Voluntary insurance 101
What is voluntary insurance and why do you need it?

Some types of insurance are must-haves – for example, state laws require drivers to have auto insurance and mortgage companies insist that home-buyers purchase property insurance. The premise is pretty simple: if you cause an accident or your home is damaged, your insurer helps pay the tab.

Voluntary health insurance, also known as supplemental insurance, is different. No one says you have to enroll and, what’s more, many Americans aren’t sure exactly what it is or does. Simply put, voluntary insurance plans help people protect their financial well-being in the event of a serious accident or illness. Benefits help them stay ahead of the medical and out-of-pocket expenses that 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 – and the policyholder 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 lifestyle and circumstances. Here are a few of the most common plans, along with explanations of how they work:

- **Disability insurance** protects your most valuable asset – the ability to earn a living. Disability benefits pay a portion of your income while you are 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, education costs and retirement expenses.

- **Dental coverage** 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 you 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 you with greater control over your finances by giving you the chance to select the amounts and types of coverage that meet your health care needs, as well as your family’s budget.

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