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## 10 tips for success with voluntary benefits

By Patrick J. Haraden

As the costs of traditional employee benefits continue to increase, many employers are re-evaluating their offering of voluntary benefits. Employers can gain from offering voluntary benefits because they can increase employee morale, loyalty and productivity.

Voluntary benefits can be advantageous for employees and their dependents because the plans allow them to purchase insurance at lower group rates and have access to benefits and benefit levels that may not be available to them on the individual market. Some employers have included voluntary benefits as part of their overall employee benefits strategy; others have used them for certain underserved locations or employee populations.

In either case, there are certain steps that should be followed to achieve the desired outcome. The top 10 approaches for voluntary benefits success are:

### 1. Survey employee needs.

The wide availability of online tools has made survey distribution and data collection much more efficient and economical than it has been in the past. A short, confidential survey asking about specific benefits will provide a good framework for structuring a voluntary benefits program that will impact a majority of employees. With almost all surveys, employees will assume that if the employer is asking, something will actually be implemented.

### 2. Choose vendors carefully.

Voluntary benefits vendors differ greatly. Some offer a limited product line. Some require one-on-one meetings with every employee, have different participation guidelines, or require certain coverages or benefit levels to be offered. Be aware of these differences and make sure that the insurance company has strong financial ratings, has a good history of working with employers of your size and industry, and provides support to your HR, benefits and payroll departments after the initial sale. Price, while important, is just one component of value.

### 3. Understand benefits and limitations.

One of the most frequent complaints with voluntary and supplemental benefits is that the member did not understand the available benefits and is disappointed when there's a claim. In order to keep voluntary benefits affordable, benefits are limited, with possible restrictions on the amount payable, for how long and for what. All employees should understand what is actually covered. A good employee communication plan, with real-world examples and case studies, is critical for employee understanding.

### 4. Actively promote benefits.

Employees need to know that the employer has made a commitment to the program and that it could be valuable to them. Incorporating the voluntary benefits program into the overall benefits strategy and having the announcement

of the program come from the president or CEO of the company is an excellent way to demonstrate the employer's commitment to the benefit and to them.

#### 5. Continue communication and promotion.

Some voluntary benefit vendors promote their products on television and in other media, which provides a constant source of advertising and questions for the HR and benefits departments. Employers should capitalize on this by constantly emphasizing that a similar program is in place for its employees. Each employee communication should detail the level and value of all the employee benefits the employer is providing. Voluntary benefits should always be on an employee's annual benefits statement.

#### 6. Cooperate with the vendor.

Some vendors prefer one-on-one employee meetings for 30 minutes in order to conduct enrollments. Others can conduct employee meetings with small groups of employees, as well as shorter one-on-ones. Whichever the method, the employer should accommodate the vendor in order to implement a successful program.

#### 7. Don't skimp on core programs.

Voluntary benefits should not be used as a replacement for a core medical, life or disability program. They can be used to supplement or complement the benefit offered, or to provide noncore benefits (for instance, home and auto insurance, legal services, identity theft coverage, additional life and disability insurance). Make sure employees understand the distinction between core and voluntary benefits.

#### 8. Understand responsibilities.

During implementation, employer, broker/consultant and vendor each should understand their role in the implementation and enrollment process handling employee questions, requests for benefits, ongoing enrollments, communication, notification of changes and new hires.

#### 9. Solicit feedback.

As part of the ongoing communication process, gather feedback from both participants and nonparticipants as to their experience and the program's value and operations. Nonparticipants can help you pinpoint any weaknesses that are hurting participation.

#### 10. Get professional assistance.

Employers should use a professional employee benefits broker or consultant (not an agent of one specific company) to assist them in the strategy, evaluation, and implementation of a voluntary employee benefits program. A broker/consultant can help conduct an RFP, select a vendor, monitor performance, and assist with employee communications.

When implemented successfully, voluntary benefits can be an effective supplemental benefit for both employees and employers. All parties must have a complete understanding of the programs offered, benefit and program limitations, responsibilities, and desired outcomes in order for the offering to be successful.



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