

# For employers, benefits enrollment starts today

Sometimes it's great to be spontaneous – to shake things up in your personal life by rocking a new haircut, heading out on a spur-of-the-moment daytrip, trying a new restaurant or, to really get the heart pumping, taking a leap of faith with a bungee jump.

While engaging in impromptu activities on your own time carries a certain thrill, spontaneity at work can be hit or miss.

Some things should be planned well in advance, and among them is deciding which health care benefits your company will make available to workers during open enrollment. Sure, employees' open enrollment decisions are months away. But for savvy decision-makers, open enrollment starts now – long before it's too late to make changes that directly affect the financial well-being of every employee, from the newest hire to the most-tenured executive.

Each year, Aflac conducts the Aflac WorkForces Report,<sup>1</sup> which asks employers and employees to share their attitudes and opinions about health care benefits. The 2014 report shows that employees' interest in voluntary insurance options is high, driven largely by health care reform and continued cost-shifting by employers that result in increased deductibles and copayments for workers.

Employees who participated in the Aflac study are aware that cost-shifting shows no sign of abating. In fact, 86 percent at least somewhat agreed the medical costs they're responsible for will increase. What's more, while 41 percent of study participants said maintaining their health care benefits is of primary importance, the price of doing so is a budget-buster: The Kaiser Family Foundation reports that health care premiums have increased 80 percent since 2003, nearly three times as fast as wages and inflation.<sup>2</sup> Employees are feeling the strain: 10 percent of those who took part in the Aflac study said high medical costs have affected their credit scores and 13 percent have been contacted by a collection agency about unpaid medical bills.

## Workers to employers: 'Voluntary insurance matters'

The Aflac report found that successful organizations are aware strong benefits packages are important to employees, and that they operate on the principle that health care choices matter to workers. They're correct to do so, because 80 percent of employees believe their overall benefits packages influence their engagement on the job and with their organizations. They also say benefits influence workplace well-being and employer reputations.



Among the benefits striking a chord with today's workers are voluntary insurance policies. These types of policies are a win-win for employees and their organizations:

- » Companies can offer voluntary insurance with no direct effect on their bottom lines because premiums are paid by workers who apply for coverage.
- » Employees can assess the unique needs of their families, and then apply for the type of voluntary coverage that meets those needs and works within their budgets.

Some employers leave voluntary insurance policies off their benefits menus because they don't believe workers are interested in such plans, but research shows otherwise: The 2014 Aflac WorkForces Report revealed that 88 percent of employees consider voluntary insurance an important part of a comprehensive benefits plan. Even more importantly, fully 52 percent who do not currently have access to voluntary benefits say they'd be likely to purchase them if their employers made voluntary plans available.

### Make decisions today that affect your company tomorrow

With that in mind, smart employers are already meeting with insurance agents and brokers to determine what changes they'll make to their benefits plans before this fall's open enrollment. One key topic is what types of voluntary insurance they'll make available to their workforces.

If your company is thinking about adding voluntary insurance to its benefits roster, consider that employees who participated in the Aflac study and who agree there is a growing need for voluntary insurance benefits say coverage helps with challenges such as rising medical and coverage costs, increasing deductibles and copayments, and changes to their benefits plans as a result of health care reform.

## Considering voluntary insurance? Check out these key options

Voluntary insurance plans can help your employees stay ahead of the medical and out-of-pocket expenses major medical insurance does not cover – and that add up quickly after an illness or accidental injury. What's more, benefits are paid directly to the policyholder (unless otherwise assigned), who decides how and when to use the money.

There are many types of voluntary insurance and it's up to you to decide which type fits your workers' lifestyles and circumstances. Here are a few of the most common plans, along with explanations of how they work:

- » Disability insurance protects an employee's most valuable asset – the ability to earn a living. Benefits pay a portion of a worker's income while he or she is disabled and unable to work.
- » Life insurance is a high-demand benefit, especially in shaky financial times. It's most appealing to workers who want to protect their families' lifestyles if the worst should happen. Benefits can be used to pay immediate needs such as funeral expenses, medical costs, and current bills and debts. They can also be used to pay future needs, including ongoing financial obligations,

What's more, by providing access to voluntary insurance your company will be more appealing to current employees and new applicants alike: Top-tier organizations offer their workers a wide array of benefits options. Consider that the businesses named to Fortune's latest list of "Best Companies to Work For" have three things in common:

- » They retained or expanded their benefits throughout the recession.
- » They looked for new benefits that yielded the most bang for a small amount of buck.
- » They aligned benefits to the needs of their particular employees versus taking a one-size-fits-all approach.

Remember: To make voluntary benefits available to your employees this fall means meeting with your benefits advisor today. Sometimes spontaneity is a good thing, but ensuring your benefits options meet the needs of your workforce takes careful thought and planning.

*This article is for informational purposes only and is not intended to be a solicitation.*

<sup>1</sup>The 2014 Aflac WorkForces Report is the fourth annual Aflac employee benefits study examining benefits trends and attitudes. The study, conducted in January 2014 by Research Now, captured responses from 1,856 benefits decision-makers and 5,209 employees from across the United States.

<sup>2</sup>Kaiser Family Foundation and the Health Research & Educational Trust (2013), "Employer-Sponsored Family Health Premiums Rise a Modest 4 Percent in 2013, National Benchmark Employer Survey Finds," accessed April 3, 2014 - [kff.org/private-insurance/press-release/employer-sponsored-family-health-premiums-rise-a-modest-4-percent-in-2013-national-benchmark-employer-survey-finds/](http://kff.org/private-insurance/press-release/employer-sponsored-family-health-premiums-rise-a-modest-4-percent-in-2013-national-benchmark-employer-survey-finds/)

education costs and retirement expenses.

- » Dental insurance is a high-value proposition because it's often inexpensive and dental health is closely tied to overall health. Depending upon the policy, supplemental dental plans can help pay for cleanings, checkups, filling cavities and more.
- » Accident insurance allows employees to stay ahead of out-of-pocket expenses that add up quickly after an unexpected health event. Benefits can be used to pay for emergency treatment, hospital stays and medical exams, as well as for treatment-related transportation and lodging needs.
- » Critical care and recovery insurance helps pay for treatment related to serious, life-altering events such as heart attacks, strokes, kidney failure or third-degree burns.

The bottom line? Voluntary health insurance benefits provide employees with greater control over their finances by giving them the chance to select the amounts and types of coverage that meet their health care needs, as well as their families' budgets.

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