

# The power of portability: advantages for employees and employers

by Linda Teets, Vice President PMA USA, representing Washington National Insurance Company

No employer expects to have to lay off or furlough employees, but if recent events have taught us anything, it's to expect the unexpected.

Parting ways with employees is never easy, especially when it's under circumstances that are out of everyone's control.



**Eight in 10 employers** say they care about their employees like family,<sup>1</sup> and those sentiments don't change in the event you have to let employees go.

But did you know there's a simple way you can help look out for your employees, even if they're no longer part of your workforce?

*It's called portability.*

Portability is a feature of many voluntary insurance products that allows employees to keep their coverage, even after they no longer work for your company.

Let's go ahead and dive into the advantages of portability for your employees and for you.

## Advantages of portability for your employees

Whether it's due to layoffs, furloughs, moving to a different state, retiring, going on Medicare or simply being in-between jobs, portability allows your employees to keep their voluntary benefits after they leave your organization.

In some of the situations mentioned above, your employees may find themselves without primary health insurance. They may have to decide between costly COBRA coverage or Affordable Care Act exchange plans. No matter what they choose, portability can help ensure that their voluntary supplemental health insurance benefits are still there when they need them most. **These cash benefits are paid directly to employees and can be used for any purpose**—from covering medical bills to everyday expenses while they're out of work.

Portability is also available on most voluntary life insurance plans. Many of your employees rely on life insurance as an important part of their financial plan, and being without coverage can put their family's financial future at risk.

Portability allows your employees to avoid having gaps in their life insurance coverage, while also helping them sidestep needing to reapply for coverage and go through medical exams. Portability also helps avoid any penalties or setbacks on cash value associated with whole life insurance. Finally, because life insurance premiums typically rise with age, portability helps employees keep the premiums they locked in when they first signed up and were younger.

Budget is obviously a top concern for someone who is out of a job. Portability allows your employees to keep their affordable group premiums—even after they're no longer part of the group. Premiums on voluntary insurance plans are typically very affordable, often costing just dollars a day. »

### Advantages of portability for employers

As an employer, you may be thinking that portability sounds great for your employees, but “What’s in it for me?” Why should you care about something that benefits people who no longer work for your company?

It may seem backwards, but portability can actually help improve employee retention! It isn’t a reason to leave—it’s a reason to stay.

That’s because offering voluntary insurance products that have features like portability shows your employees that you care about their personal well-being outside of your organization. This goes a long way in building loyalty and increasing employee productivity and retention. In fact, according to one survey, 78% of employees are more likely to stay with their employer because of their benefits program.<sup>2</sup>

At a time when everyone is feeling anxious about what the future holds, voluntary benefits are a great way for employers to step up and help ease this stress. Recent studies show that during these challenging times, 41% of employees feel their employer is not currently offering benefits or programs that help support or improve their well-being, while 77% say such benefits or programs would ease their stress and improve their well-being.<sup>3</sup>



**Give your employees  
a reason to stay by offering  
portable voluntary benefits  
that they can keep no matter  
what the future holds!**

---

LIMITED-BENEFIT POLICIES. Supplemental insurance has limitations and exclusions. For costs and complete details of coverage, contact your agent.

<sup>1</sup>Quickbooks, *Small business employers say they care about employees like family*, <https://quickbooks.intuit.com/payroll/hiring-management/#work-family-survey>, November 2019.

<sup>2</sup>Willis Towers Watson, *Employees are more likely to stay with their employers when offered a group benefit marketplace*, <https://www.willistowerswatson.com/en-US/Insights/2018/08/employee-and-employer-satisfaction-with-group-benefit-marketplaces-survey-results>, August 2018.

<sup>3</sup>Yahoo! Finance, *More Than Half of Employees Cite Financial Health as Biggest Concern Amidst the COVID-19 Pandemic*, <https://finance.yahoo.com/news/more-half-employees-cite-financial-120000175.html>, April 28, 2020.