

### Aon Consulting Research Shows Employees Value Basic Benefits Most

Employees rank basic benefits—such as medical insurance, paid vacation/holidays and retirement plans—as the most important, according to Aon Consulting’s United States @Work™ study.

The survey of 1,800 American workers found that having medical insurance was the single most important benefit, outpacing paid vacation and holidays and an employer-paid pension. In fact, since Aon Consulting’s 1995 ranking of benefits importance, the company medical plan has finished number one each time.

“This study underscores what we tell clients every day: You need to have the basic benefits in order to become an employer of choice,” said David Stum, president of Aon Consulting’s Loyalty Institute. “Other benefits, such as flex time and day care, are also important, but, in order to have an engaged, committed workforce, it’s vital that companies make sure they have health care coverage and retirement plans that their employees can feel good about.”

Respondents to the survey were asked to rank benefits on a five-point scale, with five being “critical,” four equaling “very important,” three “important,” two “somewhat important,” and one being “not important.” Of the 23 different benefits on the listing, 13 of the benefits received an average score of four or higher.

Also worth noting: Since the study began in 1995, paid vacation and holidays has risen in the rankings from 10th in 1995 to number two in this study.

Aon Consulting surveyed workers as part

### TOP 10 CATASTROPHES IN THE U.S.

Year	Event	Total Insured Losses (\$ billions)
2001	Fire and explosion	\$16.6
1992	Hurricane Andrew	15.5
1994	Northridge earthquake	12.6
1989	Hurricane Hugo	4.2
1998	Hurricane Georges	3.0
2001	Tropical Storm Allison	2.5
1995	Hurricane Opal	2.1
1999	Hurricane Floyd	2.0
2001	St. Louis hailstorm	1.9
1993	Midwest blizzard	1.8

of its United States @Work™ study, which measured workforce commitment in 2001. The company then conducted a follow-up study, entitled United States Back @Work, in October of 2001, measuring the attitudes of workers after the events of Sept. 11. Both studies were released in January 2002.

### Alma Reinforces Prediction of Stormy Hurricane Season for 2002

Hurricane season started on June 1, but Hurricane Alma jumped the gun, reinforcing what meteorologists are anticipating to be above-average storm activity this year. Hurricane Alma, located about 595 miles southwest of Cabo San Lucas, Mexico, was the first of seven hurricanes predicted to form in the Atlantic in 2002.

The past seven years have been the most active seven consecutive hurricane seasons on record, a trend that is expected to continue in 2002. According to hurricane experts, the 2002 Atlantic hurricane season calls for the potential of nine to 13 tropical storms, with six to eight hurricanes, and two to three classified as major hurricanes (category three or higher on the Saffir-Simpson Hurricane Scale).

Last year, U.S. property/casualty insurers paid \$24 billion in claims for insured property damage, making 2001 the costliest year ever for catastrophe losses. Tropical Storm Allison—the costliest tropical storm to ever hit the United States—cost \$2.5 billion in insured losses.

Hurricane Andrew, which struck in August of 1992, caused \$15.5 billion in insured property damage, making it the most costly natural insured catastrophe in U.S. history. It is estimated that if a storm of this magnitude hit a major metropolitan area such as Miami, the cost could exceed \$50 billion.

Sixty million people now live in hurricane-prone coastal areas, according to the Insurance Information Institute. In fact, since 1940, population density in these areas has increased from 44 per square mile to more than 140. This population growth, combined with an accompanying increase in coastal development, has the potential to be catastrophic.

During the 1990s, the frequency and severity of catastrophes began to increase dramatically. Over the past 12 years, insurers paid out more than \$100 billion in catastrophe-related losses—about \$700 million per month—many times more than in previous decades. Catastrophes include well-known events such as Hurricane Andrew and the Northridge earthquake, but also hundreds of smaller disasters associated with tropical storms, tornados, wildfires, hail, ice, and snow. Homeowners insurance rates in many parts of the country continue to rise six to eight percent, and in some areas much higher because of the extraordinary costs associated with paying these claims.

### THE TOP TEN MOST IMPORTANT BENEFITS:

1	Medical Insurance	4.62
2	Paid vacation and holidays	4.48
3	Employer-paid pension	4.43
4	Retirement savings plan	4.36
5	Prescription drug card	4.34
6	Dental insurance	4.30
7	Ability to choose benefits that best meet your needs	4.28
8	Sick leave and short-term disability	4.24
9	Long-term disability insurance	4.20
10	Preventive/wellness coverage	4.11