

Know the difference: health insurance vs. supplemental insurance



No matter how large of an employer you are, creating a benefits plan can be tricky — especially when it comes to insurance. There are so many types to choose from, each promising different benefits for what seems like overlapping coverage, and it can become cumbersome. Fast.

But understanding the basics makes the process more efficient and effective. Knowing the difference between health insurance and supplemental insurance will help you do just that.

What does health insurance cover?

Health insurance is a type of insurance coverage that helps pay for health and medical expenses. Typically, health insurance has a variety of benefits. It can protect the insured from paying unexpected and expensive medical bills. It can also cover essential health benefits, like annual physicals and most plans may also provide free preventative care, like vaccines and screenings.¹

For many employers, offering health insurance isn't optional. As of 2014, employers with 50 or more full-time equivalent employees are required to offer health insurance in accordance with the [Affordable Care Act](#).²

What is supplemental insurance and what does it help cover?

In contrast, supplemental insurance is exactly what its name implies — supplemental. And what is it supplementing? Health insurance ... plus dental, vision and any other insurance you can think of. If health insurance is the steak and potatoes, supplemental insurance is the wine and dinner rolls — not the core of the meal, but offerings that enhance it and help it feel more complete. Depending on the specific plan, supplemental insurance can help you close the gap between what health insurance covers and what you're responsible for paying out-of-pocket. And unlike health insurance, some types of supplemental insurance can also help with expenses that aren't directly related to medical care. Paying benefits directly to the insured (unless assigned otherwise) to use as they see fit, [Aflac's supplemental insurance](#) can help people cover expenses such as transportation to and from treatments, lodging and other nonmedical expenses incurred because of the need for care.



Health insurance has its limits — and supplemental insurance helps you level up

Despite its name, health insurance was never designed to cover everything about your health. That's why there's [dental insurance](#) and [vision insurance](#).

Enter supplemental insurance.

It's not trying to replace health insurance. And it's not trying to step in for dental and vision coverage either.

Instead, it's a booster for your employees' existing coverage, helping fill in gaps where their other forms of insurance may leave them vulnerable. Supplemental coverage can give people more robust protection than what health insurance gives alone.

And it's not just your employees who have additional protection with supplemental insurance. In a recent survey of more than 1,000 business decision-makers such as yourself, three-quarters or more of all employers are confident that their benefits contribute to worker satisfaction, retention, productivity and more.³

Some things just go together — hands and gloves, pen and paper, burgers and fries. Health insurance and supplemental insurance are one of those combos.

Want to level up your employees' protection? Check out [Aflac's supplemental insurance products](#) — then contact your Aflac benefits advisor or visit [Aflac.com/business](#).



Aflac refers to the following companies: American Family Life Assurance Company of Columbus, American Family Life Assurance Company of New York, Continental American Insurance Company, and Continental American Life Insurance Company.

Please see coverage documentation applicable to your situs state for further details.

NOTICE: The coverage offered is not a qualified health plan (QHP) under the Patient Protection and Affordable Care Act (ACA) and is not required to satisfy essential health benefits mandates of the ACA. The coverage provides limited benefits.

¹ Forbes Advisor. "What is Health Insurance? (And How Does It Work?)" Audited & Verified 8.4.25. [Accessed 12.5.25](#).

² IRS. "Affordable Care Act tax provisions for large employers." Published 12.5.24. Updated 5.29.25. [Accessed 12.5.25](#).

³ Aflac. 2024 Workforces Report. Workplace Benefits Trends. Published 11.2024. [Accessed 12.5.25](#).

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Coverage/plan may not be available in all states. Benefits/premium rates may vary based on plan selected. Optional riders may be available at an additional cost. Policies and riders may also contain a waiting period. Refer to exact policies and riders for benefit details, definitions, limitations and exclusions. For availability and costs, please contact your local Aflac benefits advisor.

Individual coverage is underwritten by Aflac. Group coverage is underwritten by Continental American Insurance Company (CAIC), a wholly owned subsidiary of Aflac Incorporated. CAIC is not licensed to solicit business in New York, Guam, Puerto Rico or the Virgin Islands. For groups situated in California, group coverage is underwritten by Continental American Life Insurance Company. For individual coverage in New York or coverage for groups situated in New York, coverage is underwritten by Aflac New York.

Aflac WWHQ | 1932 Wynnton Road | Columbus, GA 31999
Aflac Group | Columbia, SC
American Family Life Assurance Company of New York | Albany, NY