

The value of voluntary

Financially healthy businesses and employees choose voluntary insurance

While it's possible to build or inherit a successful company, it's not likely to remain successful without a strong team in place. A great way to attract and retain top talent? Make sure your benefits offerings are competitive.

It's not all about salary — according to results from the 2015 Aflac WorkForces Report, 59 percent of employees are likely to take a job with slightly lower pay but a more robust benefits package.¹ The report further suggests a link between voluntary benefits and financially sound companies and employees.

Who's offering voluntary?

Voluntary insurance is more likely to be offered at growing companies (44%) than those that are maintaining (35%) or declining (35%) in terms of sales/revenue in the last 12 months. Nationally, 39 percent of employers offer voluntary products to their employees, most often life, long-term disability and short-term disability.

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Not surprisingly, employees who feel financially secure are more satisfied with their jobs

Employees enrolled in voluntary benefits are more satisfied with their jobs than those who aren't enrolled. Why? Perhaps because benefits are about more than paying monthly premiums — they're about protecting one's finances no matter what unexpected health events occur. Consider these findings:

	Employees enrolled in job-based voluntary insurance	Employees not offered job-based voluntary insurance
List "personal financial issues" as the top non-work-related distraction during work	15%	22%
Very/extremely confident in their financial futures	40%	31%
Completely/strongly agree they have confidence in their abilities to cope with the financial impact of unexpected health events	32%	26%
Completely/strongly agree they feel their families will be financially prepared in the event of unexpected emergencies	34%	26%

Perhaps as a result, employees enrolled in voluntary benefits are 18 percent more likely to report being “very” or “extremely” satisfied with their jobs than those who aren’t enrolled. They’re also:

	Employees <i>enrolled in</i> job-based voluntary insurance	Employees <i>not offered</i> job-based voluntary insurance
Likely to look for new jobs in the next 12 months ¹	44%	51%
Very/extremely satisfied with their benefits packages	64%	49%
Likely to say their benefits meet their families’ needs very/extremely well	68%	54%

And finally, when a health event does occur, these employees are more financially prepared for it:

	Employees <i>enrolled in</i> job-based voluntary insurance	Employees <i>not offered</i> job-based voluntary insurance
Only able to pay less than \$500 for out-of-pocket medical expenses	17%	32%
Only able to pay less than \$1,000 for out-of-pocket medical expenses	40%	59%

But is there demand for voluntary benefits?

Employers perceive obstacles to offering voluntary, but employees say they increasingly see a need for it.

In the WorkForces Report, employers most often named “affordability” as one of the top challenges they face when offering voluntary insurance, followed by “getting employees to understand their different options” and “lack of employee interest in purchasing voluntary benefits.”

And while 18 percent of employees say adding voluntary insurance benefits wouldn’t be important to them, a whopping 80 percent of them report being at least somewhat likely to purchase additional insurance (assuming it’s affordable) if their employer didn’t provide the type and level of health insurance coverage they desired.

Among employees who aren’t offered voluntary at work, 70 percent of them say if their employers offered the benefits options, they would be at least somewhat likely to purchase them; 28 percent of workers are very or extremely likely to purchase them.

88%
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Overall, 88 percent of employees at least somewhat agree they consider voluntary as part of a comprehensive benefits package, 41 percent of workers know more about voluntary insurance

today than they did last year and 64 percent of employees see a growing need for voluntary. When asked why the need is growing, they said:²

68%	Rising medical costs.
64%	Rising medical coverage costs.
56%	Increasing deductibles and copays.
29%	Their employer reduced benefits and/or coverage.

The value of voluntary: Employees understand it and wise employers offer it

When asked why they chose to purchase voluntary insurance, employees reported:²

45%	To provide peace of mind that they have financial protection if they get sick or hurt and can't work.
37%	To help replace lost income if they're sick or hurt and can't work.
29%	To help cover the cost of their medical insurance deductibles.
24%	To help cover the cost of their medical insurance copays.
23%	To help cover their medical coinsurance costs.

The bottom line: When workers are financially protected, they're more satisfied and more productive at work — a win for them *and* their employers.

About the study

The 2015 Aflac WorkForces Report is the fifth annual Aflac employee benefits study examining benefit trends and attitudes. The study, conducted in Jan. 2015 by Research Now, captured responses from 1,977 benefits decision-makers and 5,337 employees from across the United States, at companies with at least three employees. To learn more about the Aflac WorkForces Report, visit AflacWorkForcesReport.com.

¹ Includes somewhat, very and extremely likely.

² Some participants indicated more than one answer; therefore, total responses do not add up to 100 percent.

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