



# The value of voluntary benefits

## 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 2016 Aflac WorkForces Report, 60 percent of employees are likely to take a job with slightly lower pay but a more robust benefits package.<sup>1</sup> 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 (28 percent) than those that are maintaining (23 percent) or declining (18 percent) in terms of sales or revenue in the last 12 months. Nationally, 26 percent of employers offer voluntary products to their employees, most often life, short-term disability, accident and long-term disability.

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### Employees who feel financially secure are more satisfied with their jobs

Employees enrolled in voluntary benefits through their employer 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. In fact, employees enrolled in job-based voluntary insurance are more likely to say they are extremely or very prepared to pay out-of-pocket expenses not covered by major medical insurance related to an unexpected serious accident or illness (51 percent) compared to employees not offered job-based voluntary insurance (21 percent).

Perhaps as a result, employees enrolled in voluntary benefits through their employer are 13 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
Very/extremely satisfied with their benefits packages	75%	46%
Likely to say their benefits meet their families’ needs very/extremely well	77%	50%

And finally, when a health event does occur, employees enrolled in voluntary are more financially prepared for it — 59 percent could pay less than \$1,000 for out-of-pocket medical expenses if an unexpected serious illness or accident occurred today, compared to 68 percent of employees who aren’t offered voluntary.

## But is there demand for voluntary benefits?

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

Among employees who aren’t offered voluntary at work, 76 percent of them say if their employers offered the benefits options, they would be at least somewhat likely to purchase them; 40 percent of workers are very or extremely likely to purchase them.

Overall, 93 percent of employees at least somewhat agree they consider voluntary as part of a comprehensive benefits package, and 79 percent of employees see a growing need for voluntary insurance benefits today compared to last year. When asked why the need is growing, they said:<sup>2</sup>

60%	Rising cost of medical services.
51%	Rising cost of medical insurance premiums.
49%	Increasing deductibles and copays.
39%	Changes due to health care reform.

## The value of voluntary: Employees understand it and smart employers offer it

When asked for the most important reason they chose to purchase voluntary insurance, the top answers employees reported were:<sup>2</sup>

34%	To help cover out-of-pocket medical expenses.
16%	To help replace lost income.
12%	To help cover nonmedical expenses like transportation and household expenses.
10%	To help provide extra coverage for family members employed in occupations with a high risk of injury.

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

### About the study

The 2016 Aflac WorkForces Report is the sixth annual Aflac employee benefits study examining benefit trends and attitudes. The study, captured responses from 1,500 benefits decision-makers and 5,000 employees from across the United States. To learn more about the Aflac WorkForces Report, visit [AflacWorkForcesReport.com](http://AflacWorkForcesReport.com).

<sup>1</sup> Includes somewhat, very and extremely likely.

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

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