

Business guide to *voluntary* benefits



**Enhance your benefits package.
Help your employees protect what matters.**

What are voluntary benefits?

Give peace of mind—show employees you care.

To put it simply, voluntary benefits are insurance products that enhance the total benefits package you offer employees. Also known as supplemental insurance, employees can elect to buy voluntary benefits to help fill the gaps left by the core benefits they may receive.

Unlike major medical insurance, voluntary benefits are paid directly to your employees, not doctors or hospitals. Your employees can use the benefits to help cover the out-of-pocket costs left by major medical insurance—such as deductibles, co-pays, coinsurance, noncovered treatments and everyday living expenses.

61%

More than 6-in-10 Americans **DO NOT** have enough money to cover a **\$1,000** setback using their savings.¹

You can pay all, some or none of your employees' voluntary benefits premiums. Employees like voluntary benefits because they're typically affordable and help provide peace of mind.

Voluntary benefits are a great way to enhance your benefits package while managing your bottom line.



Traditional vs. nontraditional voluntary benefits

What's the difference?

TRADITIONAL benefits are supplemental health and life insurance products that your employees *can elect to buy*.

NONTRADITIONAL voluntary benefits are perks such as flex time, fitness stipends and free food. They're low-cost ways to attract loyal employees and compete for talent in today's job market.

Why voluntary benefits?

**Grow your business, attract talent, retain employees—
at little or no cost!**

ADVANTAGES FOR YOUR BUSINESS

- » Enrich existing core benefits
- » Appeal to a multigenerational workforce
- » Support financial well-being
- » Offer a cost savings for the company
- » Reduce 401(k) and 403(b) loans and withdrawals
- » Attract new employees
- » Support employee retention
- » Increase employee engagement, motivation and productivity

ADVANTAGES FOR YOUR EMPLOYEES

- » Help fill coverage gaps from high-deductible medical plans
- » Maintain wellness and peace of mind
- » Receive timely care
- » Keep up with regular bills and household expenses during treatment and recovery
- » Replace lost wages when they're unable to work



80% of employers

offer voluntary benefits to address the financial well-being of employees.²



What voluntary benefits are available?

Help employees protect what matters from the financial challenges of injury, illness or loss of life.

CANCER

Pays benefits when cancer is diagnosed, plus benefits for treatments, hospitalizations, transportation, lodging and more.

HEART/STROKE

Pays benefits for heart- or stroke-related hospitalization, heart transplant, surgery, nursing care and medications.

CRITICAL ILLNESS

Offers more complete protection against common diseases like cancer, heart attack, stroke and end-stage renal failure.

HOSPITAL INDEMNITY

Helps pay for hospital and intensive care unit (ICU) stays.



ACCIDENT

Helps cover the out-of-pocket medical expenses incurred due to injuries such as broken bones, burns, lacerations and more.

SHORT-TERM DISABILITY

Helps cover expenses when employee is unable to work due to illness or injury.

GAP

Provides benefits for coinsurance, copays and other gaps left by high-deductible medical plans.

LIFE INSURANCE

Pays cash benefits to help cover final expenses, lost income, debt, education expenses, retirement and more.

What are the *odds?*



About **1-in-3** Americans will be diagnosed with **cancer** at some point in their lifetime.³



Americans suffer **1.6 million heart attacks and strokes** each year.⁴



Over **1-in-4** 20-year-olds will become **disabled** before they retire.⁶



About **1-in-7** Americans seek medical attention for **accidental injuries** each year.⁵



HALF of U.S. households would feel the financial impact from the **loss** of a primary wage earner within six months.⁷



Your organization's voluntary benefits options

Address your benefit and budget challenges with voluntary benefits

The key to a well-rounded voluntary benefits package is finding an insurance carrier that offers a combination of supplemental health and life products for groups and individuals.

Group vs. individual plans

What's the difference?

Voluntary benefits are offered on a group or individual basis. A **group** product covers multiple employees, is owned by the employer and offers more flexible underwriting. An **individual** product covers one employee, is owned by the employee and is a cost-effective option for your business.

THE CHOICE IS YOURS

Group	Individual
Guarantee-issue option	Individual underwriting
Participation requirements	No participation requirements
More employer involvement	Little employer involvement
Portability in certain circumstances	Portability for departing employees
Employer funding options	Employee-paid coverage
Coverage for all employees, regardless of their health history	Better value for healthier employees and more individual benefit choices

Digging deeper

Q. What is guarantee issue?

A. This means the policy is offered to any eligible applicant without health qualifications.

Q. What are participation requirements?

A. These require at least a certain percentage of your eligible employees to enroll in the plan.

Q. What is portability?

A. This allows your employees to keep their coverage even if they switch jobs or retire.

The right voluntary benefits for your company

One size doesn't fit all...

With so many voluntary benefits products available, how do you know which ones to offer? The easiest way to make a decision is to think about the needs of your employees and your organization.

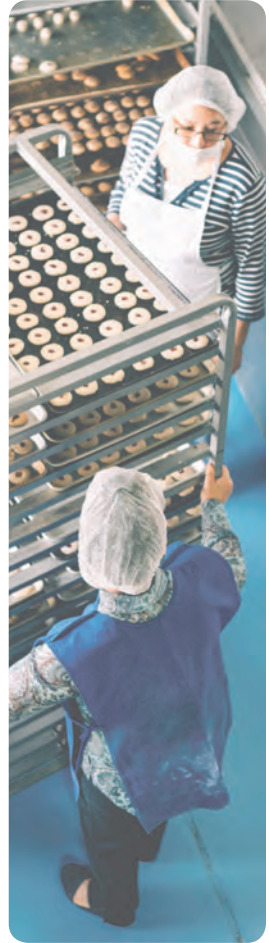
Consider your employees

Consider your workforce demographic. What do they value most at their stage of life? For example, short-term disability insurance and life insurance may be ideal for younger workers who are settling down and starting families. If your workforce demographic is older, supplemental insurance that helps protect against the expenses of critical illness and injury may be better.

Consider your budget

You have several funding options available:

- » **100% employer paid**—you can help bridge the gap left by an entry-level health care offering
- » **100% employee paid**—your employees can purchase benefits that best suit their needs
- » **A combination of both**—your employees can enhance their coverage while you manage your bottom line



71% of workers say they worry less about unexpected health and financial issues thanks to their benefits.⁸



Communicating about voluntary benefits

Communication is key!

Communicating with your employees about your voluntary benefits offering is important.

COMMUNICATING WELL CAN HELP YOU:

- » Increase employee participation.
- » Help employees understand how to use their benefits.
- » Boost employee appreciation of benefits.
- » Increase employee loyalty.



Reach your
employees
via multiple
communication
channels

Many voluntary benefits providers offer both printed and digital tools to aid in communication. Email blasts, payroll stuffers and educational materials are a few examples. Take advantage of these offerings. Your provider's resources and materials can help your employees explore their options, while meetings with your provider's personnel can help your employees get expert insight.

Be sure to provide your employees access to benefits communication tools away from the workplace, as many employees prefer viewing and comparing benefits options at home.



Administering voluntary benefits

Your time is valuable, so it's important to understand how long your company's voluntary benefits administration will take. Many benefits providers offer support services that simplify administrative tasks and save you time.

Here are some common support services from voluntary benefits providers:

- » **Electronic enrollment.** Many electronic enrollment systems enable employees to view options, make selections and quickly return to work. Providers often send a representative to be available for assistance during electronic enrollment.
- » **Administrative systems.** Online administrative systems can help you manage many tasks, including benefits administration, payroll administration, employee recordkeeping and more.
- » **Customer service.** When you have questions or concerns about your organization's voluntary benefits, your benefits provider is a phone call or email away.

Not all benefits providers are created equal, so it's important to look for a company that will provide the service you're looking for. Find a voluntary benefits provider that meets your needs!



Voluntary benefits on the rise

Health care expenses are outpacing wage growth—and they're expected to keep rising:

- » Families' health care costs are up 67% compared to a decade ago, while wages have only increased 26%.⁹
- » Health care costs in the U.S. are anticipated to rise by an average of 5.5% per year over the next decade.¹⁰

A noteworthy trend: A growing number of organizations are turning to voluntary benefits to help protect their employees from rising health care costs. Many employers plan to **expand their voluntary benefits** offerings within the next couple years.¹¹

Employer product offerings	Employers offering benefit today	Employers expected to offer benefit in 2021*
Long-term care insurance	16%	33%
Schedule-based accident/injury insurance	37%	58%
Critical illness/specified disease insurance	43%	71%
Hospital indemnity	24%	50%

*Planning/Considering

Staying power

78% of employees are more likely to stay with their employer because of their benefits program.¹²





It's a *win-win*

Voluntary benefits will help your organization stay competitive—
while providing financial protection and peace of mind
for your employees.

Endnotes

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here to
help.

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