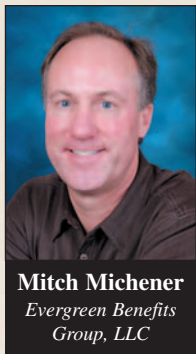


## BENEFITS CORNER



### Benefits Program Booster—Voluntary Plans

As the cost of providing employer-sponsored benefit programs has risen over the past several years, more of the financial burden for paying the monthly premium has been shifted to the employees. This is a sound strategy for most employers, but the employees are often concerned that they may not have adequate insurance protection for life's unexpected events. Most employers are concerned and aware of this, but they may not have the budget to do any more than they already are providing for the employees.

How can an employer address this concern without busting the budget? Voluntary Benefits! A voluntary benefits program is a very practical way for an employer to provide access to quality protection for several different needs.

A recent MetLife survey found that one in five small to midsize employers identified providing an array of voluntary offerings as a top benefits strategy for the coming year. The same survey indicated that more than 34 percent of all employees would be interested in choosing a voluntary plan—this is up from 28 percent in 2003.

In a voluntary benefits program, the employee selects and pays for only those coverages that he or she finds appropriate. The payment is made through a simple payroll

deduction. The employer only needs to provide access to the employees for an enrollment meeting and facilitate the paying of the premium from the payroll deductions.

The most important aspect of implementing a voluntary benefits program is communicating it to your employees. The most effective way is to have a one-on-one meeting with each eligible employee. These meetings generally take 10 to 15 minutes for each employee. A review of your current benefits plan can be included as a part of this process. As the employer, you need to make sure your broker has the resources to provide this type of support or the plan will not be effective. If you are worried that you might not have enough participation in the plan, don't be concerned. Most voluntary plans only require a minimum of three coverages to be elected by the employees for it to be implemented.

There are several types of coverage that employees can choose from in a voluntary plan. These plans will work best if the employer limits the menu of options down to three to five for each employee to choose from. Here is a list of some of the different products that can be offered in a voluntary plan and a brief description of each:

**Dental Insurance**—Coverage that pays for dental care. Most plans pay a maximum benefit amount between \$750 and \$1,000 per year for each covered person in a family.

**Short Term Disability Insurance**—Pays for time off work due to an illness or injury. Most plans will begin to pay after two weeks of disability a benefit of 50 to 60 percent of your wages up to \$1,000 per week. This benefit can be paid to the insured for up to 12 months.

**Accident Insurance**—These plans pay for medical expenses up to a specified dollar maximum, typically \$2,500 to \$10,000. With ever-increasing deductibles on the underlying group coverage, many people choose this type of plan to help budget for medical expenses related to an injury or accident.

**Long-Term Care Insurance**—Pays for the cost of nursing home or assisted living care. These plans can help families avoid paying out all of their savings in the event

that a family member needs this type of medical care.

**Critical Illness Insurance**—Complements your major medical coverage by providing a lump-sum benefit that you can use to pay the direct and indirect costs related to a covered critical illness, which can often be expensive and lengthy.

**Hospital Confinement Insurance**—Provides a lump-sum benefit for a covered hospital confinement or a covered outpatient surgery to help offset the gaps caused by co-payments, deductibles, and coinsurance that are routine in most major medical plans.

**Life Insurance**—Enables an employee to tailor coverage for their individual needs and helps provide financial security for their family members. Coverage can be Term, Level-Term, or a Universal Life plan.

**Cancer Insurance**—Helps offset the out-of-pocket medical and indirect, non-medical expenses related to cancer that most medical plans don't cover. This coverage can also provide a benefit for specified cancer screening tests.

Most of these products can be made available to not just the employees, but to their spouses and children as well. Additionally, most of these plans are portable. This means that an employee can take these plans with them should they retire or change jobs—the insurance company will bill the employee directly.

A voluntary benefits program is a great way to boost your current benefits program with very little cost to the employer. Evergreen Benefits Group is pleased to represent several quality carriers that offer these programs. I would enjoy the opportunity to implement a plan for you or your employer. Please give me a call so that we can devise a plan that will work for you!

*Mitch Michener, RHU, REBC, can be reached at Evergreen Benefits Group at The Stone House Business Center. (303-670-0935) mitch@everben.com.*

*As printed in the July 2005 issue  
of Colorado Serenity*

