



# EMPLOYEE BENEFITS

# eLINE



## THREE STEPS FOR MAXIMIZING VOLUNTARY BENEFITS' RETURN ON INVESTMENT

Offering voluntary benefits to employees is great way to provide a wider set of options for employees and position yourself as an employer of choice. However, just offering voluntary benefits may not be enough. Employers should take the following steps to not only manage costs but also to increase overall program value.

**1. Offer a selection of voluntary benefits that work together.** More than 7 in 10 employers with more than 10 employees offer at least one voluntary benefit. The average employer offers about three to five product options. What to offer is often driven by what employees are asking for — three of the top reasons employees are asking for voluntary benefits include:

- Benefits that fill personal needs
- Convenience of purchasing and paying for benefits through work
- Reasonable cost for the coverage

What are some voluntary benefit options that can make your total package more appealing without breaking the budget? According to a 2014 MetLife study, many employers are offering supplementary dental, disability and life insurance. These plans are readily available as a voluntary benefit, which makes them an affordable way to give your employees more value in their employee benefits package.

In addition, the MetLife study found that the following percentage of employees are interested in these voluntary benefits:

- 60% - Vision care insurance or vision discount program
- 49% - Accident insurance

- 44% - Critical illness insurance
- 44% - Hospital indemnity insurance
- 42% - Cancer insurance

Medical supplemental plans, like many on the list above, are designed to specifically help employees with high-cost medical claims such as hospital stays, cancer or other critical illnesses. Hospital intensive care and hospital confinement indemnity policies help pay for the hospital stays, physician bills and some even help pay for major diagnostic exams.

**2. Dedicate time and resources to benefits communication and enrollment.** A recent study by enrollment firm Univers highlights the potential payoff of dedicating time and resources to effective benefits communication and enrollment processes. Employers surveyed felt more than 8 in 10 employees viewed the company's benefits plan above average when they did two things well:

- Provided strong benefits communication and education resources
- Conducted an effective enrollment process

**Strong benefits communications/education + enrollment processes contribute to higher perception of employee satisfaction**



A strong communication strategy is one of the most important components of a successful enrollment. One



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September 18, 2014 – Vol. 13, No. 9  
Page 2 of 2

of the most critical problems that many employers face is communicating their benefits to all participants, so they can make informed enrollment decisions. Enrollment meetings and paper communications are important, but may not be enough to accomplish this objective.

In our experience, we have found that around half of all employees fail to attend enrollment meetings. This creates many consequences: HR staff becomes overburdened with questions and employees make poor enrollment decisions, which creates more confusion and affects morale and productivity — there's a domino effect.

Instead of assigning a human resource professional to educate each participant, which would be cost-prohibitive, you can assign the digital equivalent. In other words, each employee can view a presentation and other benefits information electronically.

As a result of this portable, digital presentation:

- New employees can view the benefits presentation on the first day at work.
- Employees' spouses, who are often the decision-makers when it comes to benefits, can view the presentation at home.
- Employees at out-of-state locations can learn all they need to know without the HR staff traveling to each location.

Electronic communications are a cost effective way to ensure all audiences are receiving the same information

and have the flexibility to review it at a time and place that suits their needs. Still, employers should not abandon traditional forms of communication in order to accommodate differences in generations and learning styles. A well-rounded communication plan will have the greatest success.

**3. Provide employees time and resources to make educated decisions.** Research shows employees believe they often make mistakes when enrolling for their benefits. They value the ability to purchase benefits at work for many reasons, but are now faced with making decisions their employers once made. Employees now need more tools and resources to help them make good decisions.

Personalized enrollment materials and the use of decision support tools can also help employees better understand their own benefits picture. Plan selection tools that model actual out-of-pocket costs reveal the amount of coverage an employee needs and any potential gaps that could be filled with voluntary benefits.

Voluntary benefits continue to be a benefit valued by employees. They provide employees with a realm of insurance possibilities without cutting into the employer's bottom line. For more information on how you can put together a voluntary benefit program your employees will appreciate, contact us at 800-258-3190 or [info@AssociatedFinancialGroup.com](mailto:info@AssociatedFinancialGroup.com).



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