

VOLUNTARY BENEFITS CONTINUE GROWING

Looming health care reform may create workplace marketing opportunities

Six out of ten American workers have no financial plan in place to deal with an unexpected and costly medical emergency, according to an Aflac study released in June. According to the report, 51% of workers say they are "not very" or "not at all" prepared to pay for out-of-pocket expenses not covered by medical insurance. The report also found that 66% of workers would purchase additional health insurance benefits to make sure they are protected and 59% said they would buy voluntary insurance.

These facts support what industry experts see as increased attention being paid to a variety of voluntary benefits by employers and employees, as well as agents and brokers. "Disability and critical illness insurance, in particular, seem to be gaining momentum," notes Thomas Petersen, RHU, vice president and senior underwriter with Petersen International Underwriters. Adds Chad Bodner, RHU, REBC, vice president, Worksite Sales at Assurity Life Insurance Company, "We have seen a significant increase in interest among traditional employee benefit brokers in offering worksite products."

Jim Foley, head of voluntary underwriting and sales support for ING Employee Benefits, has observed considerably broader appeal in the medical benefits arena. "Employers and producers are trying to figure out what health care reform means for employees," he says. "This is creating more opportunities, and it's generating interest in voluntary accident products, critical illness products and hospital indemnity products."

According to Laura Marzi, assistant vice president of marketing in The Hartford's Group Benefits operation, the market for voluntary benefits has expanded over the last several years. "These benefits are no longer just for big businesses," she explains. "Mid-sized companies and smaller firms are turning to voluntary benefits due to economic pressures—including the rising costs of health care. Employers of all sizes tend to like voluntary benefits, because they offer a way to make a variety of benefits available to employees without an additional direct cost to the company's bottom line."



"A recent LIMRA survey found that more than four in ten businesses are considering adding a new voluntary benefit within the next two years."

—Laura Marzi
Assistant Vice President, Marketing
Group Benefits
The Hartford