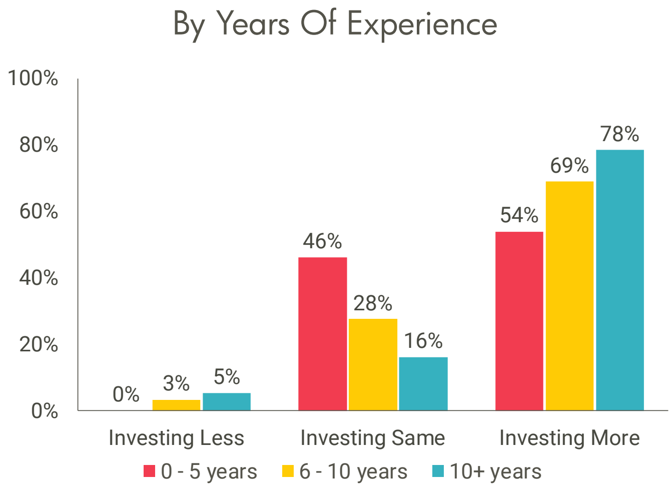
Investment Trends

Financial wellness may be one of the “hottest” areas of employee well-being. More than 68% of employers will be investing more into improving the financial health of their employees. Only 3% plan to invest less in the coming year.

Larger employers tend to lead the way with emerging wellness solutions, and financial wellness seems to be no different with 82% of large employers planning to invest more into these programs next year. No large employers plan to invest less.





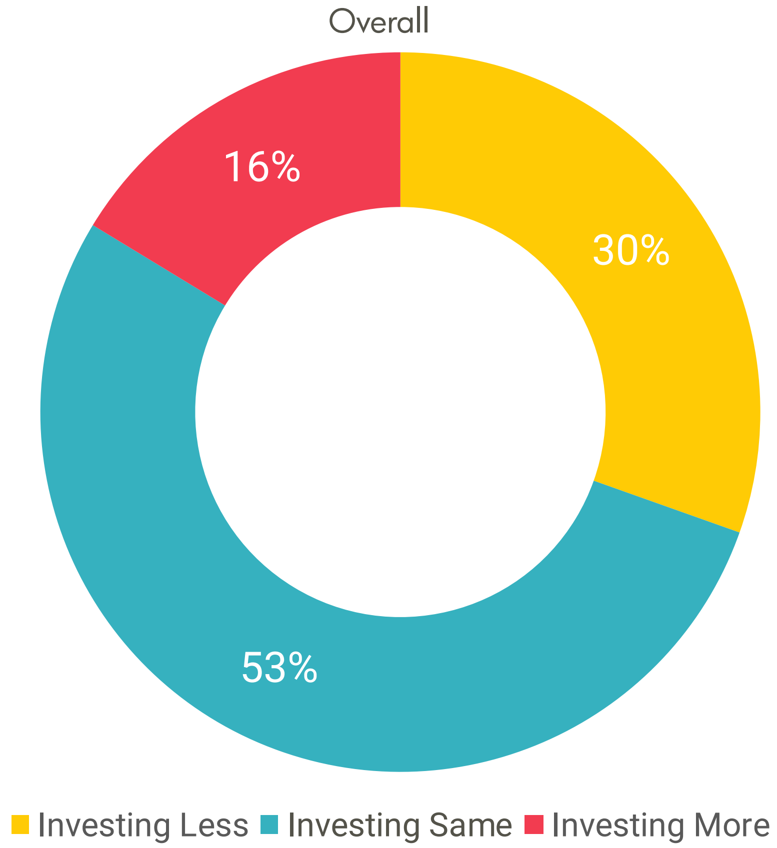


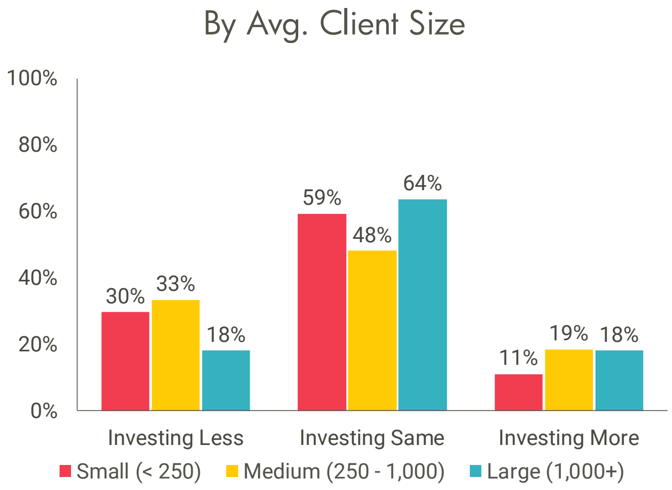
FITNESS CLASSES

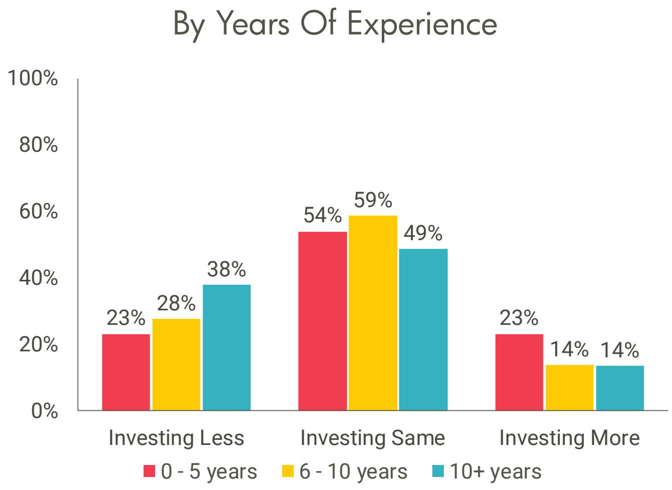
Investment Trends

Nearly one out of three employers next year will be investing less into on-site fitness classes. This is an increase of seven percentage points from last year.

This service also had one of the largest differences between companies investing more vs. less in favor of the latter. This may be the result of limited scalability (i.e., space limitations, no showering facilities on-site, not delivered digitally, etc.). As a result, most employers are keeping their investment the same. Also, some may be favoring investing more in gym reimbursements as an alternative.





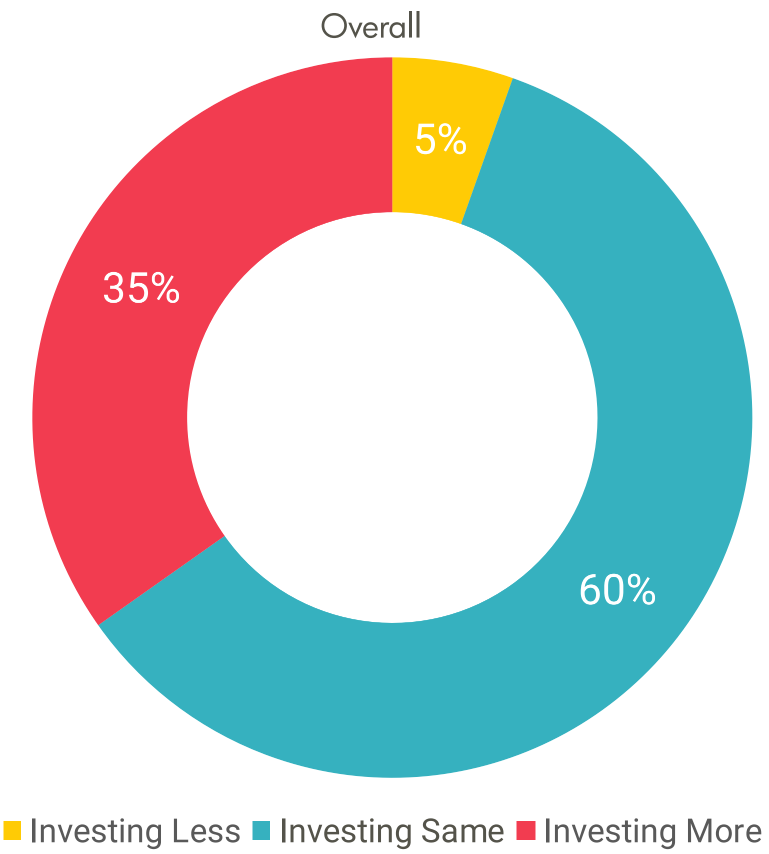


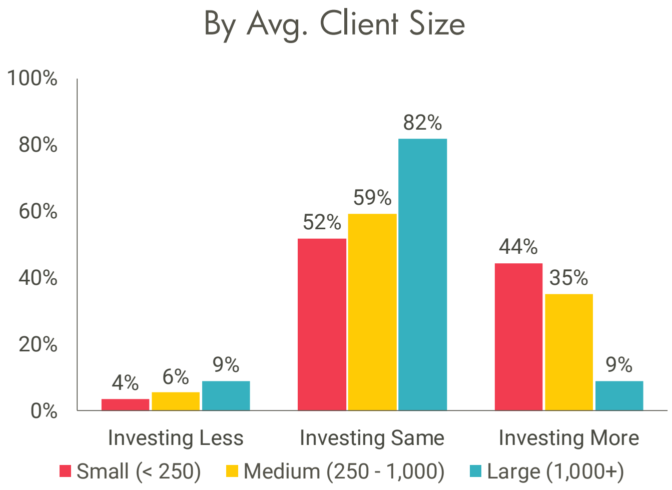
FLU SHOTS

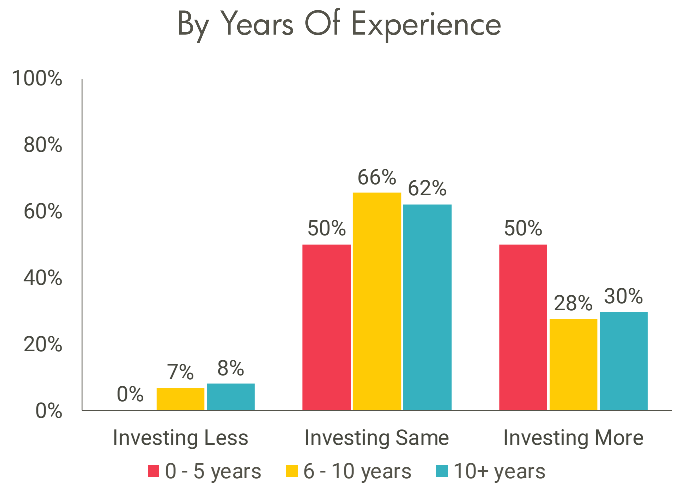
Investment Trends

This survey was initiated in the middle of a flu season, which may impact the responses.

With 60% of employers investing the same amount as last year, most employers are sticking with their original plans. However, the number of employers that plan to invest more increased by 12 percentage points from the previous year. This is may be driven by last year's flu season being one of the worse in decades as well as by the high percentage of small employers (44%) starting to launch flu shot clinics as part of their wellness strategy.



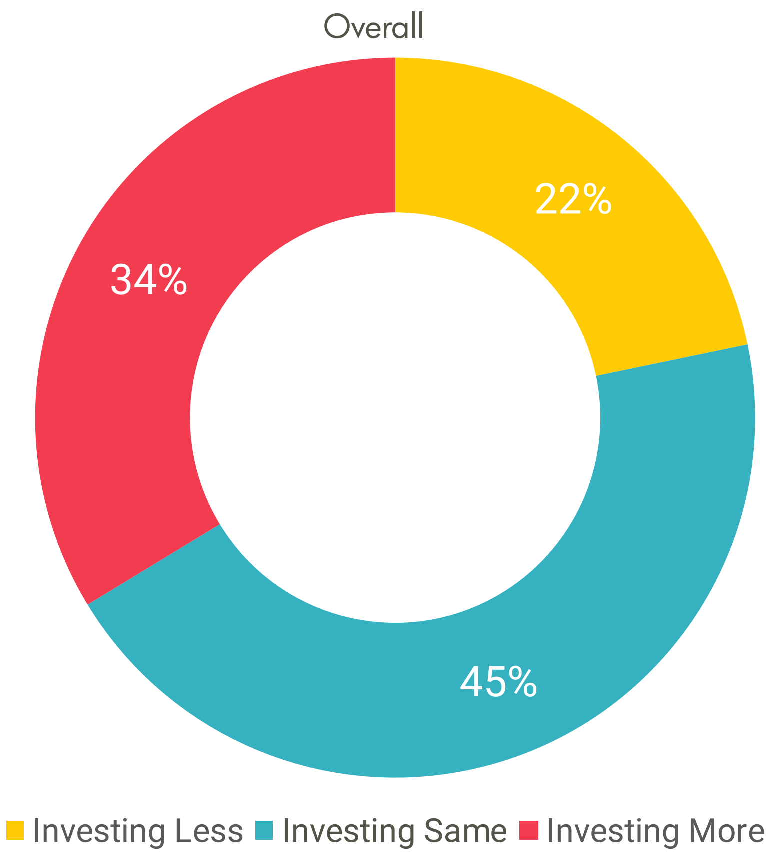


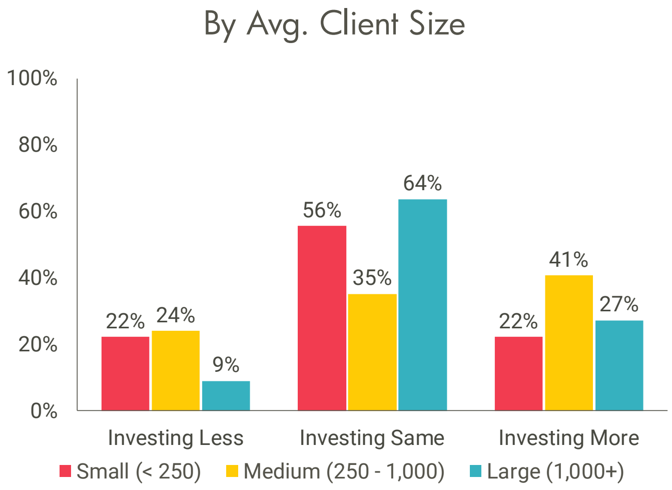


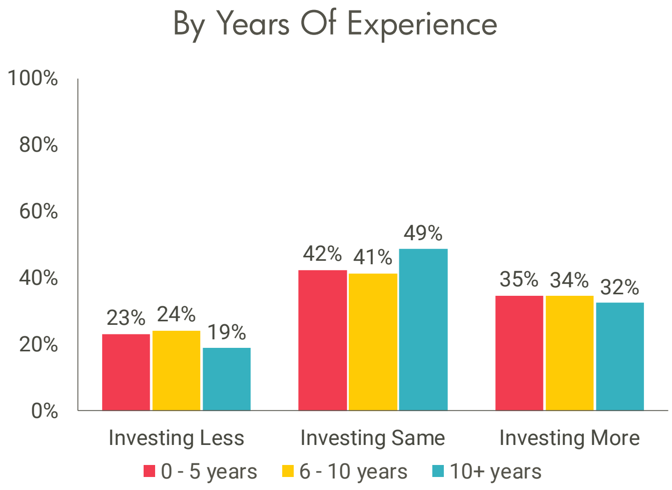
FREE HEALTHY FOOD

Since millennials value on-site benefits in their employment decisions, it is likely that free healthy food as an employee benefit may partially be driven by non-wellness motives.

With more than a third of employers expecting to invest more in healthy food, the increase in demand for this benefit highlights a tightening labor market where employers are increasing perks to recruit and retain talent. The expansion of this benefit is greatest in medium employers, which is likely a result of large employers already adopting this perk and small employers having more constrained budgets.





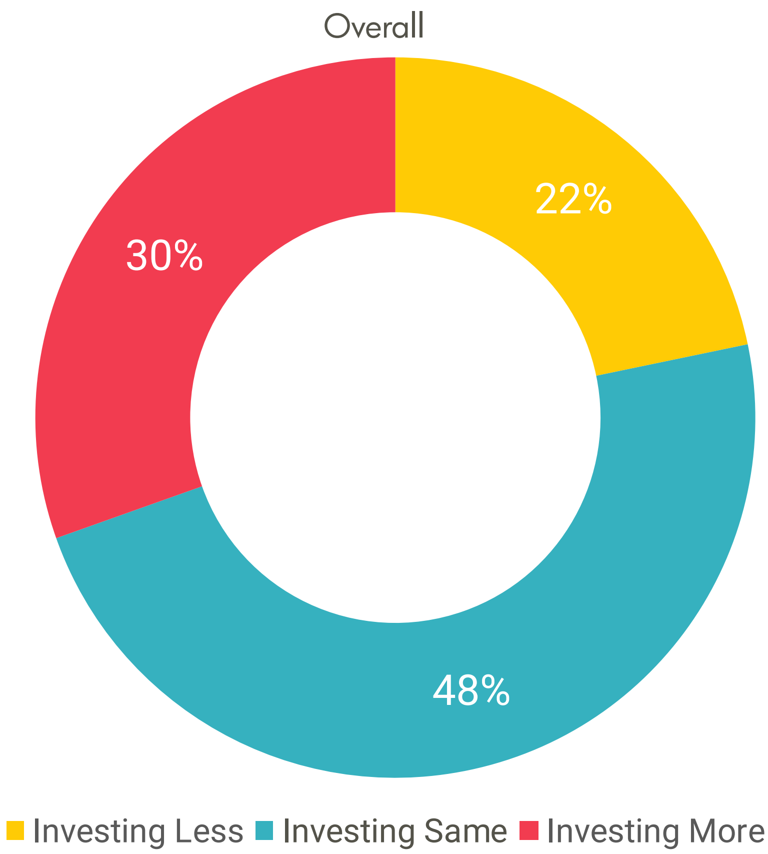


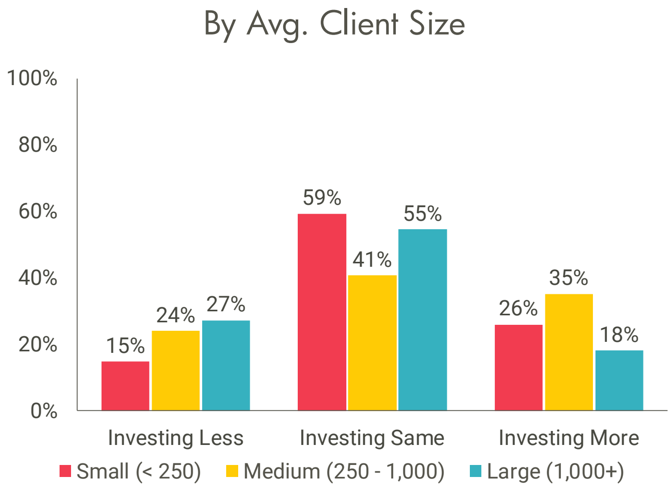
GYM REIMBURSEMENT

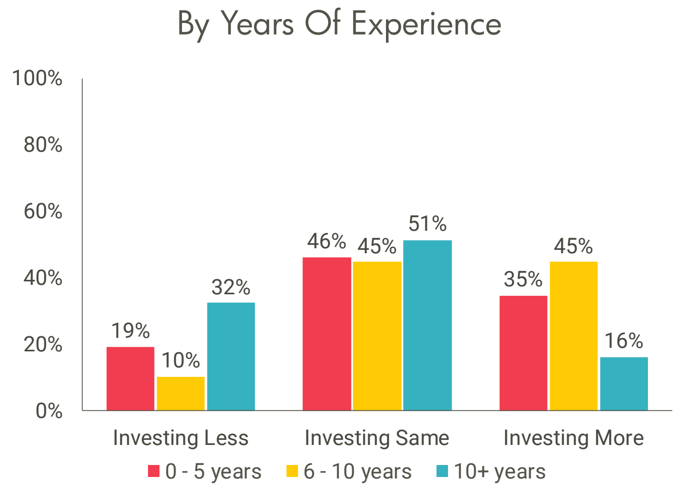
Investment Trends

Seventy-eight percent of employers will be investing more or the same in gym reimbursement programs. Similar to healthy food in the office, this is an attractive benefit, especially for millennials, who place higher consideration on total rewards programs and benefits. Other factors contributing to growth in these programs are a highly competitive job market and traditional gyms looking to expand their reach as emerging fitness models (boutique studios, on-demand classes, and subscription services) erode their membership base.

Similar to free healthy food, medium employers are leading the way in investing more into gym reimbursements, which is likely a result of large employers already adopting this perk and small employers having more constrained budgets.





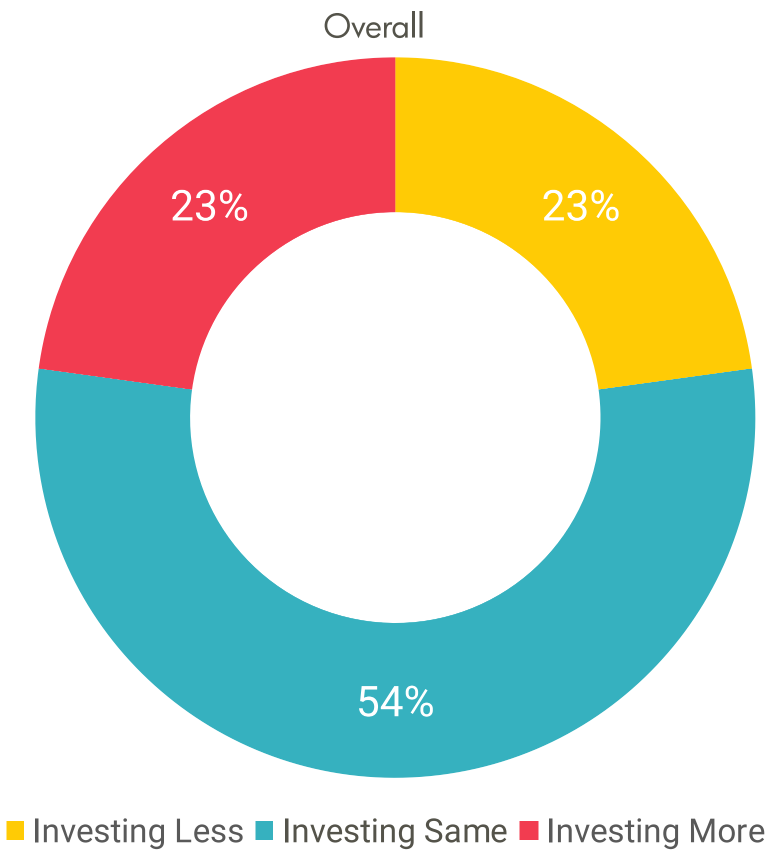


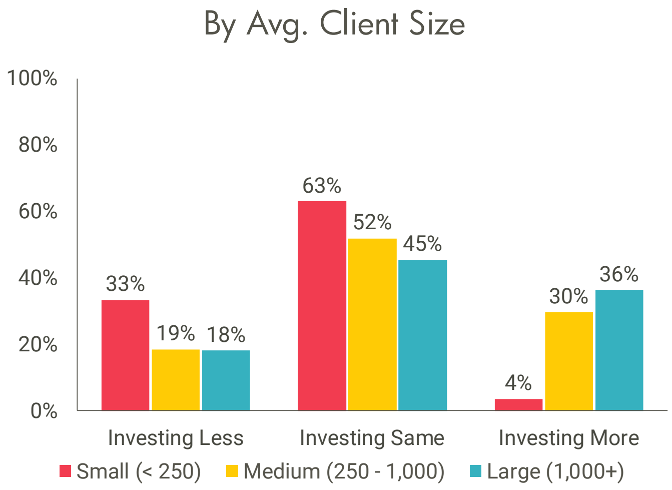
HEALTH COACHING

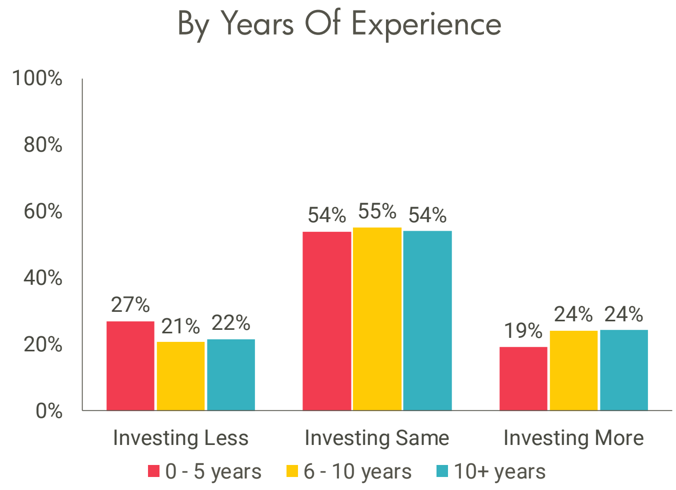
Investment Trends

Changes in health coaching investments by employers was equally distributed between groups looking to invest more and less into this service, with about a little less than a quarter of employers going both ways. More than half will keep their investment the same.

Large employers are the most likely to increase their investment. This is likely attributable to the amount of financial resources necessary to launch heath coaching programs and the limited budgets often associated with small and medium employers. Employer groups with brokers that have more than 10 years of experience also were investing more relative to ones with less experienced brokers. Perhaps this is due to health coaching being a more established and older employee wellness offering.





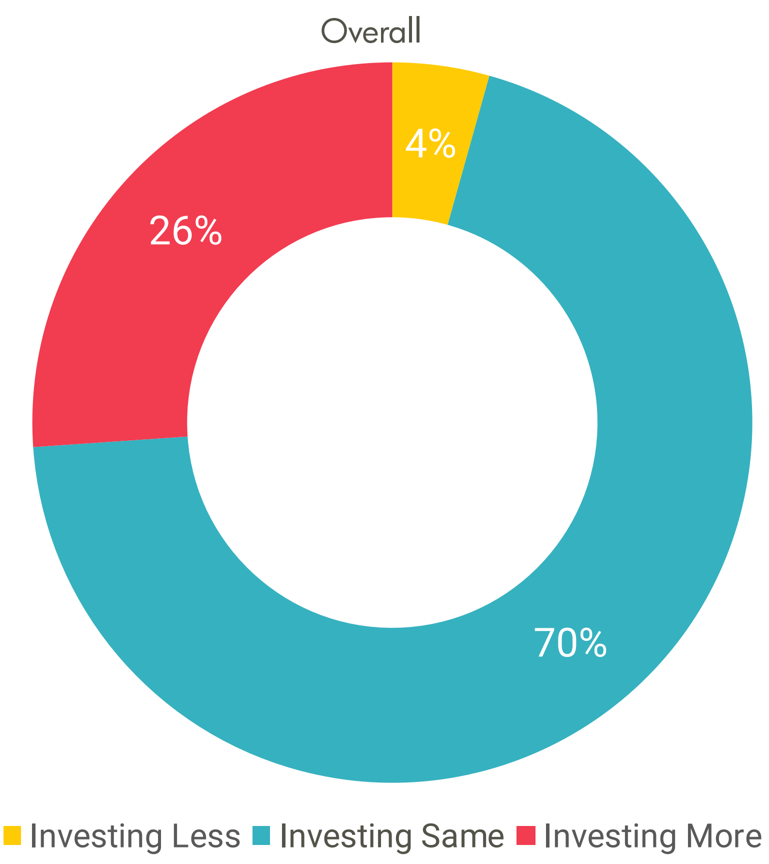


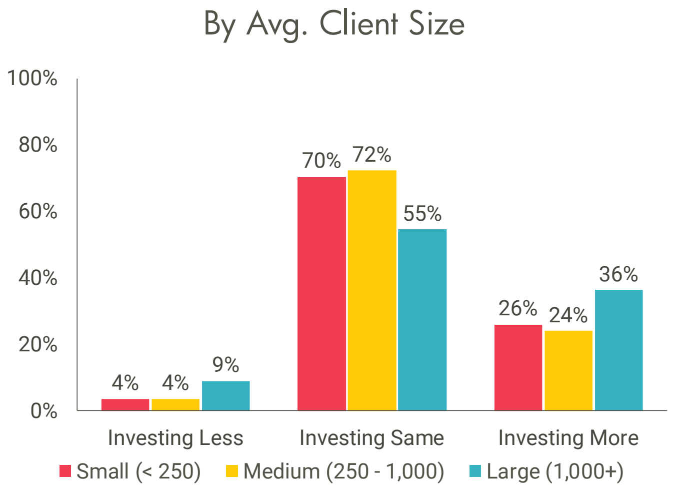
HEALTH EDUCATION/ LITERACY

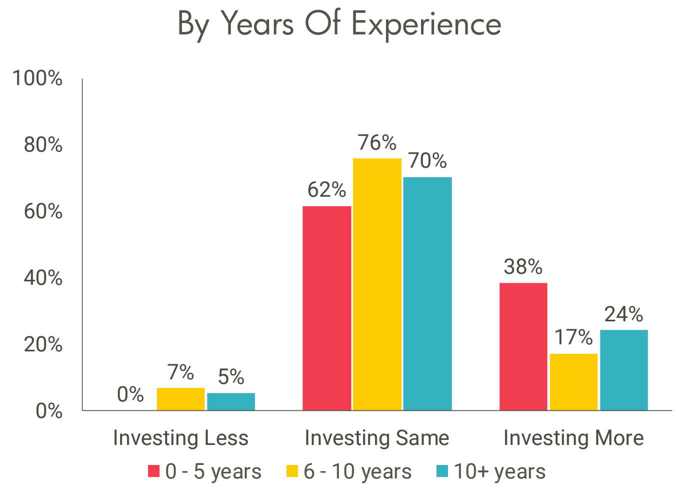
Investment Trends

Having access to and engaging with quality, relevant, and timely health content is critical to well-being.

With the growing amount of misinformation available to consumers via the internet, the role of employers in facilitating health literacy has never been more important, which is why more than nine out of 10 employers plan to invest the same or more to improve the health literacy of their employees. Employers of all sizes are interested in health education.



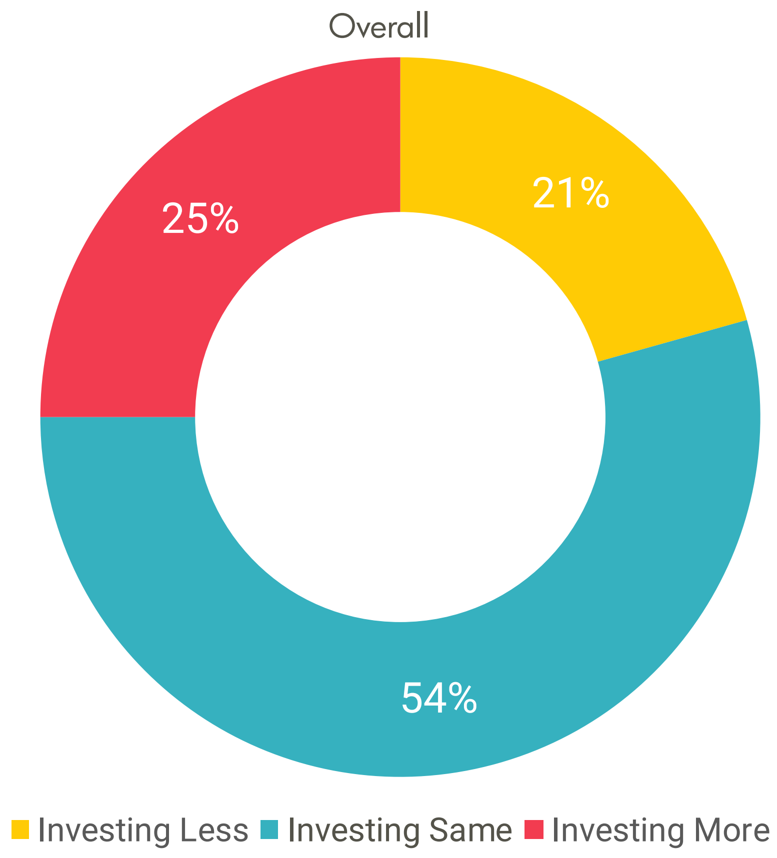


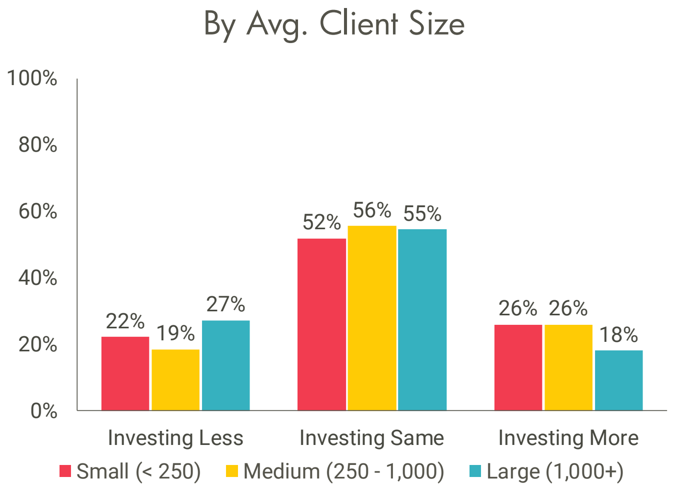


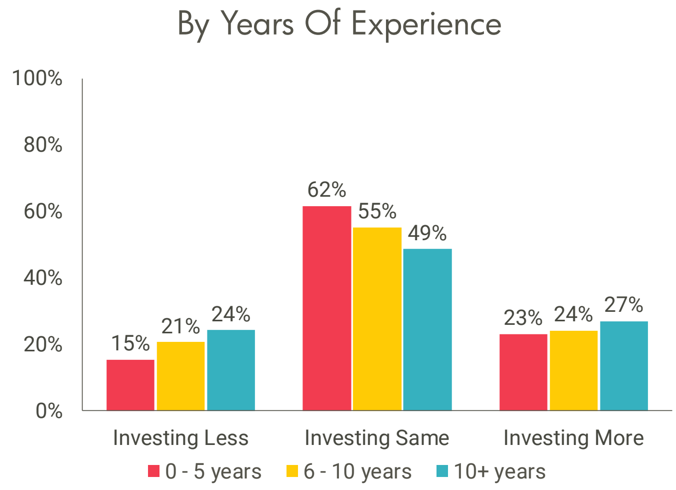
HEALTH FAIRS

Health fairs are very similar to health coaching programs. More than half of employers will be investing the same amount while nearly a quarter will either invest more or less into these on-site events.

Unlike health coaching, interest in investing more or the same into health fairs cuts across all employer sizes as well as broker experience. Since many health fairs booths can be offered for free, such as having the health plan or local gym attend, budget size does not need to be as limiting as one would think.



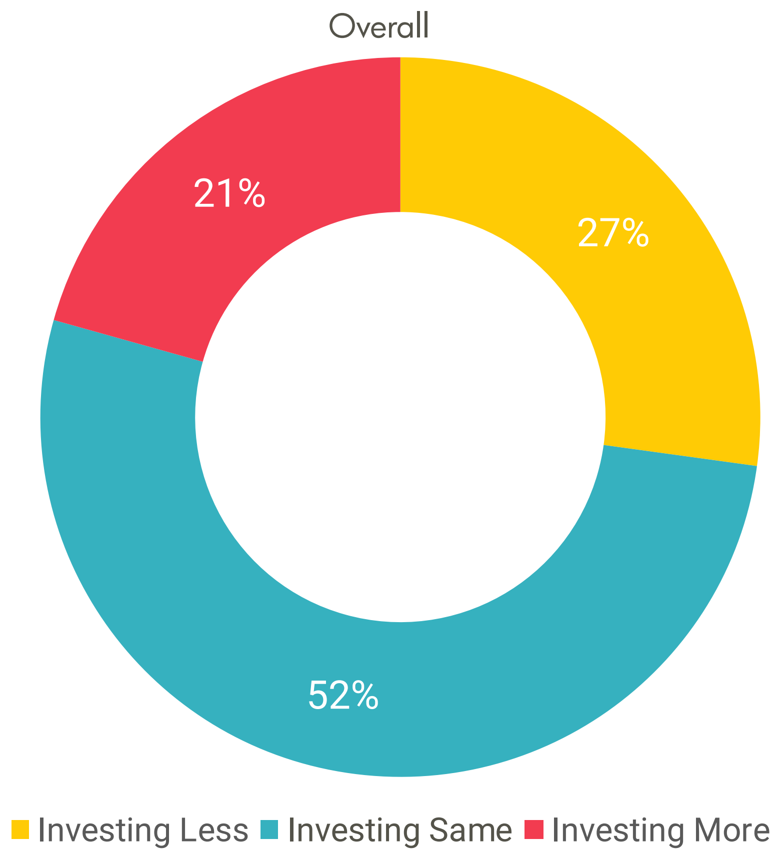


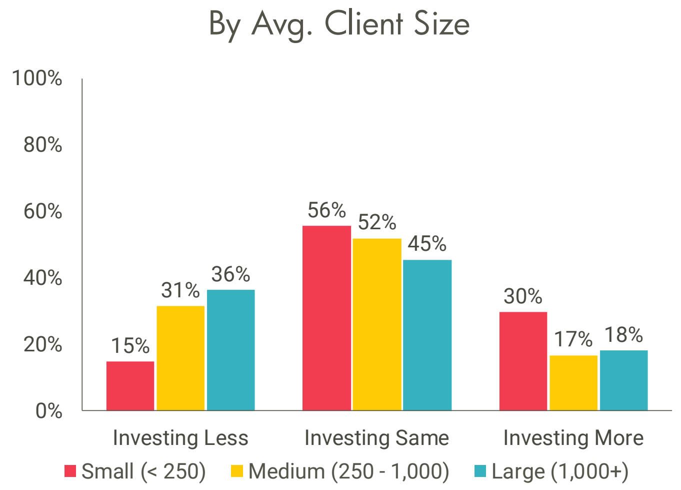


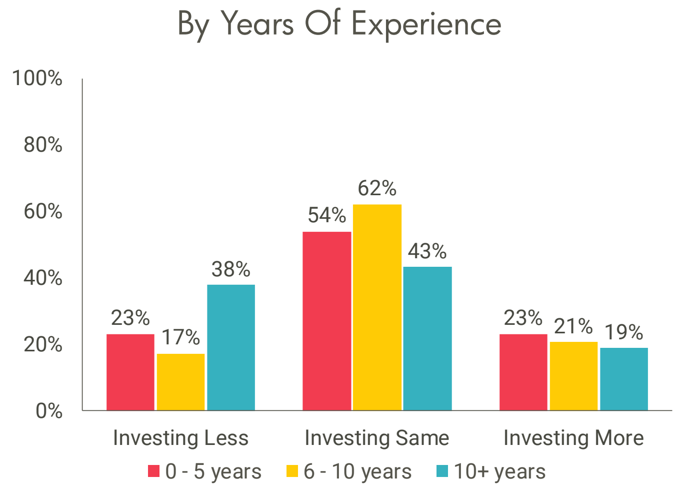
HEALTH RISK ASSESSMENTS

Similar to biometric screenings, the utilization of health risk assessments (HRAs) is at risk due to the EEOC wellness rules being vacated on January 1, 2019. This means this wellness offering can no longer be mandatory.

Since HRAs are often a free resource provided through health plans, the popularity remains high despite regulatory hurdles and questions around efficacy. This may explain why nearly three quarters (73%) of employers are planning to invest the same or more into HRAs for their employees. Small employers are leading the way in increasing investment into HRAs.



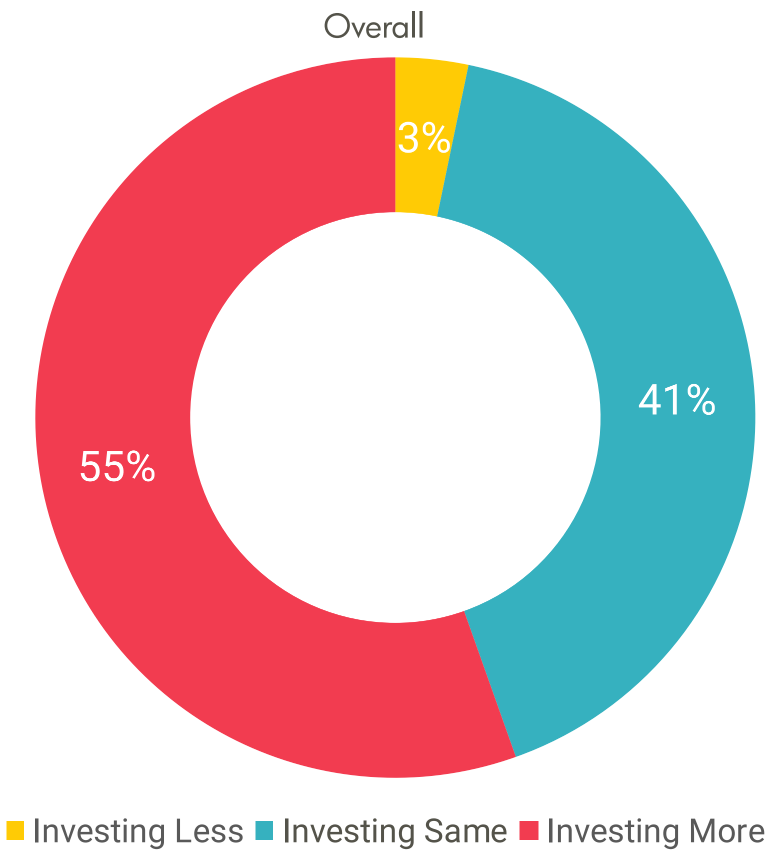


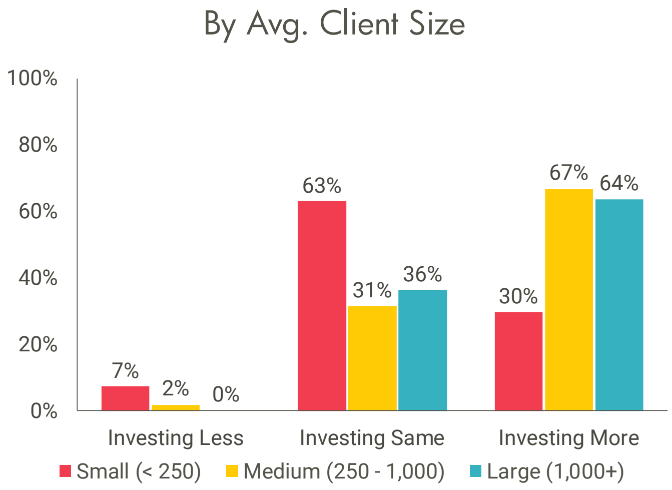


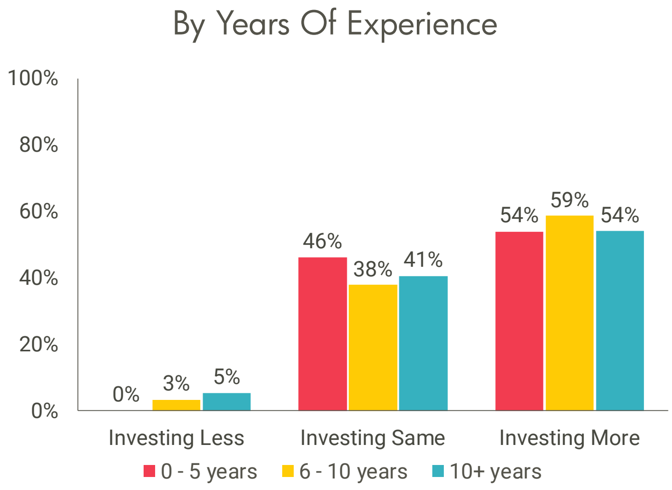
MENTAL HEALTH

Alongside financial wellness, mental health programs are rapidly gaining traction with 55% of employers planning on investing more into these types of programs. Only 3% are planning to invest less.

Since small employers tend to adopt new trends in employee wellness late, it comes as no surprise that medium and large employers are more than twice as likely to be investing more into mental health. According to the survey, no large employers plan to invest less into mental health. Brokers of all experience levels are seeing their clients invest more into mental health.





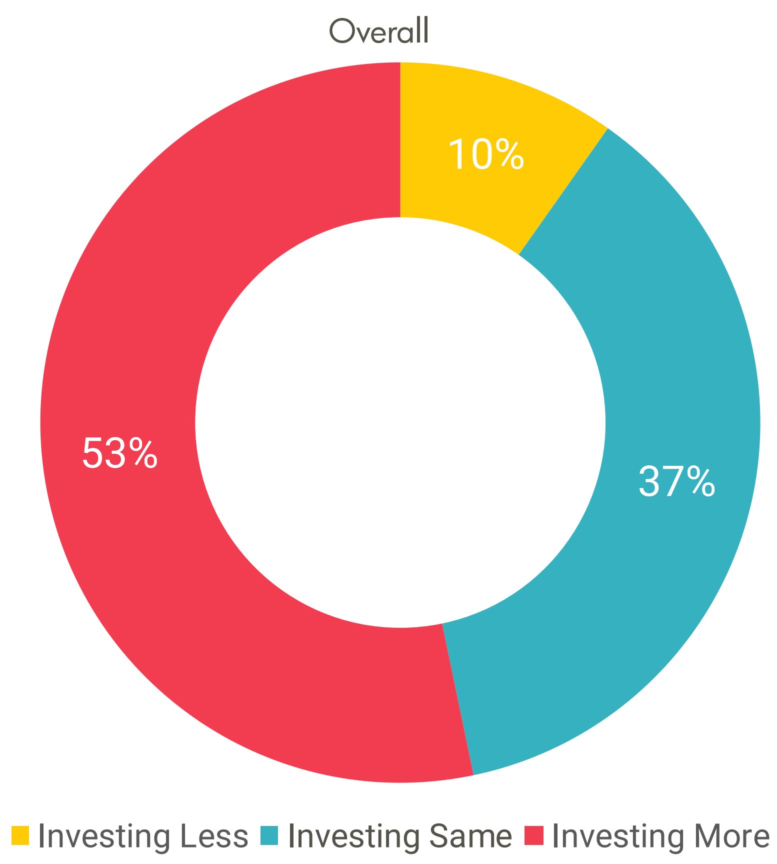


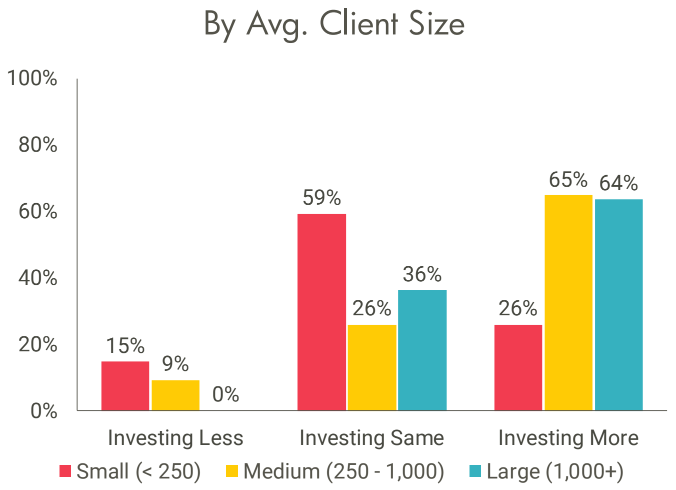
MINDFULNESS/ MEDITATION

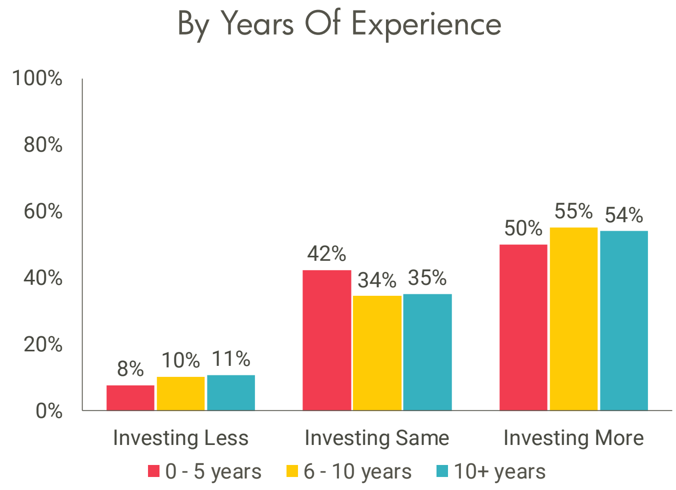
Investment Trends

Mindfulness and meditation programs are directed towards alleviating stress, a major cause of mental health concerns for employees. The popularity of these practices in the consumer market are impacting investment in these services, resulting in 53% of employers expecting to invest more in this area.

Specifically, medium and large employers are leading the way with 65% and 64% of them, respectively, investing more this year. Traditionally, these services required larger budgets to scale, but with the advent of digital mindfulness and meditation tools, organizations with limited resources will be able to offer these programs.





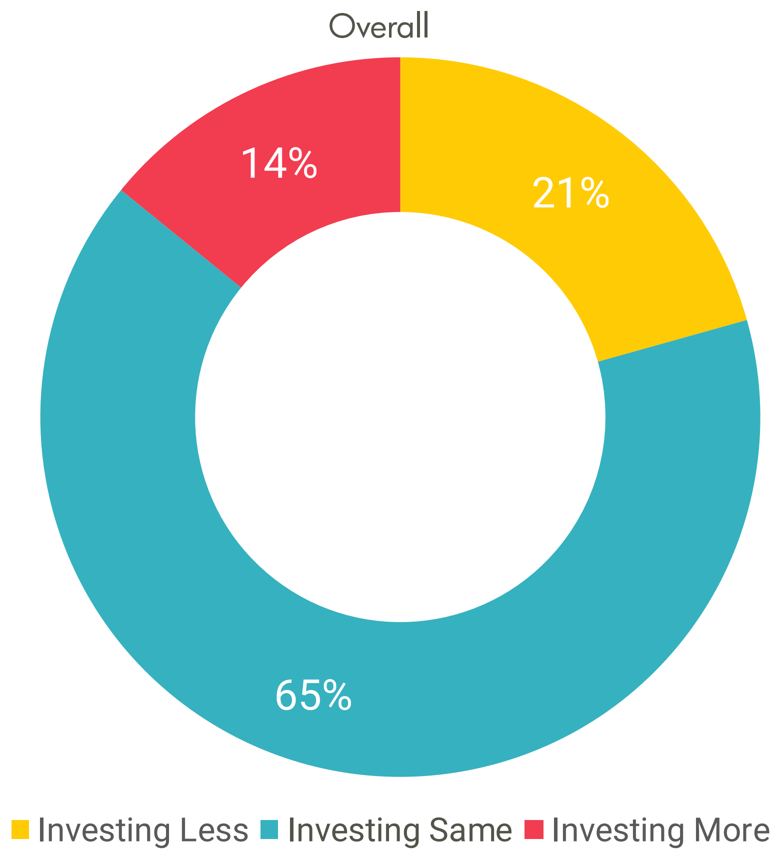


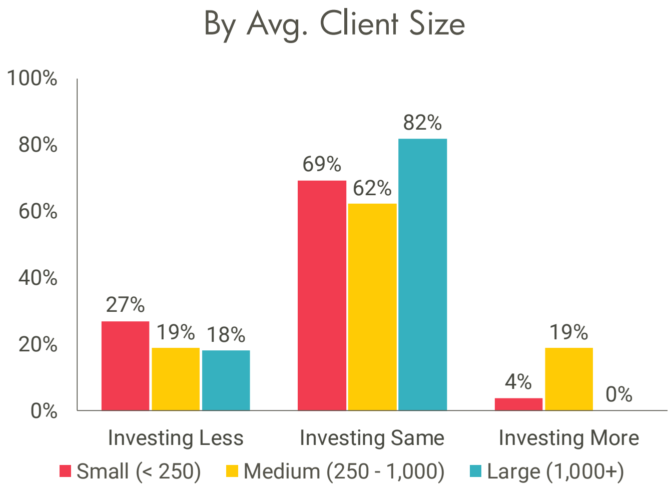
ON-SITE/NEAR-SITE CLINICS

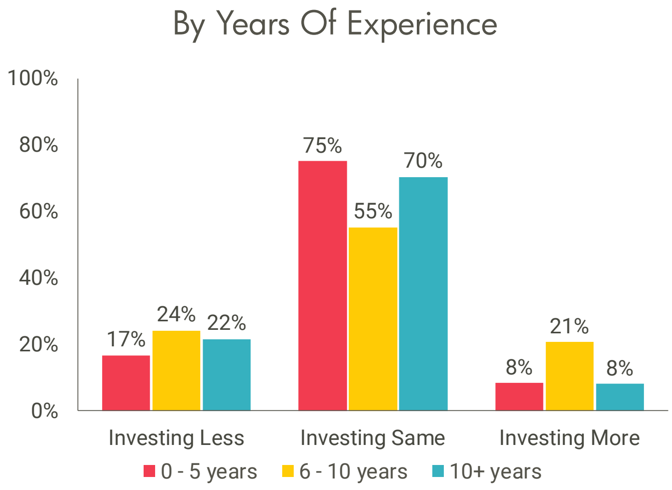
Investment Trends

On-site and near-site clinics are costly benefits that have significant space and upfront capital requirements. Also, to be cost effective, they require a large enough employee population and high enough utilization to justify the staffs' time. With economic uncertainty looming, only 14% of employers expect to invest more in this benefit. Even more (21%) plan to invest less, which may mean closing a clinic or reducing its staff.

Nearly two-thirds of organizations (65%) plan to invest the same amount.







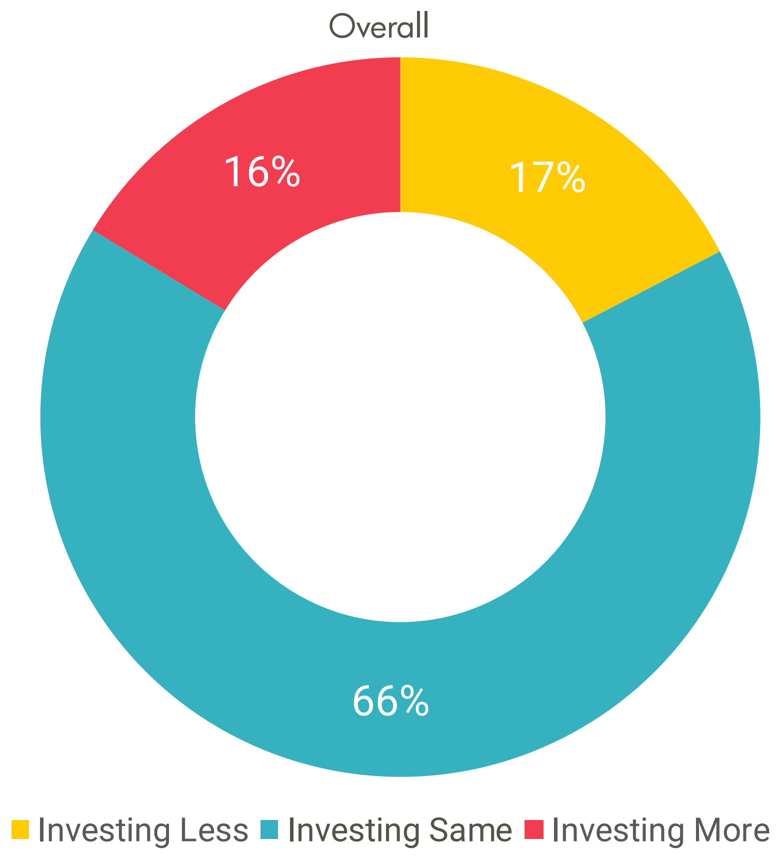
SLEEP MANAGEMENT

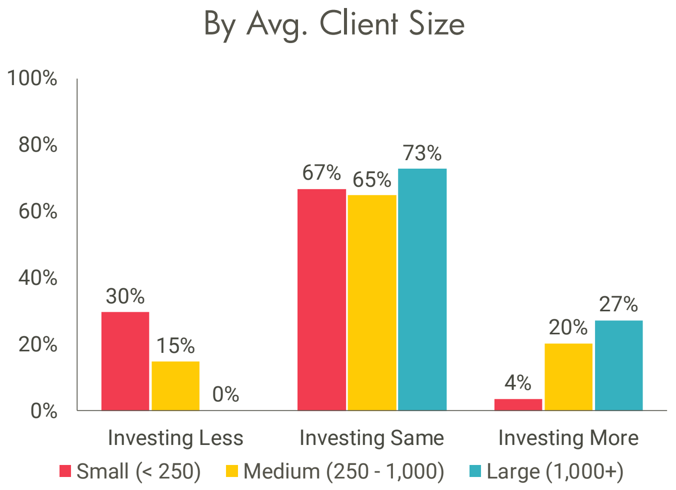
Investment Trends

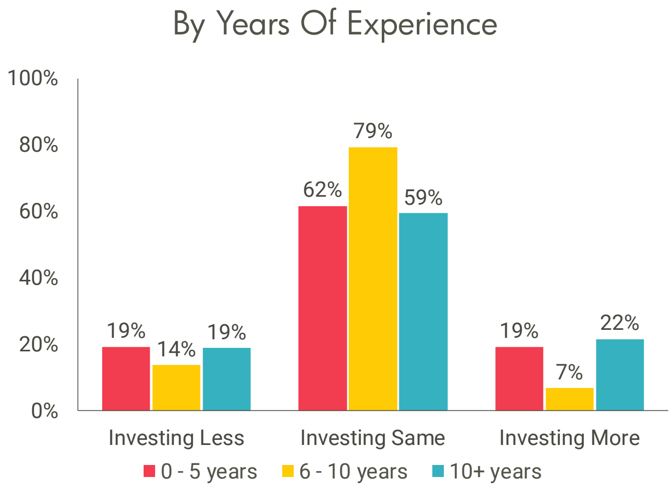
Sleep is a critical element of overall well-being, but until recently, it was often neglected by employee wellness programs.

However, despite being a higher priority now, most employers (66%) are investing the same amount in these programs this year while the remaining groups will be split between more and less investment.

As in most wellness services, large employers are leading the way with medium ones right behind. Only 4% of small employers plan to invest more in sleep management.



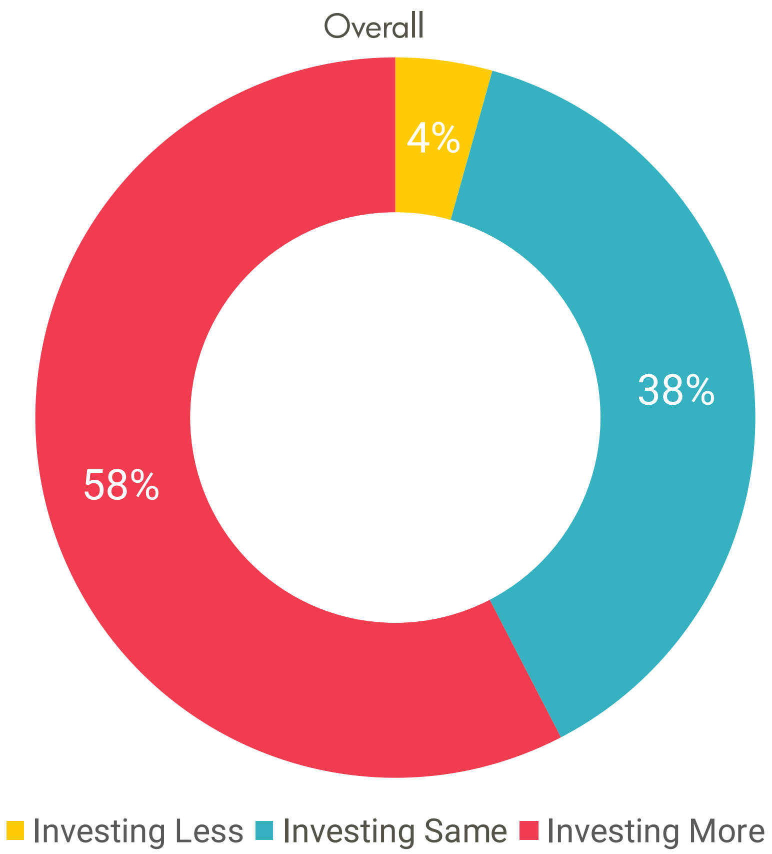


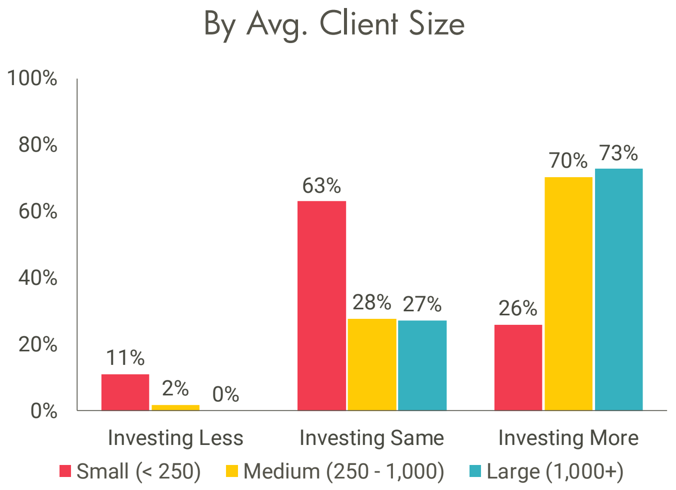


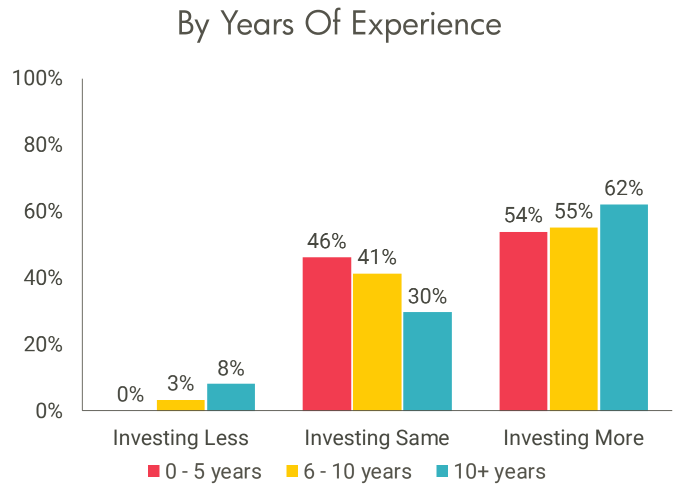
STRESS MANAGEMENT/ RESILIENCE

Being under the umbrella of mental health, one would expect the survey results for stress management and resilience to have similar findings. This would be a correct assumption.

Fifty-eight percent of employers will be investing more in stress management programs. Only 4% are expected to invest less. The desire for destressed employees is present in employers of all sizes, but the percentage of medium and large employers looking to invest more in stress management nearly triples that of small employers. This dynamic is not present when the responses are broken out by broker experience.



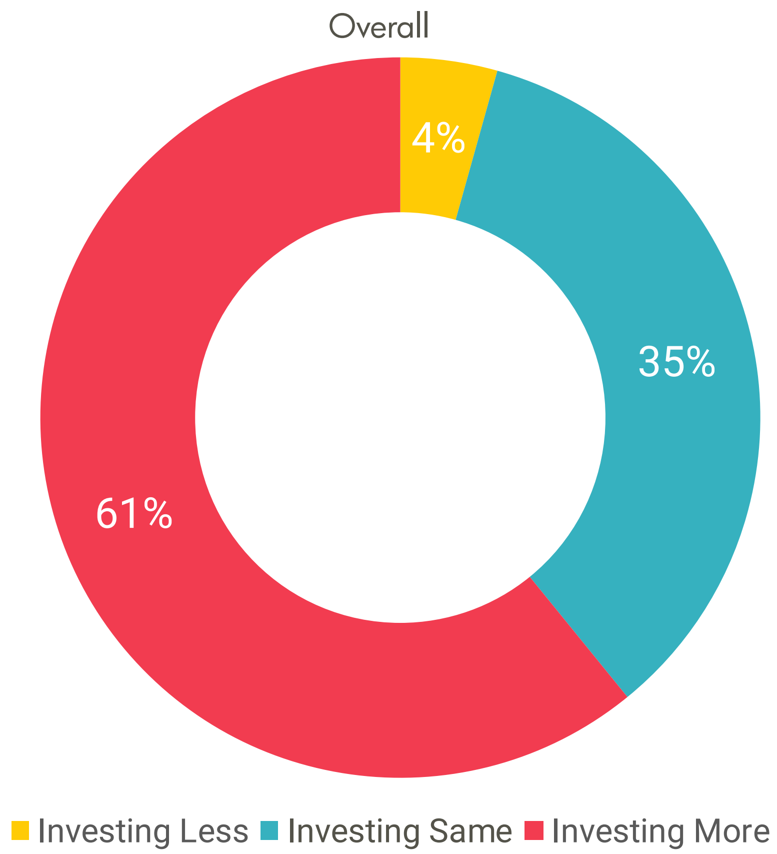


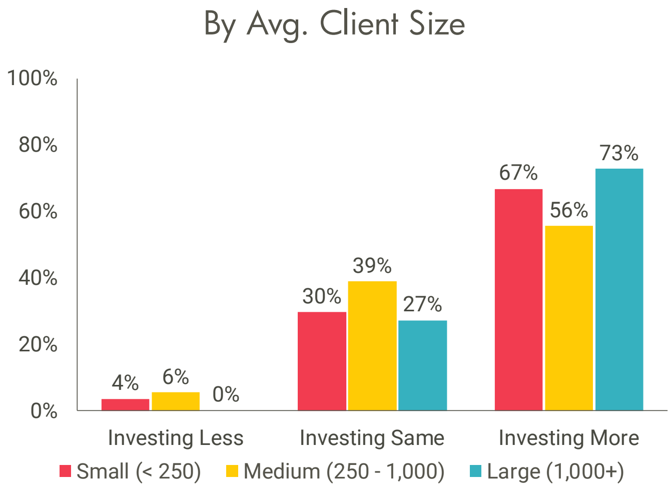


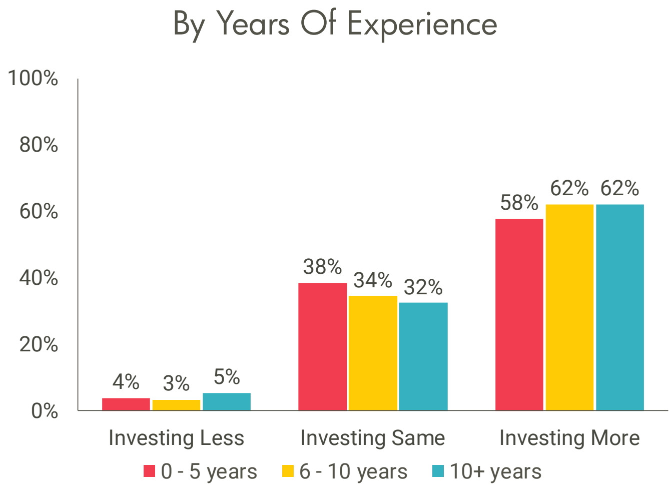
TELEMEDICINE

With the promise of controlling costs with more affordable visits, telemedicine has surged over the last decade. Driven initially by large, self-insured employers, small and medium employers are adopting these solutions rapidly with more than 50% of them investing more in telemedicine this year. Few employers (4%) are investing less, but that may not remain the case if telemedicine does not resolve its engagement issue, as most employers struggle with driving utilization of telemedicine.

Despite these challenges, the promise of telemedicine resulted in it having one of the highest percentage of employers expecting to invest more this year.





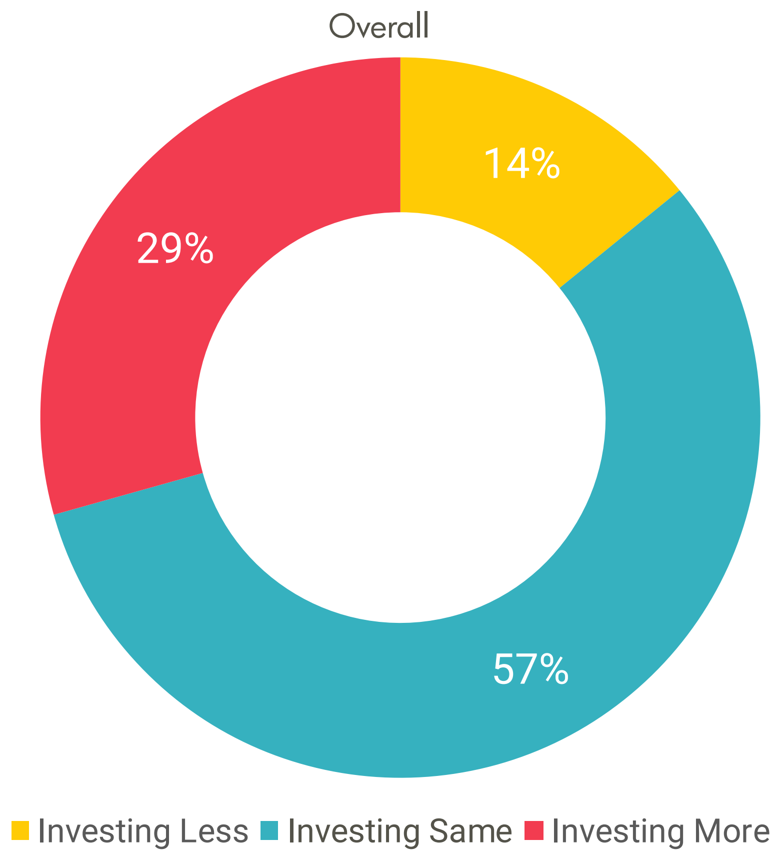


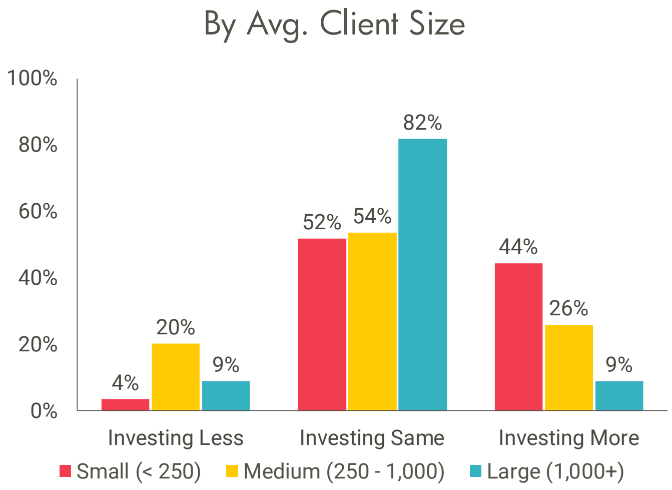
TOBACCO CESSATION

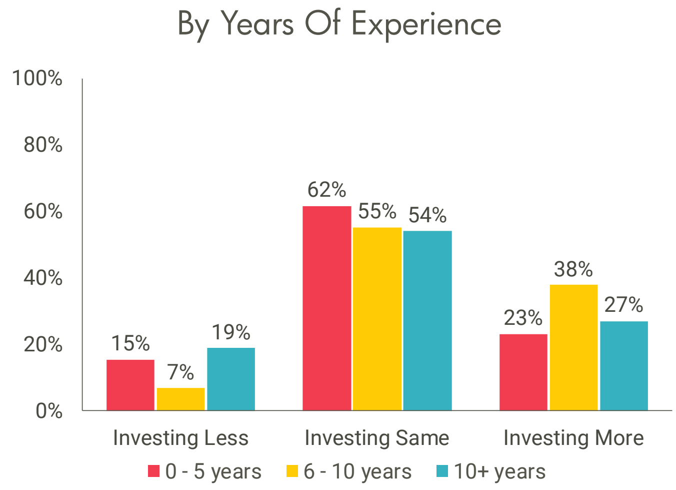
Investment Trends

Tobacco use amongst adults in the United States has steadily declined since the mid-1960s but seems to be bottoming out around 15%. Although usage has dropped significantly, the adverse impact of tobacco use is so strong that employers continue to see financial and non-financial reasons to pursue cessation programs.

Many employers know whether they have a significant smoking population or not; if they do, they probably already offer smoking cessation benefits, which is why the majority expect their investment to stay the same this year. A surprising large percentage (30%) of employers expect to invest more. This appears to be the result of small employers being nearly five times more likely to invest more relative to large ones.



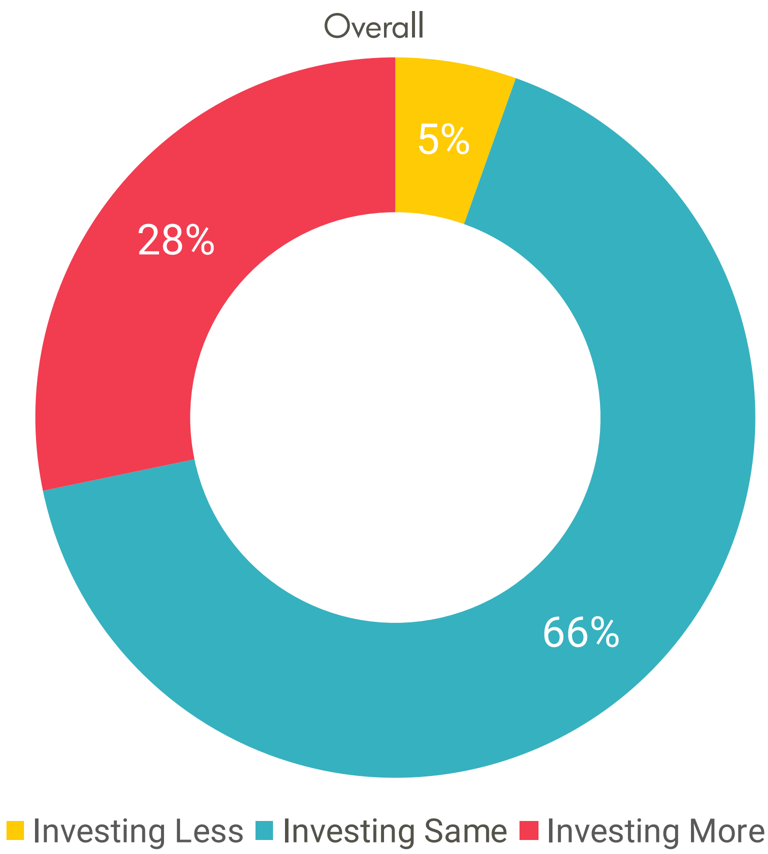


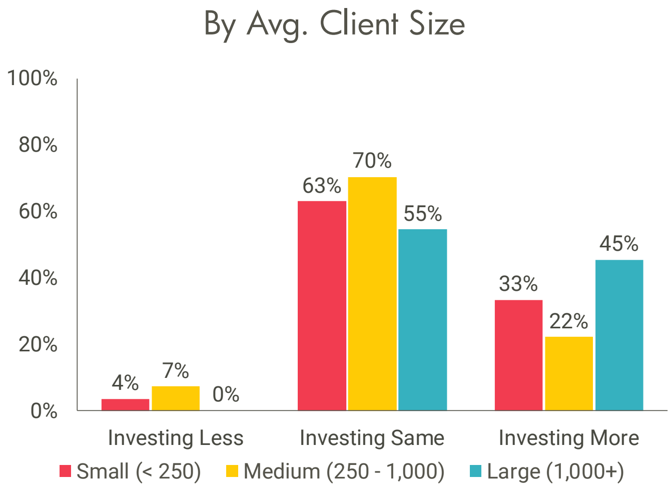


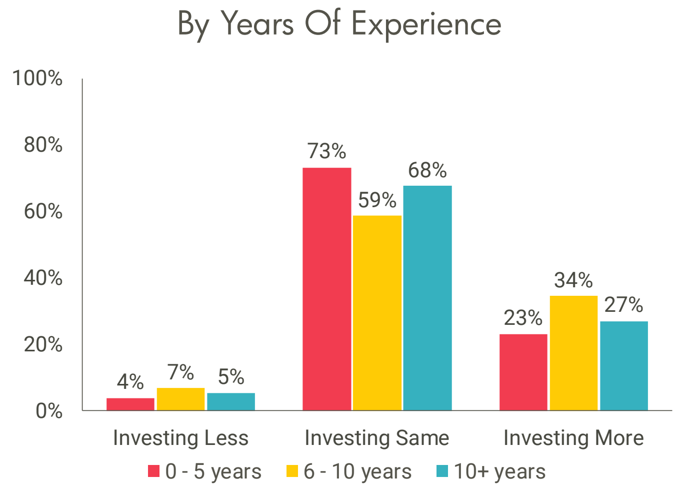
WEIGHT MANAGEMENT

Few employers (5%) will be investing less in weight management programs, but certain ones will be more likely to increase their investment. Large employers will be nearly twice as likely to invest more relative to medium employers. Two-thirds of employers plan to invest the same into weight management programs.

These programs have largely remained steady despite little evidence suggesting they are effective or good for employees.



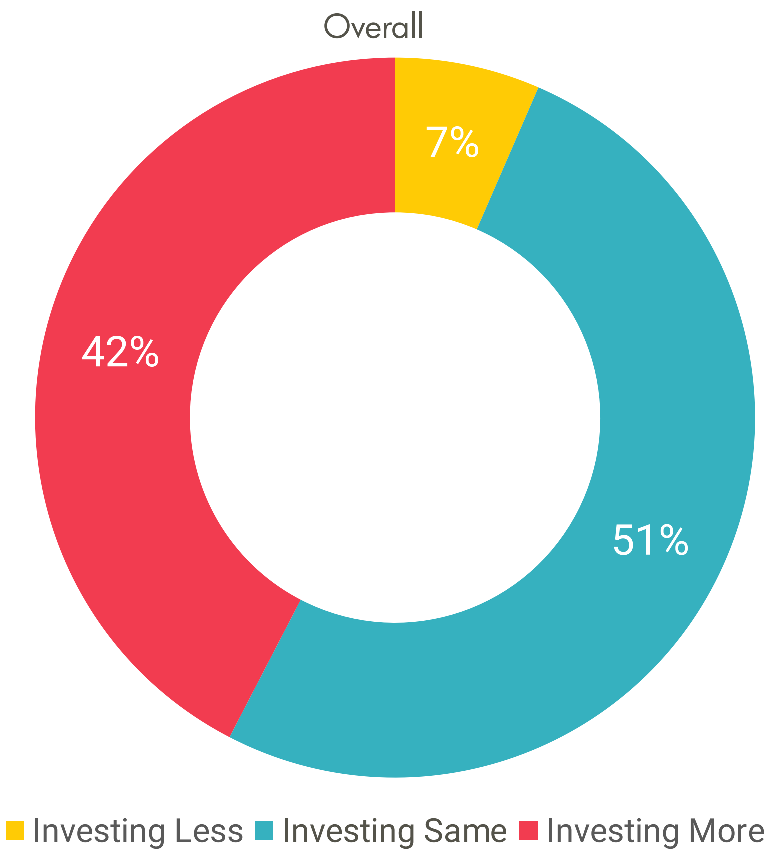


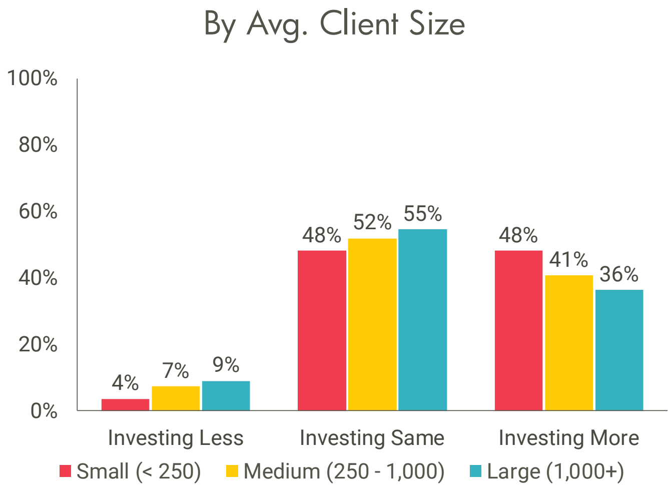


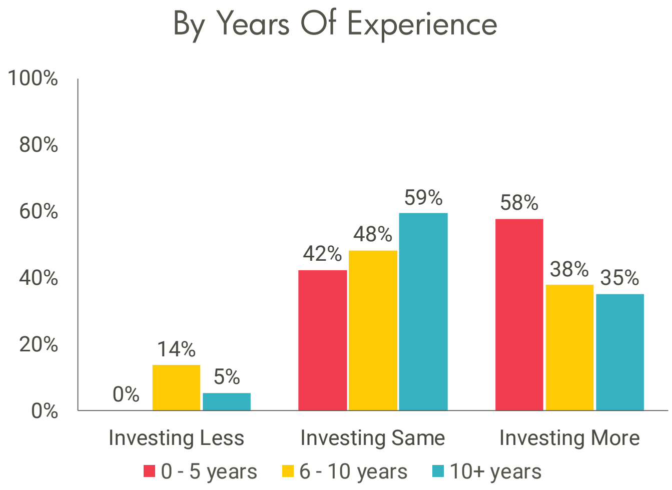
WELLNESS CHALLENGES

Wellness challenges generally embrace technology, making the delivery of a quality and consistent experience to multiple offices and remote employees easy. As employers embrace flexible work environments, the value of digital solutions increases, which may partially explain the number of employers investing more in wellness challenges.

Ninety-three percent of employers expect to invest the same or more in wellness challenges, and the demand for these solutions is strong across all employer sizes. Also, clients of brokers with zero to five years of experience were the most interested in investing more, which may be the product of having younger, more technology-oriented advisors.



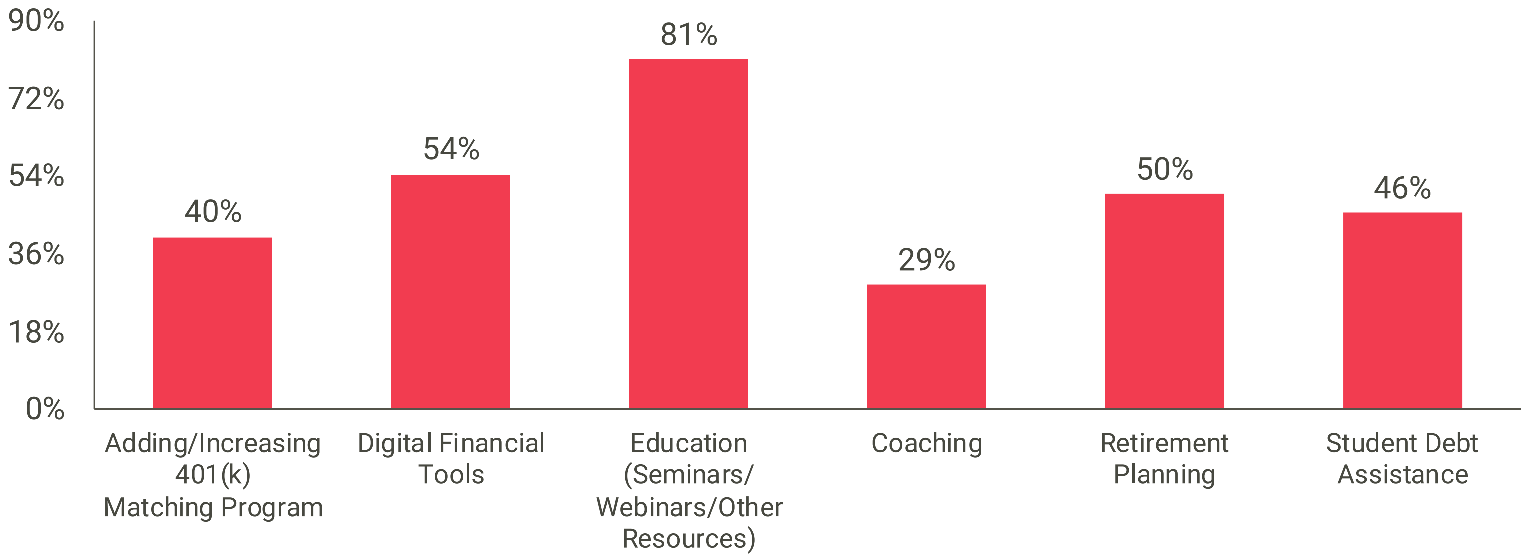




DEEP DIVE

FINANCIAL WELLNESS AND MENTAL HEALTH

FINANCIAL WELLNESS

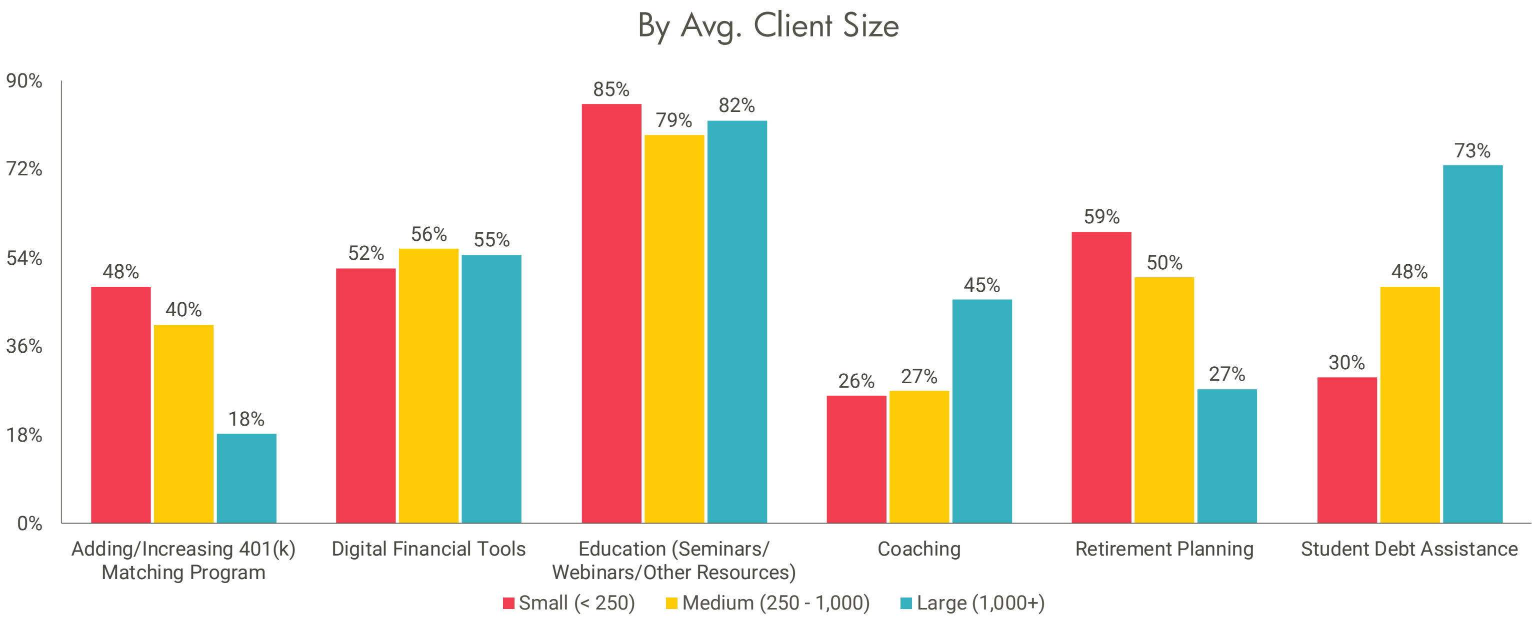


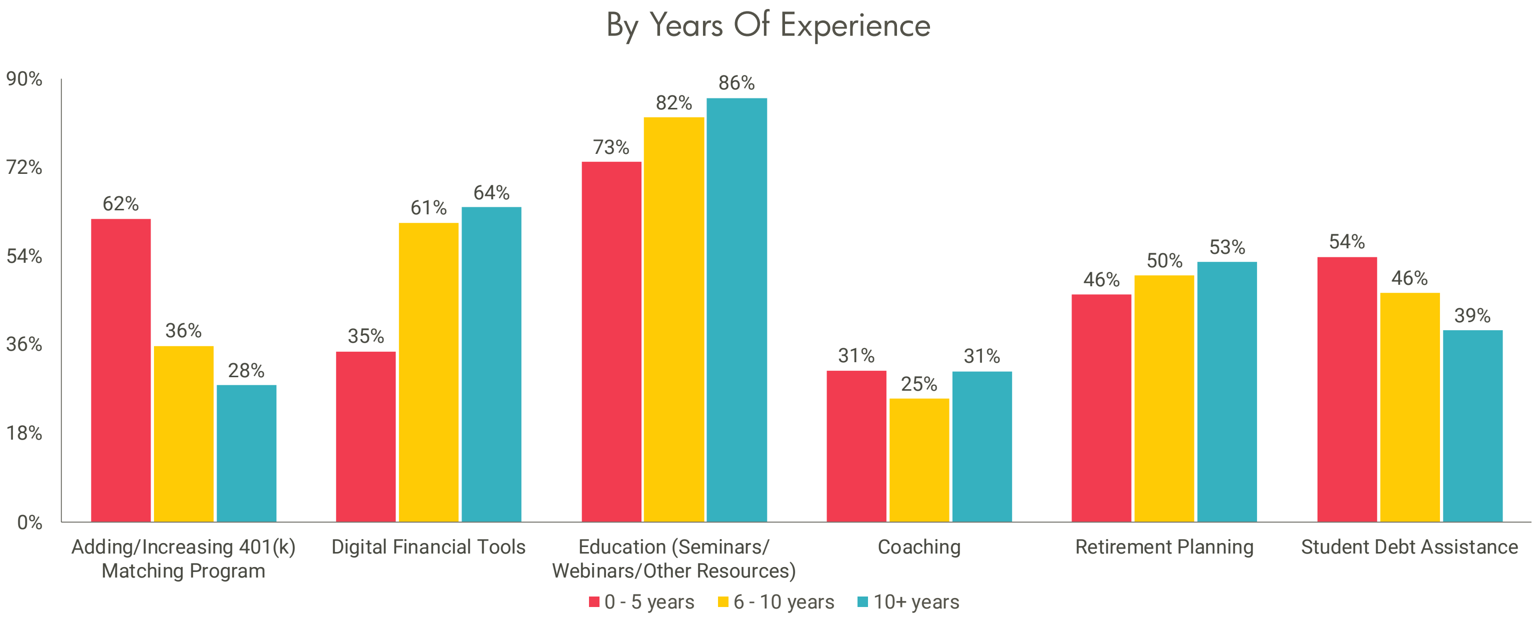
Since the demand for financial wellness was so strong in last year's report, this year's survey explored what specific programs employers are implementing to address this element of well-being. It asked each respondent to identify the top three new offerings employers are using to promote financial wellness.

One specific type of program stood out from the rest. Eighty-one percent of respondents ranked educational programs comprised of seminars, webinars, and other resources in their top three. Many 401 (k) administrators and local financial brokers offer these types of programs for free, making them sensible choices for employers, especially those with constrained budgets. Digital financial tools (54%), retirement planning (50%), and student debt assistance (46%) rounded out the top spots.

Coaching programs (29%) were the least popular new financial wellness offering. This is likely a function of cost, as one-on-one coaching costs can be expensive if utilization is high.

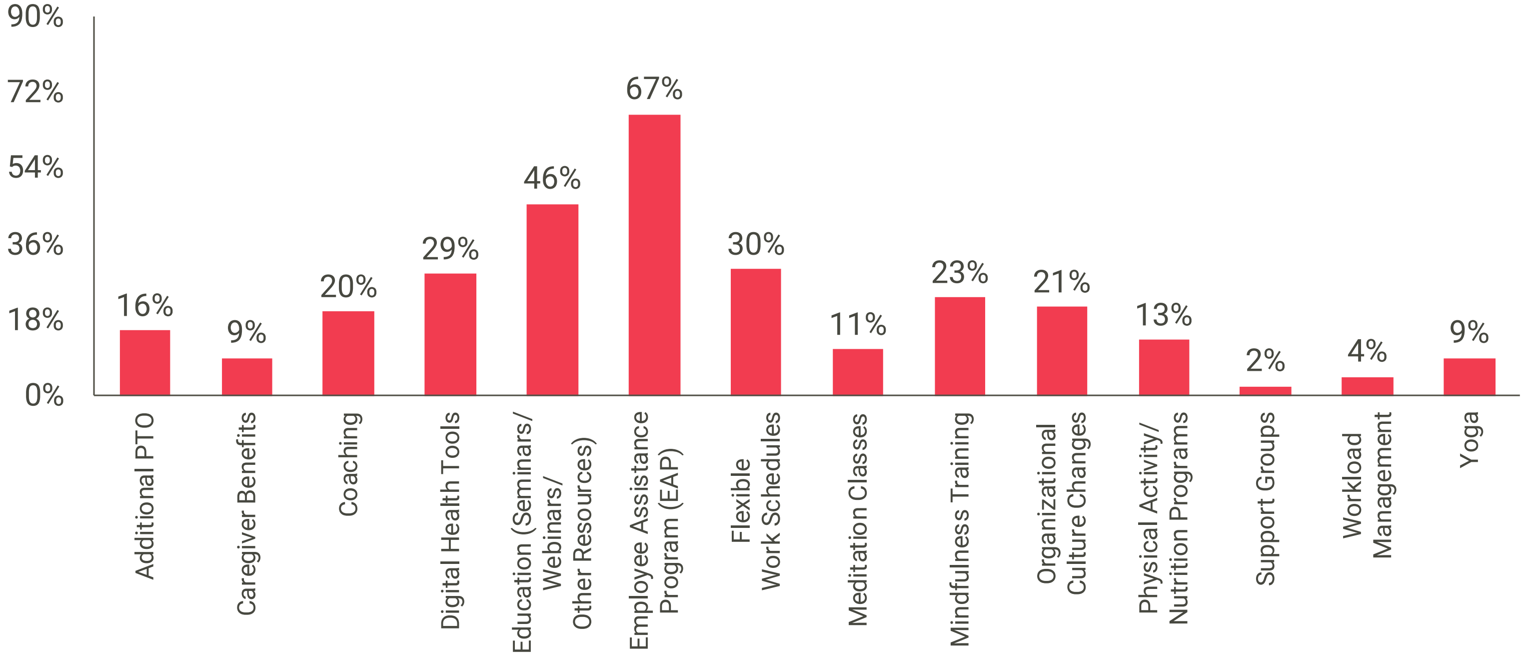
FINANCIAL WELLNESS





MENTAL HEALTH

Investment Trends



Since the demand for mental health programs was so strong in last year's report, this year's survey explored what specific programs employers are implementing to address this element of well-being. It asked each respondent to identify the top three new offerings employers are using to promote mental health.

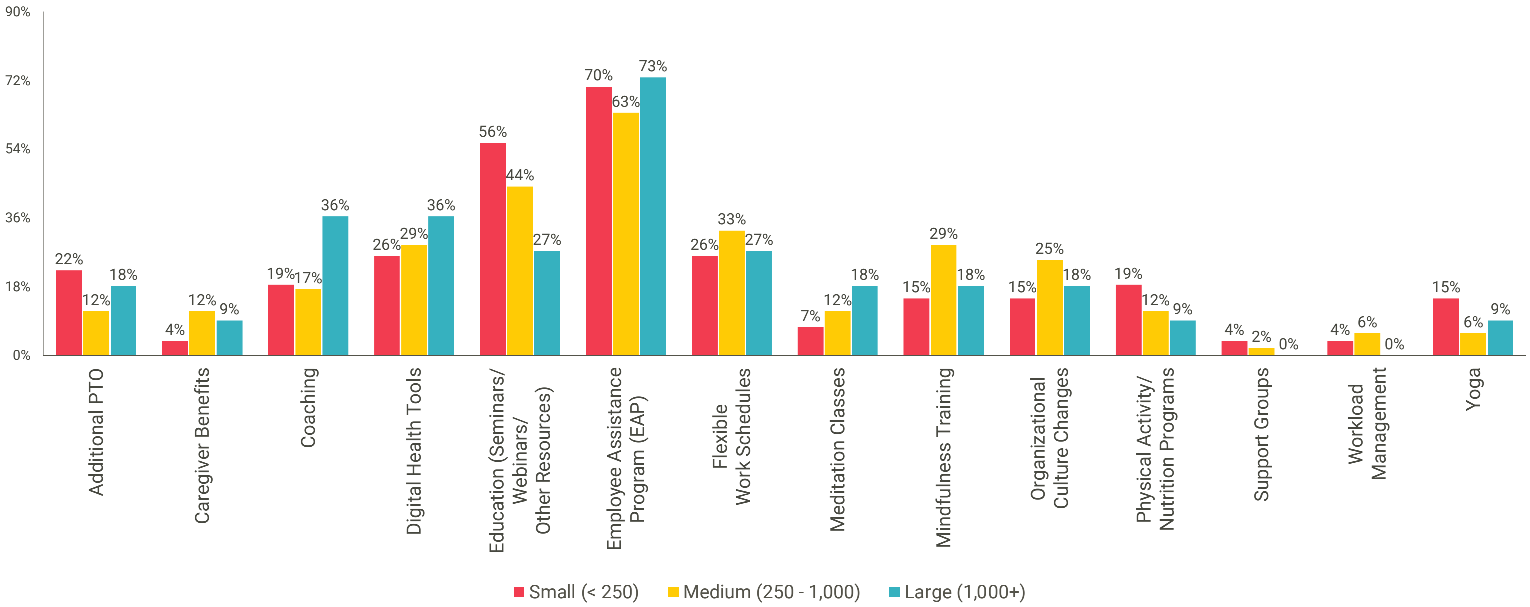
Similar to the findings for financial wellness, one type of program stood out from the rest. Employee Assistance Program (EAP) is represented by a large margin as an offering employers are implementing to address mental health. In addition to grabbing the top rank with 67% of respondents listing it in the top three, it more than doubled all other alternative offerings except for educational programs comprised of seminars, webinars, and other resources (46%). Flexible work schedules (30%) and digital health tools (29%) were the only other offerings ranking in the top three in at least a quarter of the responses.

Support groups (2%) and workload management (4%) received the least votes. Although it is unclear why this may be the case, one hypothesis for the former may relate to privacy concerns.

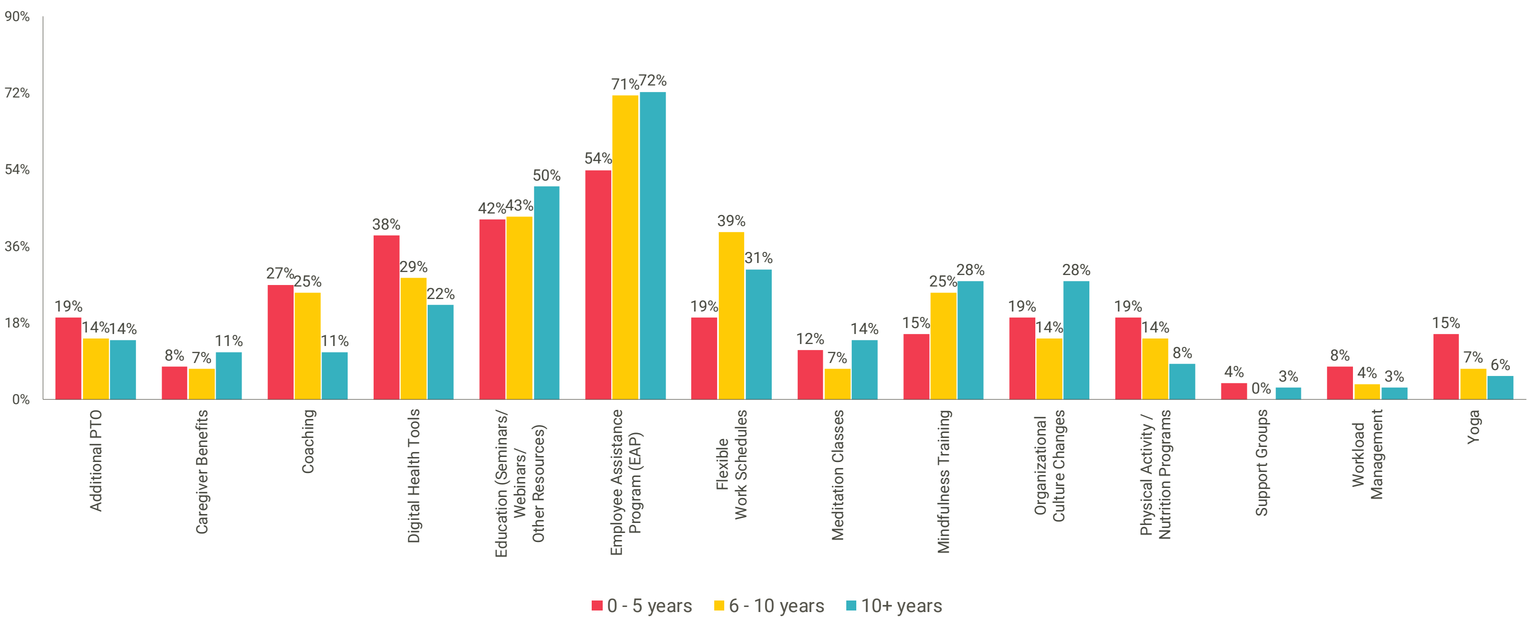
MENTAL HEALTH

Investment Trends

By Avg. Client Size



By Years Of Experience

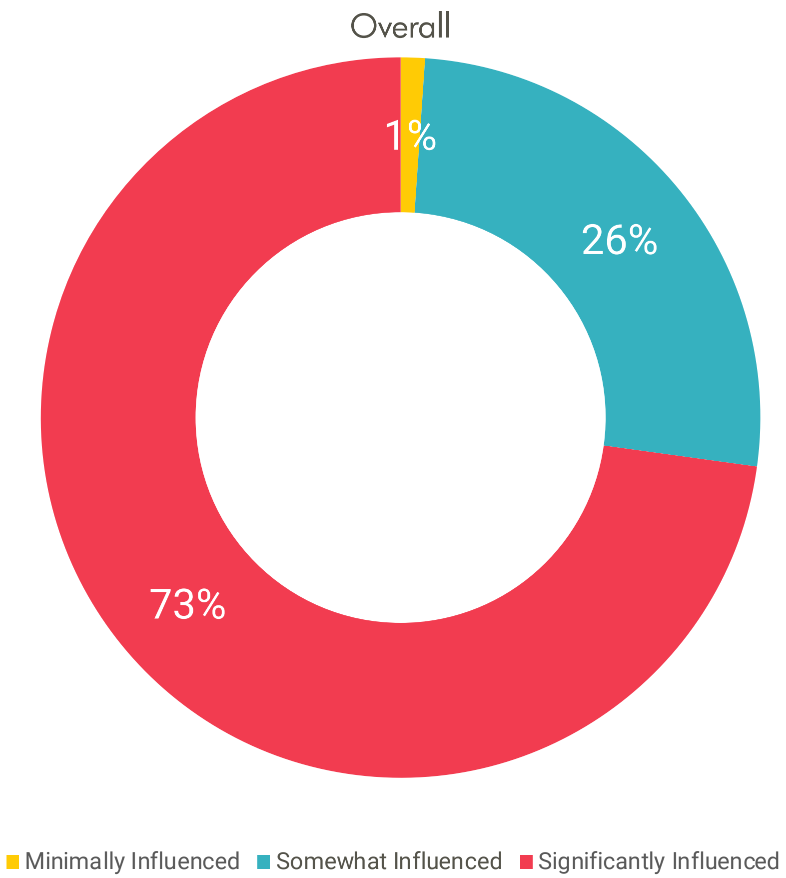


PART 4

DECISION INFLUENCERS

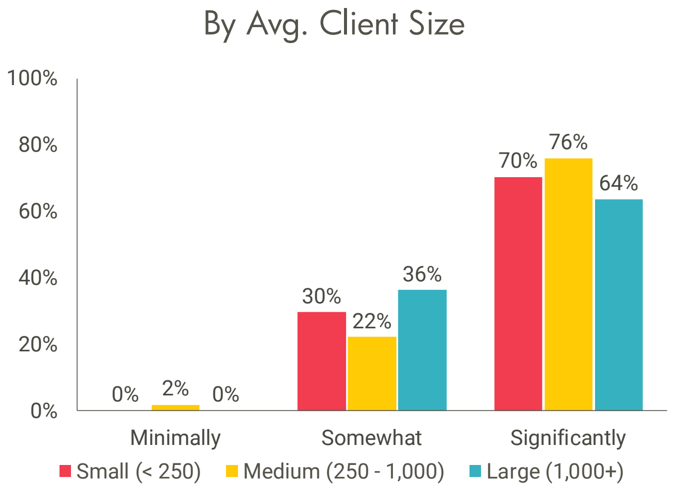
CREATING COMPETITIVE BENEFIT PLANS

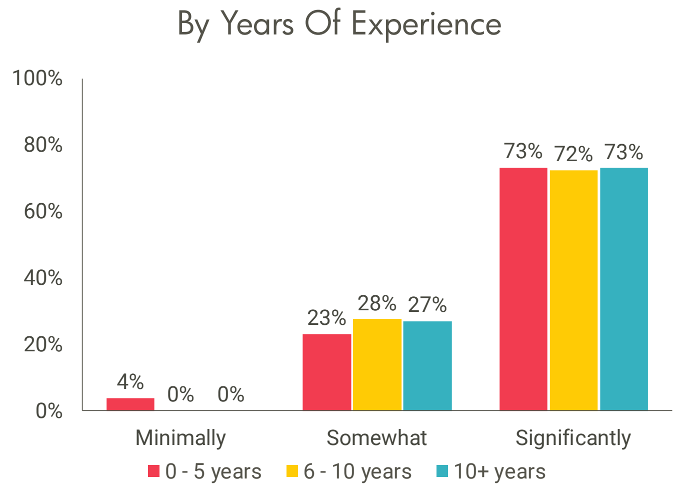
Decision Influencers



As the economy continues to show strength and with unemployment at its lowest point in decades, finding and retaining quality employees is becoming increasingly challenging.

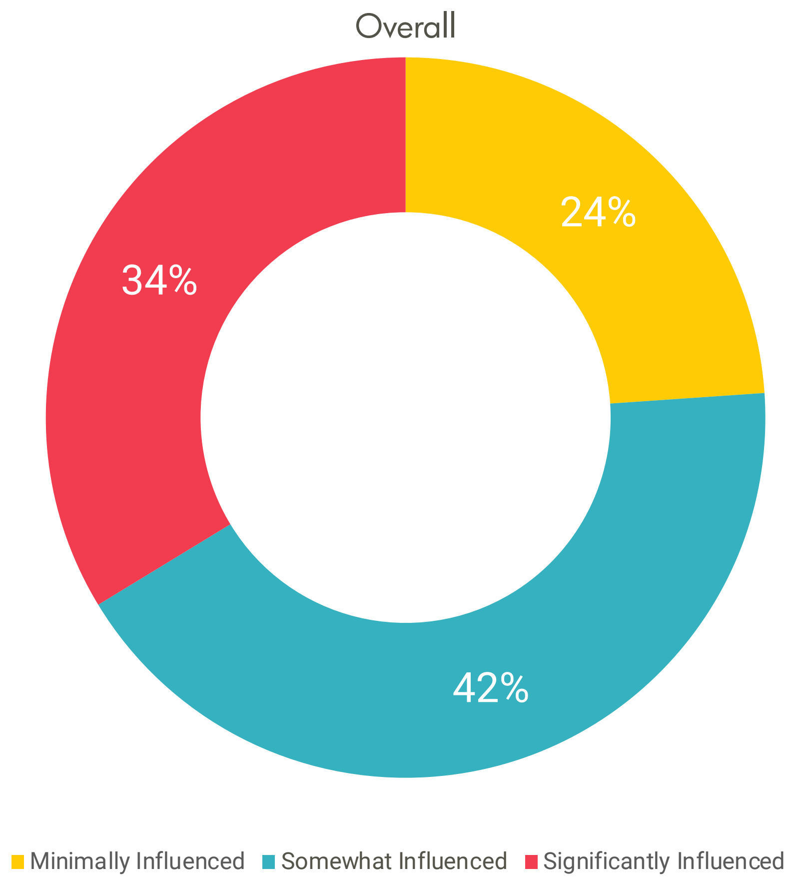
In response to the tightening labor market, employers are expanding benefits to secure talent, which is why the survey results presented here should come as no surprise. More than 70% of employers are significantly influenced by their desire to create competitive benefit plans for their employees! Growing benefit plans are touching all segments of employee life, including employee health and well-being.





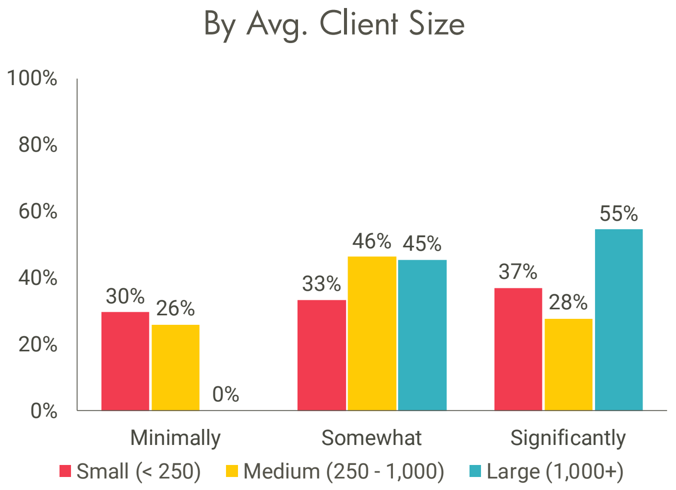
DATA SECURITY

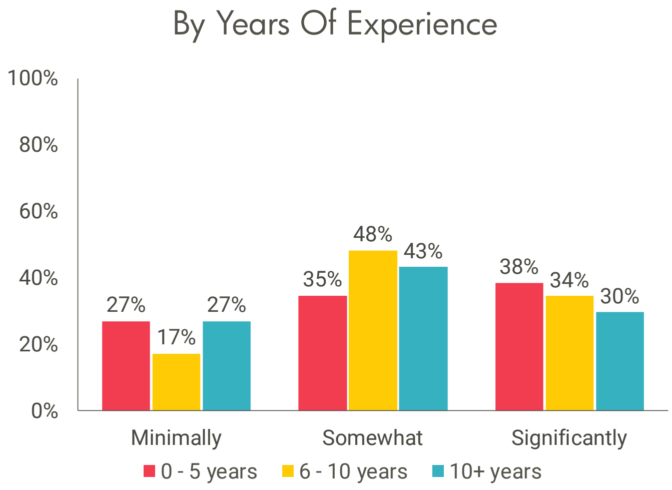
Decision Influencers



In the wake of major data breaches (e.g., Equifax, Google, etc.), employers remain sensitive to being good stewards of their employees' data. However, although data security is a must, it does not seem to be the strongest influencer on employer decisions with only one-third of employers being significantly influenced by this factor.

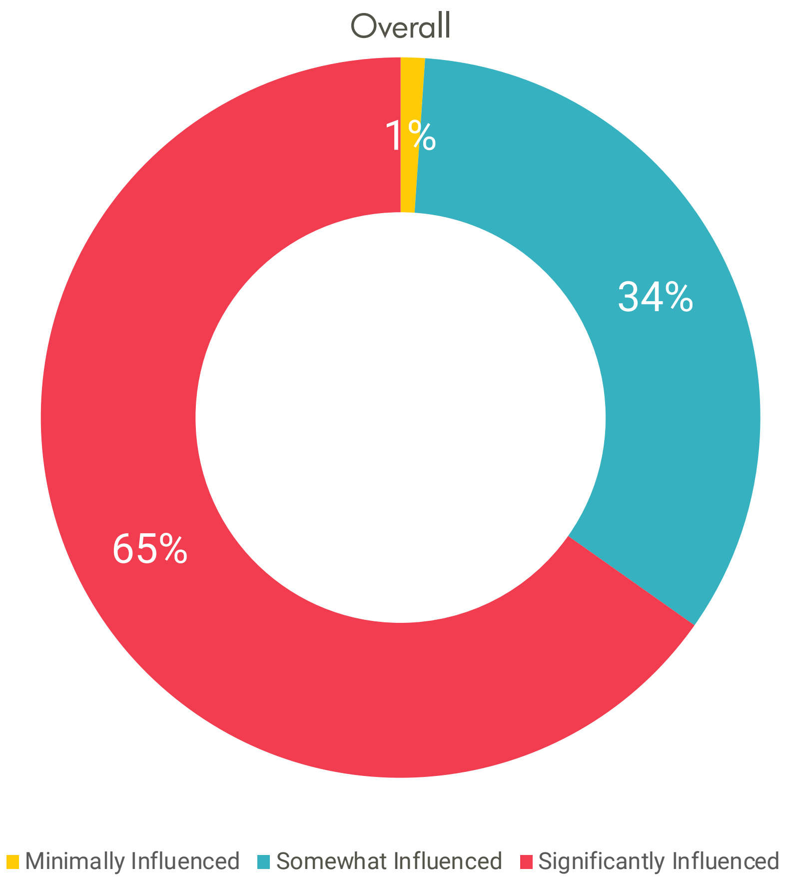
This is likely because employers expect data security protocols to be a staple in all their programs. Larger employers, many of which have dedicated teams focused on data security, are most influenced by this factor.





MATCHING EMPLOYER-EMPLOYEE INTERESTS

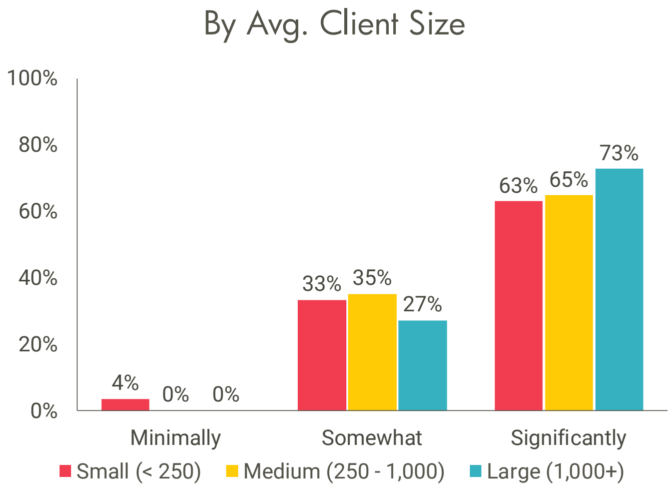
Decision Influencers

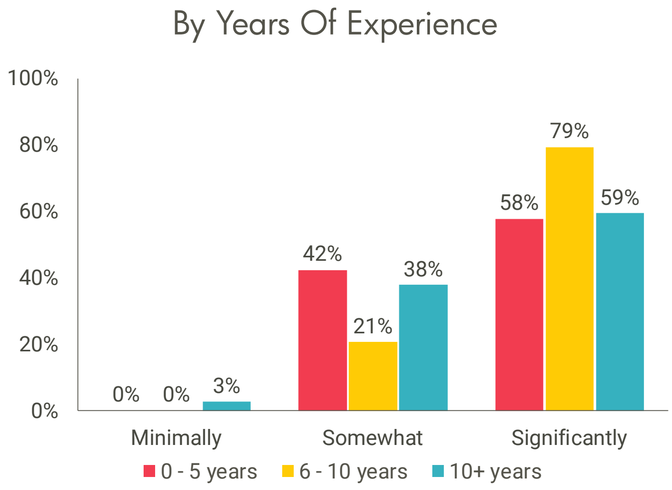


Alongside creating competitive benefit plans and rising cost of benefits, matching employer-employee interests significantly influences the decisions companies make.

Only 1% of employers are minimally influenced by this factor. Often, the struggle between these two interests can be difficult to manage, which is regularly the case with health insurance. Many employers want to offer attractive health insurance options, but the growing costs associated with doing so tempers their ability to deliver affordable and attractive plans.

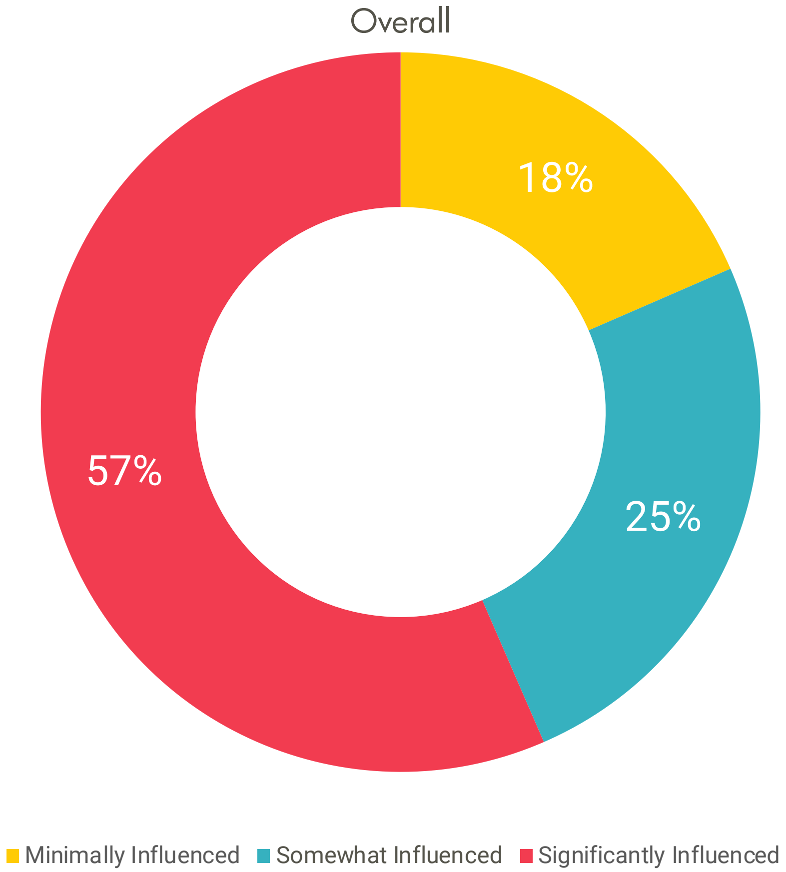
Smaller employers are slightly less influenced by matching interests. Perhaps this is due to it being easier to understand the interests of smaller groups. Larger employers are most influenced by this factor.





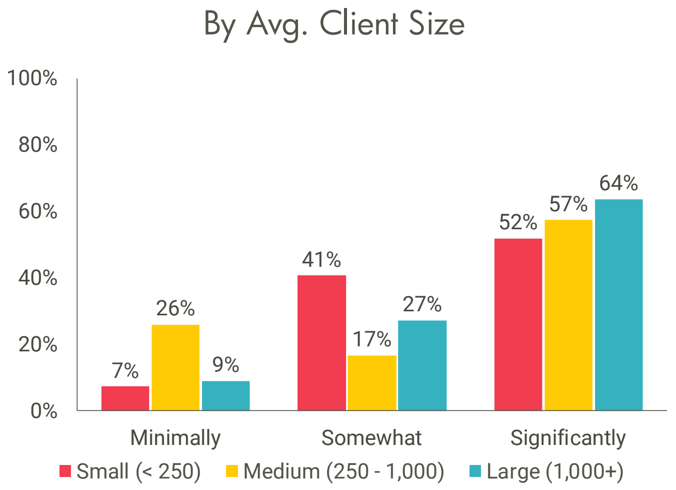
MEASURING ROI FROM BENEFIT CHANGES

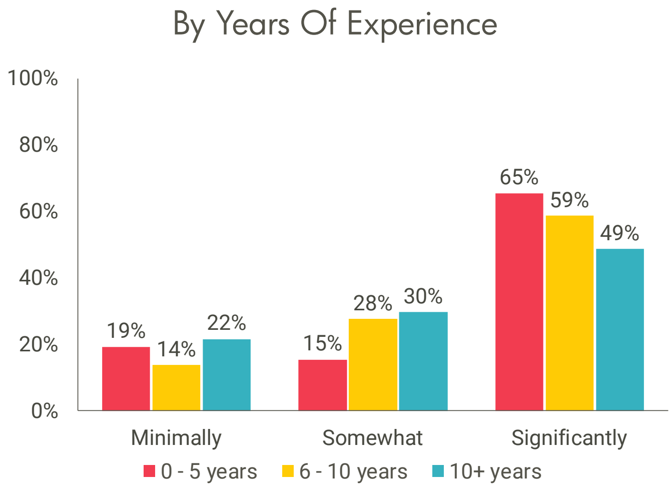
Decision Influencers



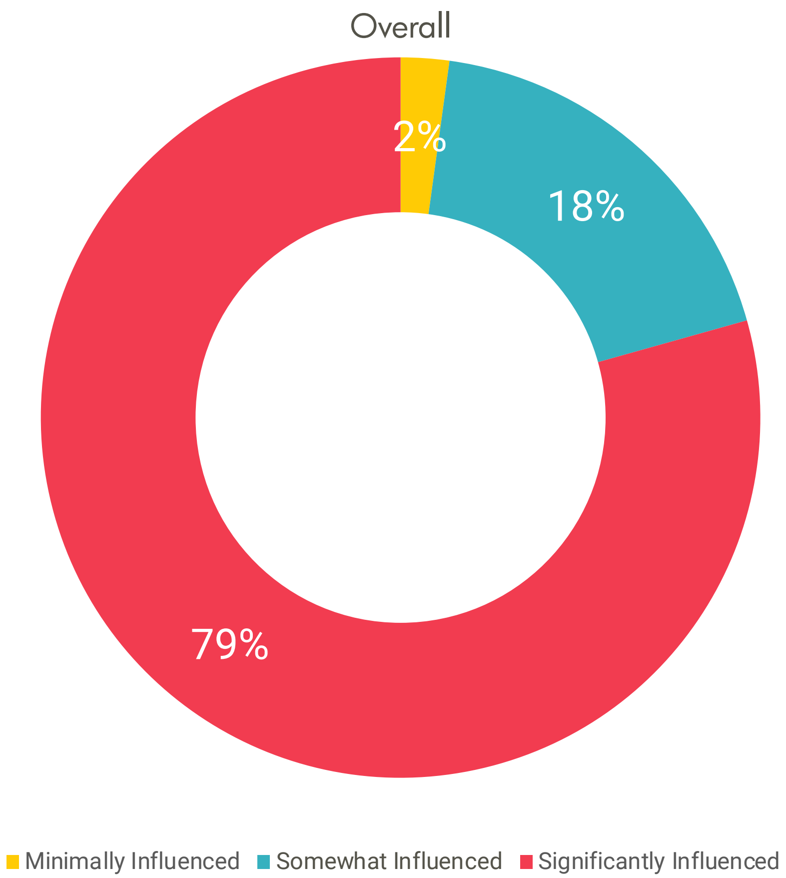
The results from this survey response clearly suggests that most employers are still thinking about deriving a measurable return on investment from benefit plan changes, with 82% being significantly or somewhat influenced by this factor.

As always, measuring ROI continues to be difficult, which may be why clients of experienced brokers (10+ years), who have come to realize that measuring ROI is not always attainable or worth the expense of tracking, are not as influenced by this factor than other employers. If measuring ROI becomes more feasible, one could expect the level of influence it has on employer benefit decisions to increase significantly.



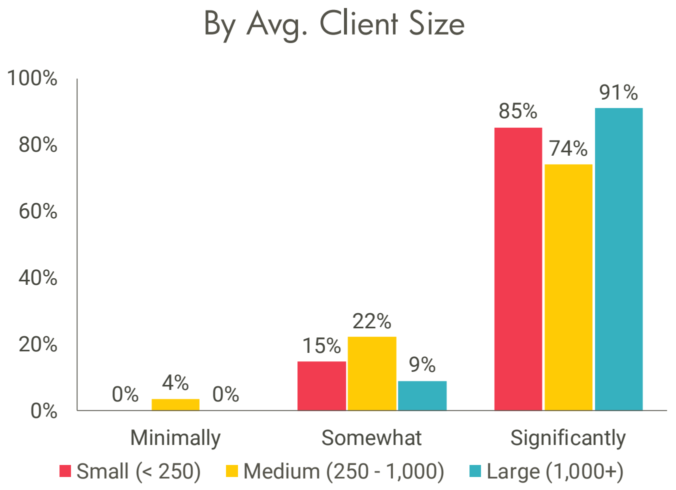


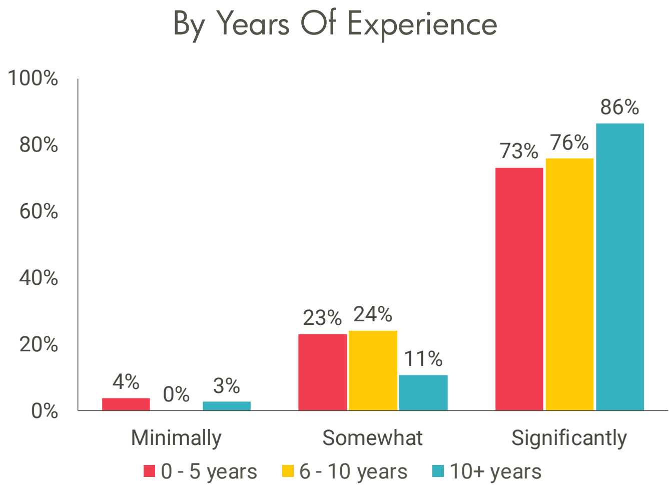
RISING COST OF BENEFITS



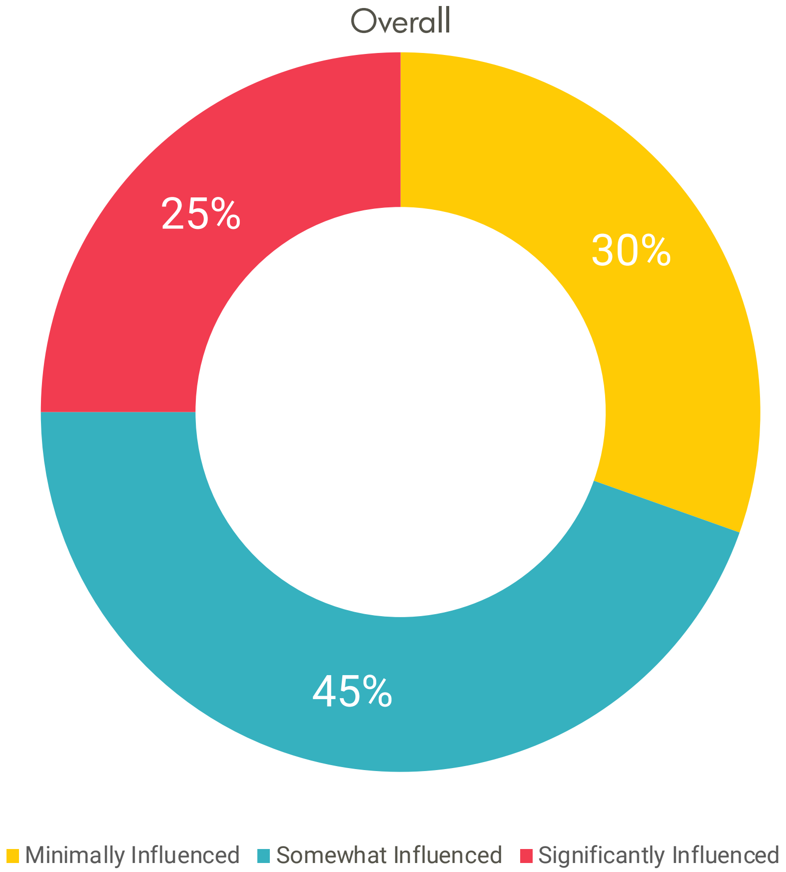
The need to offer attractive benefits to recruit and retain talent in the current labor market is increasing the amount of financial investment required by employers. The increasing costs go beyond just the rising cost of health insurance, as the expansion of benefits to remain competitive is also increasing costs significantly.

This influences every type of employers with nearly all of them being significantly or somewhat influenced by rising costs. Brokers with the most experience also are also the most influenced by the rising costs of benefits.



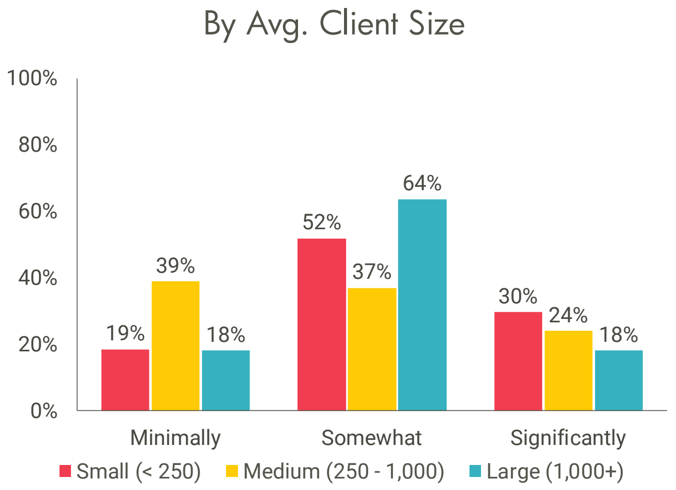


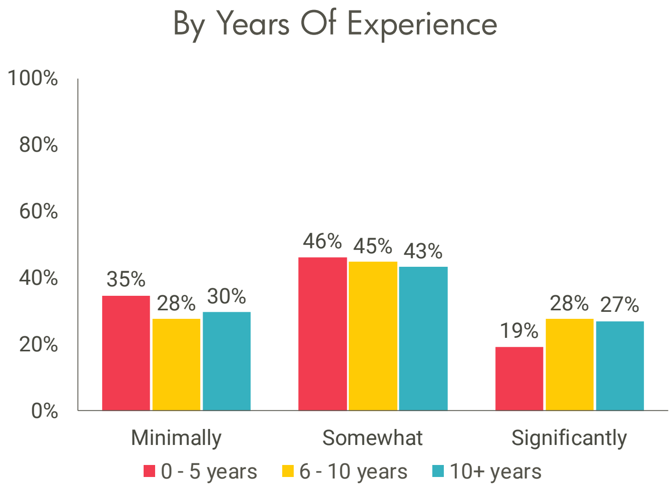
UNCERTAINTY ABOUT HEALTHCARE REFORM



The current regulatory environment is constantly changing so sentiment on this factor will evolve accordingly. Specifically, this survey was initiated just before the EEOC wellness rules are set to be vacated on January 1, 2019. The impact of this ruling was observed in the survey results on investment trends.

Unfortunately, the vast majority of employers cannot do much to change the consequences health care reform will have on their businesses, regardless of how large the financial or non-financial impact may be. So, for many, it is just a waiting game. Nevertheless, this does not change how influenced they are by reform, which is why nearly 70% of employers are somewhat or significantly influenced by this factor.

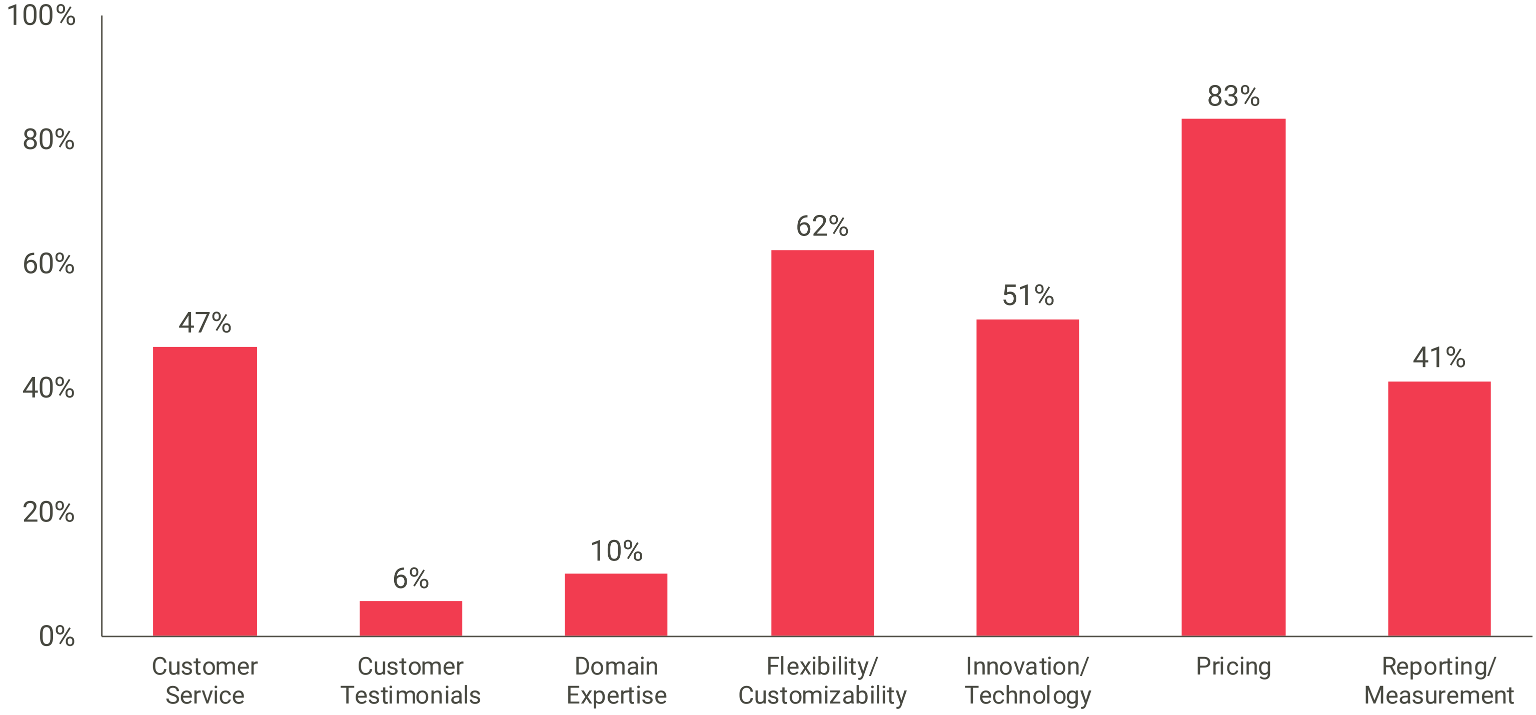




PART 5

VENDOR EVALUATION

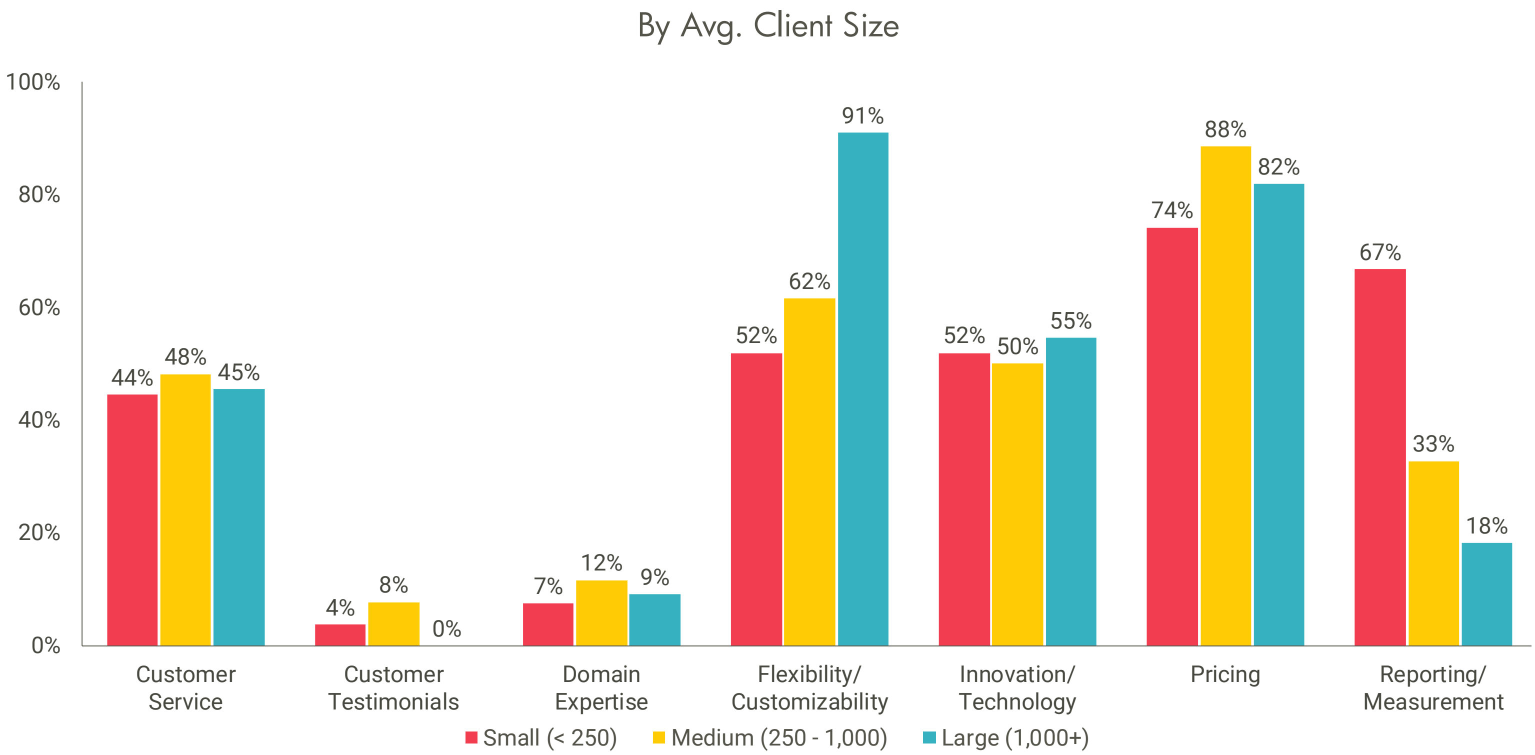
TOP CRITERIA WHEN EVALUATING VENDORS

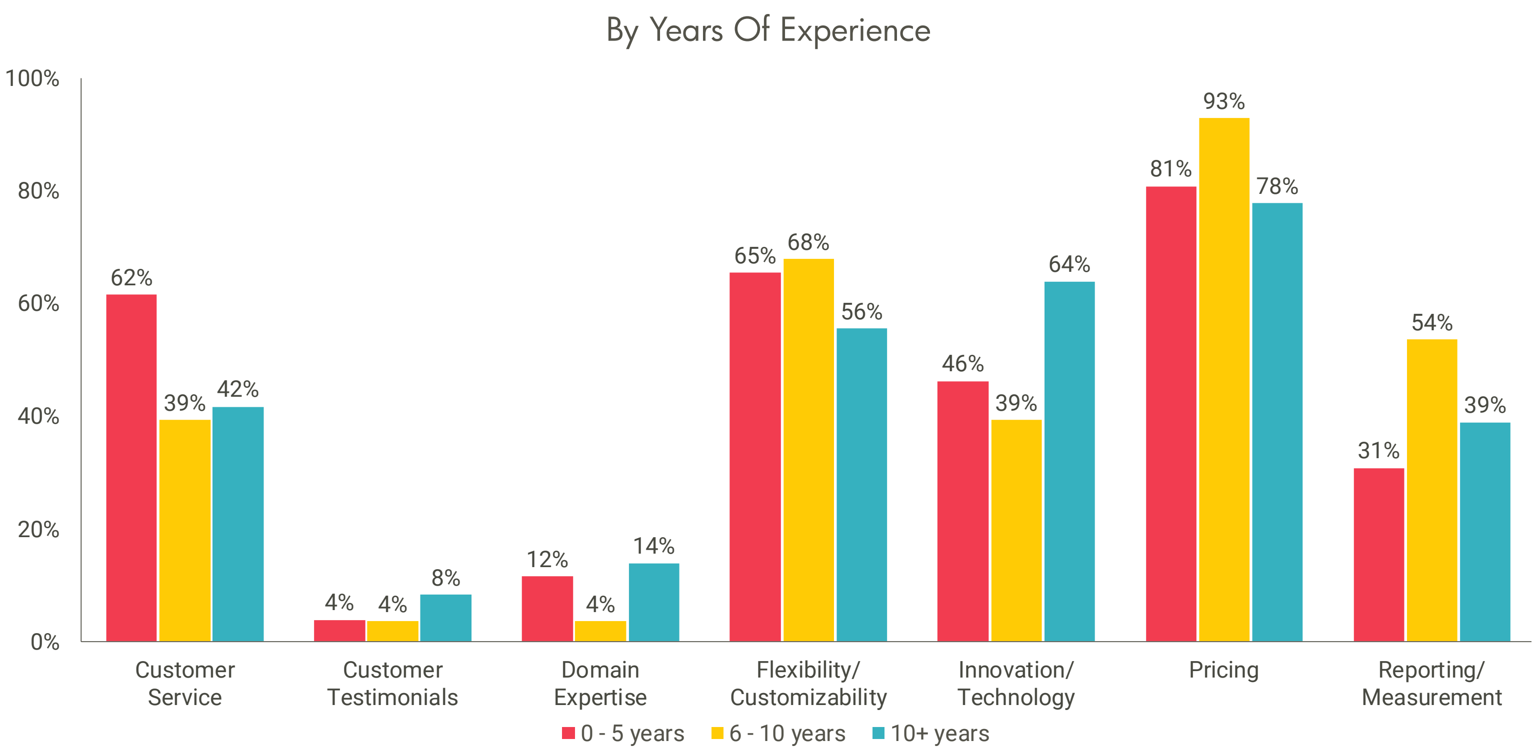


Employers evaluate vendors on a number of criteria. Based on the survey results, two things are clear: (i) pricing is and remains the top criteria and (ii) customer testimonials and domain expertise don't really matter that much. Eighty-three percent of employers feel pricing was a top three criteria when evaluating vendors, but very few felt customer testimonials (6%) and domain expertise (10%) were in the top three considerations. Flexibility and customizability is the second highest ranked criteria. The remaining criteria, which include customer service, innovation, and reporting, were effectively equally considered.

Employer size did play a factor in the importance of these criteria. Although pricing still ranked high, flexibility and customizability ranked the highest for large employers. Presumably, these organizations have more substantial budgets and are willing to pay for more flexibility. Small employers disproportionately valued reporting features. This may be a result of the vendors that offer solutions to smaller groups having limited capabilities.

TOP CRITERIA WHEN EVALUATING VENDORS





APPENDIX

SURVEY QUESTIONS

1. Where are you based?

2. How many years of experience do you have working in employee benefits or wellness?
   0-5 years   6-10 years   10+ years

3. What's your average client size?
   Small (< 250)   Medium (250 - 1,000)   Large (+ 1,000)

4. How much are your clients investing in the benefits listed below compared to the previous year?
   Scale of 1 (Investing Significantly Less) to 5 (Investing Significantly More)

5. How much are your clients' decisions influenced by the factors listed below?
   Scale of 1 (Minimally Influenced) to 5 (Significantly Influenced)

6. What are your top criteria when evaluating wellness vendors (choose top 3)?

7. What new offerings are your clients using to promote mental health in the workplace (choose top 3)?

8. What new offerings are your clients using to promote financial wellness in the workplace (choose top 3)?

ABOUT WELLABLE

Wellable operates next-generation wellness challenges and health content technology platforms and complements these solutions with on-site services, such as fitness classes, seminars, health coaching, and more.

The technology's flexibility allows organizations to customize and configure a program to meet their needs and objectives while providing a rich experience for end users. Wellable works with employers and health plans of all sizes across the world, with active users in more than 23 different countries.

Visit us online at www.wellable.co and follow us on social media!