



## Career coverage: The voluntary insurance need at different life stages

**If you're interested in strengthening your company's benefits to recruit and retain employees, keep reading. Voluntary insurance policies are optional benefits that employers may choose to offer to employees, who usually pay the premiums.**

Voluntary insurance helps ensure people who are sick or hurt have the funds they need to pay health-related costs their primary insurance might not cover, such as deductibles, copayments and prescriptions. Plus it helps pay the regular bills such as rent, utilities, car payments and groceries that continue to roll in even if a person is too ill or injured to work.

There are several types of voluntary insurance. While every employee has different needs, the following lists will give you a general idea of the types of insurance that could benefit people at different stages of their careers. Use this information to help you decide the types of coverage that would work best for your employee population.

## Healthy but not yet wealthy

In the first decade of their careers, most people are just getting on their financial feet. They may be mired in college loans or live at home or with roommates to save money. Many stay on their parents' health insurance plans until age 26, but then they have to cover the cost of their own insurance. Maybe they're single for a time and then a significant other comes along, leading to further financial obligations. Life is expensive, and their incomes don't yet stretch very far.

While they're learning job skills from senior coworkers, these 20- and 30-somethings also have to figure out insurance requirements, insurance options, and how they'll pay for them. It may seem like an inconvenient time to consider voluntary insurance, but because they're young and healthy, it can be the best time for getting the lowest rates.

Here are the types of voluntary insurance policies to consider making available if you have employees who are early in their careers:

| Types of voluntary insurance   | Why do employees need it?   | What do benefits generally cover?   |
|--|---|---|
|  <p><b>Accident</b></p>                               | Many younger workers lead active lifestyles, have longer work commutes and may have small children who are accident-prone.                                | Emergency treatment, X-rays, follow-up treatments and physical therapy, plus benefits for specific injuries such as fractures, dislocations, burns and concussions. |
|  <p>• <b>Cancer</b><br/>• <b>Critical illness</b></p> | Employees concerned about cancer, stroke or heart disease in their futures should consider this type of insurance while they're young and healthy.        | Certain expenses from the initial diagnosis through treatment, including hospital stays, chemo, radiation and anti-nausea drugs.                                    |
|  <p><b>Hospital</b></p>                               | In 2012, the average hospital stay cost \$10,400. <sup>2</sup> For employees living paycheck to paycheck, one stay could amount to years of medical debt. | Emergency room treatment and hospital stays, plus physician visits.   |



# 65%

of workers born between 1980 and 1998 reported having less than \$1,000 to pay for unexpected out-of-pocket medical expenses.<sup>1</sup>

<sup>1</sup> The 2016 Aflac WorkForces Report is the sixth annual Aflac employee benefits study examining benefits trends and attitudes. The study captured responses from 1,500 benefits decision-makers and 5,000 employees across the United States in various industries. The 2016 Aflac WorkForces Report survey was conducted by Lightspeed/GMI on behalf of Aflac. To learn more, visit [AflacWorkForcesReport.com](http://AflacWorkForcesReport.com).

<sup>2</sup> Audrey J. Weiss and Anne Elixhauser. "Overview of Hospital Stays in the United States, 2012." *Healthcare Cost and Utilization Project. Statistical Brief #180.* October 2014.

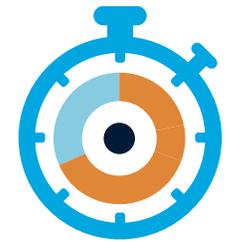
## Prime time to evaluate insurance needs

A decade or two into their careers, employees are often family-focused. They may be married, raising children and also keeping a close watch on aging parents or grandparents. They're likely to be more aware of potentially hereditary health issues in their families. Retirement is still a long way off, but they should be planning for it.

They think applying for benefits during open enrollment is mundane — 90 percent of employees say they choose the same benefits year over year.<sup>1</sup> But major life changes such as marriage, divorce, birth, relocation and home ownership should inspire them to evaluate their changing financial needs.

Here are the types of voluntary insurance policies to consider making available if you have employees who are in the middle of their careers:

| Types of voluntary insurance   | Why do employees need it?  | What do benefits generally cover?  |
|--|--|--|
| <ul style="list-style-type: none"> <li>• <b>Cancer</b></li> <li>• <b>Critical illness</b></li> </ul>  | Employees concerned about cancer, stroke or heart disease in their futures should consider this type of insurance while they're young and healthy. | Certain expenses from the initial diagnosis through treatment, including hospital stays, chemo, radiation and anti-nausea drugs. |
| <b>Hospital</b><br>   | In 2012, the average hospital stay cost \$10,400. <sup>2</sup> For many employees, one stay could amount to years of medical debt.                 | Emergency room treatment and hospital stays, plus physician visits.  |
| <b>Life</b><br>   | A higher income means a higher standard of living for an employee's family to maintain in his or her absence.                                      | Pays cash that the recipient could use toward final expenses, educating children or grandchildren, or retirement income.         |
| <b>Short-term disability</b><br>  | Illness and injury are increasingly common with age.   | Helps replace income when a person becomes partially or totally disabled.  |



**79%**  
of workers spent less than an hour researching their benefits options, and 56% spent fewer than 30 minutes during their last open enrollment.<sup>1</sup>

<sup>1</sup> 2015 Aflac Open Enrollment Survey, conducted by Lightspeed GMI from June 23 – July 2, 2015, among 2,000 adults ages 18 and older who are employed full or part time at a company with three or more employees.

<sup>2</sup> Audrey J. Weiss and Anne Elixhauser. "Overview of Hospital Stays in the United States, 2012." *Healthcare Cost and Utilization Project. Statistical Brief #180.* October 2014.

## Still going, still growing

Employees in the final decades of their careers are likely making all-time high salaries and putting money away for retirement, but life events can interfere with savings: A change in marital status, adult children returning home and elder care can all be expensive. Plus, those in their 50s and 60s may be dealing with health issues.

They may be dreaming about retirement with no date in sight, or maybe the countdown has begun; either way, they have more responsibility than ever when it comes to work, family and building a nest egg. And when they're financially threatened by illness or injury, borrowing from a 401(k) is a huge temptation. Unfortunately, taking money from a workplace retirement plan can have a long-lasting impact on retirement savings.

Providing workers with access to voluntary insurance that defrays medical costs helps them stay on course for retirement and polishes an employer's reputation as a caring provider of meaningful benefits. Some voluntary insurance products can be issued as late as age 75, and many are guaranteed renewable for life.

Here are the types of voluntary insurance policies to consider making available if you have employees who are late in their careers:

| Types of voluntary insurance   | Why do employees need it?   | What do benefits generally cover?  |
|--|---|--|
| <b>Life</b><br> | A higher income means a higher standard of living for an employee's family to maintain in his or her absence. | Pays cash that the recipient could use toward final expenses, educating children or grandchildren, or retirement income. |
| <b>Short-term disability</b>   | Illness and injury are increasingly common with age.  | Helps replace income when a person becomes partially or totally disabled.  |

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



Only  
**21%**  
 of 50- to 60-year-olds “strongly agree” or “completely agree” that they are well-prepared for retirement.<sup>1</sup>



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