



Why Voluntary Policies Matter – Even With Major Medical Insurance

Build an Essential Safety Net in a New Health Care Era

Health care reform and increasing health care costs continue to drive the need for voluntary benefits, also known as supplemental insurance. But you may be wondering, “What is voluntary insurance and how is it different from my major medical policy?”

For many people, voluntary benefits help solve a number of common concerns and challenges. Even for those with comprehensive major medical plans, medical and non-medical out-of-pocket costs associated with an illness or injury can be substantial. Having the right voluntary policies in place can help ensure you have ample financial protection for the things that matter most.



The Basics of Voluntary Insurance

Simply put, voluntary insurance plans help people protect their financial well-being in the event of a serious accident or illness. These policies offer a way to stay ahead of the medical, non-medical and out-of-pocket expenses that add up quickly after an injury or illness. From emergency treatment and transportation costs to everyday bills, voluntary insurance pays cash benefits directly to the policyholder, unless he or she designates otherwise.

Health Care Reform: Gaining More Responsibility, but Still Facing Risks

You may have noticed that health care is becoming more customer-focused. From prescription drug commercials to doctor visits, you are becoming more involved in health care decisions.

Employers are also introducing benefits plans that give you more decision-power. These plans are often called “consumer-driven health plan options” and include plans such as High Deductible Health Plans (HDHPs) with a health savings account and/or health reimbursement account (HSA or HRA). In many instances, Americans are making more of their own health care choices – including how much to spend on health care coverage and what types of coverage to have.

With so much responsibility, it is important to calculate risk. It may come as a surprise, but the cost of medical care – even for those with major medical coverage – can be daunting. In fact, illness or medical bills contributed to 62 percent of bankruptcies in 2007, and three-quarters of those debtors had medical insurance.¹ While no one anticipates the unexpected, injuries and illness pose more than simply health risks; they also pose financial risks. As you become more responsible for your own health care decisions and costs, it’s important to remember that voluntary policies can help you build a smarter benefits package and a stronger financial safety net.

Discover the real cost: You can learn more about the real costs of injury and illness with [Aflac's Real Cost Calculator](#).

Voluntary Insurance Helps Support Your Financial Safety Net

For many, voluntary benefits have long been solutions for building a stronger financial safety net:

» **Benefits When You Need Them Most:**

Unlike major medical insurance, voluntary insurance benefits are paid directly to policyholders when they are sick or hurt, unless they designate otherwise.

» **Affordable Benefits for Any Life Stage:**

If you are like most individuals, you would be hard-pressed to pay even small health care expenses that aren't covered by a major medical plan. Voluntary benefits offer a variety of levels and types of coverage to meet individual needs and life stages, and you can choose the ones that best fit your lifestyle. Voluntary policies

are low-cost options that help protect your financial future. For example, Aflac's most popular policy, Accident Indemnity Advantage®, costs as little as \$4.98 per week.²

» **You Choose How to Use Your Benefits:** With voluntary coverage, you decide how you want to use your policy's cash benefits. That means you can use them to pay the mortgage or rent, child care costs or even grocery bills. These are benefits that everyone can use!



Gain More with Voluntary Insurance

Voluntary policies, like those offered by Aflac, work with major medical insurance to help provide financial protection to policyholders. As health care costs continue to rise, these policies serve as important and affordable financial buffers for your family. Unlike major medical insurance, voluntary insurance pays cash benefits directly to you, unless otherwise assigned, if you are sick or injured. Consider asking your employer about these popular options:

- » [Accident Insurance](#)
- » [Cancer Insurance](#)
- » [Hospital Confinement Indemnity Insurance](#)
- » [Short-term Disability Insurance](#)

For a more in-depth look at voluntary benefits, check out [Voluntary 101 for Businesses](#) and [Why Supplemental Insurance Matters](#).

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Sources:

¹ Himmelstein, D.U., Thorne, D., Warren E. and Woolhandler, S. (2009), Medical Bankruptcy in the United States, 2007: Results of a National Study, The American Journal of Medicine, accessed on September 9, 2012, from http://www.washingtonpost.com/wp-srv/politics/documents/american_journal_of_medicine_09.pdf.

² Rate is based on individual coverage for ages 18–70, 24-Hour Accident-Only, Plan 2, no riders, payroll deduction, Industry A. Individual Aflac coverage is underwritten by American Family Life Assurance Company of Columbus. In New York, individual Aflac coverage is underwritten by American Family Life Assurance Company of New York. Policies may not be available in all locations.