



What is voluntary insurance – and why do employees need it?

A whirlwind of changes to the way health insurance in the United States is purchased and delivered has more Americans focused on cost and coverage than ever before. Suddenly, major medical insurance isn't just a nice-to-have: It's a must, much like auto and homeowners insurance are musts for those of us who drive cars or own homes.

Health care reform has turned workers' attention to their personal health care situations. They're also looking closely at their insurance coverage to identify gaps that might leave them vulnerable to medical expenses they're ill-equipped to pay. Enter voluntary insurance, a type of coverage that's not required or mandated, with enrollment that's completely optional – which is why it's known as “voluntary.”



Why voluntary?

Voluntary insurance works hand in hand with major medical plans to help ensure individuals who are sick or hurt have the funds needed to pay health-related costs their primary insurance might not cover, as well as other out-of-pocket costs. After all, when a medical event occurs, there are deductibles, copayments and treatment costs that aren't covered to consider – not to mention the bills that continue to roll in even if an individual is too ill or injured to work.

According to the 2014 Aflac WorkForces Report,¹ 49 percent of today's workers have less than \$1,000 on hand to pay out-of-pocket medical expenses and 66 percent would not be able to adjust to the financial costs associated with a serious injury or illness. Perhaps that's why so many are open to voluntary insurance: 52 percent of workers who don't currently have access to voluntary benefits through their companies say they'd probably apply for coverage if their employers made it available.

With that in mind, here are several reasons employers should seriously consider offering voluntary options:

- » Voluntary insurance can help provide employees with financial safety nets that keep their minds on their jobs and not on money concerns. That's especially important given that

employees who participated in the 2014 Aflac WorkForces Report said personal financial issues are the top non-work-related issue that distracts them while they're on the job.¹

- » Voluntary insurance pays cash benefits workers can use to help pay unexpected health care costs that might not be covered by major medical insurance or to help pay bills that threaten their financial security.
- » Voluntary insurance pays cash benefits regardless of any other insurance coverage employees have in place, including policies available through government health care exchanges.
- » Employees who are offered and enrolled in voluntary insurance plans feel more empowered at work, report increased job satisfaction and believe they're more financially prepared to cope with unexpected medical expenses.¹

A win-win scenario

With so much uncertainty swirling around benefits and options in the wake of reform, developing a plan to manage health care-related costs can be overwhelming for both employers and workers. Voluntary insurance options are a double win: They can soften the blow of rising out-of-pocket costs for workers and, because premiums are employee-paid, they can be made available at no direct cost to companies.

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

¹ The 2014 Aflac WorkForces Report is the fourth annual Aflac employee-benefits study examining benefits trends and attitudes. The study, conducted in Jan. 2014 by Research Now, captures responses from 1,856 benefits decision-makers and 5,209 employees from across the United States. To learn more about the Aflac WorkForces Report, visit AflacWorkForcesReport.com.

**Keep up to date
and follow Aflac at:**

