



Voluntary Benefits



With hosts Steve McEwan – COO at myHSA – and Dante DeDominicis – National VP of Sales and Distribution with Allstate Benefits.

This is part one of a two part webinar series on Voluntary Benefits & myHSA's Marketplace.

[Watch the entire Webinar here](#)



FIVE KEY TAKEAWAYS



1

What are Voluntary Benefits?

Voluntary benefits are products offered to employees that are outside of the employer's core group health offering.

2

Communication = Participation

The key to participation is communication and education to employees on the benefits that are available to them BEFORE they need it.

3

Employee Enrollment

Including them as part of enrollment – and using an employee facing system like myHSA – is key. The employee is more aware and actively participates in the building of the benefits plan.

4

Positioning for Small & Large Groups

Voluntary benefits are positioned as a gap filler when it comes to plans in the marketplace today for both large and small groups.

5

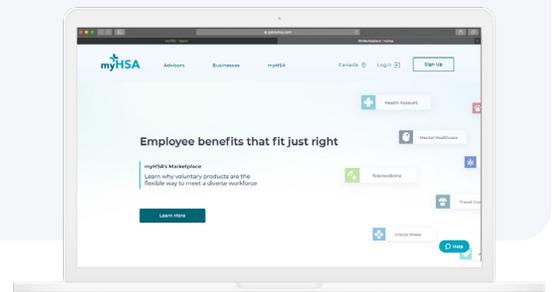
Supporting wellness

Voluntary benefits are one more way to create flexible benefits for employees that are curated to suit their own individual needs.



Integrating voluntary benefits into the spending account allows the employer to build in more flexibility while containing costs.

- Steve McEwan





What are Voluntary Benefits?

Voluntary benefits are products that are offered to employees, paid for by employees, that are different than their core group health offering. While employees have the option to purchase and use a product, others may not choose to purchase those products, but they all are made aware of what products are being offered.

The way voluntary benefits have traditionally been handled is that products like optional life insurance, optional critical illness or accidental death & dismemberment, are available to employees “should they need it” but there is no active strategy around communication, engagement and awareness which all ties into how many people are signing up for it and ultimately, how many people are actually getting the help when they need it the most.

What are the typical products being offered as Voluntary Benefits?

Today, the main three pillars of voluntary benefits are life insurance, critical illness and accidental death & dismemberment as a paper based, “top-up” offering available through the carrier. As the landscape of employees becomes more complex, there are more things that an employee may want or need such as pet insurance, medical marijuana, mental health care, substance abuse programs and more that can be made available as voluntary benefits.

How are voluntary benefits positioned in the marketplace right now?

The leading product today is critical illness and how that is positioned, so we will use that as our example. The conversation around voluntary benefits is increasing, when we talk to Advisors we talk about the value of critical illness, the overwhelming opinion is “yes, my clients would benefit from that” so when we talk to the plan sponsor they typically have the same response.

The next topic becomes budget, and most plan sponsors do not have the budget to fund a core or mandatory critical illness solution, especially in the large case market. Smaller groups have almost exclusively focused on the employer paid/mandatory critical illness policy. Large businesses have access to the voluntary critical illness solution, which small business typically have not. The main reason is because the risk profile of the small groups is different, so critical illness is typically not offered, and if it is, it’s usually more restrictive solution. So voluntary benefits are really being positioned as a gap filler when it comes to plans in the marketplace today for both large and small groups.

How does the pricing model currently work?

On the “mandatory” side of things, pricing is currently determined by group demographics on a per member, per month rate, based on the volumes. With voluntary, the rates are really dependent on the employee’s age, gender and smoking status. So, each employee gets their own rate based on those criteria or their “risk profile.” It’s important for the Advisor to work with their client to understand how the right level of benefit can be offered at the right price point.

Through the myHSA platform, the employee does not see all of the complex criteria that went into the price point, they are just going to see what is offered and the price for the benefits offered. There is a typical minimum group size that varies by carrier, it would not be uncommon for a large carrier to not offer voluntary benefits to groups under 50 lives.

What does success look like?

Success with voluntary benefits in the Canadian marketplace can be attributed to how the benefits are communicated to employees. Typically, only 15% of employees actually see and understand and are aware of the benefits that are being made available to them. As long as there is education, awareness and an ease of administration in the enrollment process, there is the opportunity for success. It really comes down to delivering the communication that will drive participation.

Typically, voluntary benefit participation is low, around 5-6% due to poor communication. Success with voluntary benefits in the Canadian marketplace can be attributed to how the benefits are communicated to employees. What is changing for communication now, is including the voluntary benefits as part of the benefits enrollment process, so the plan member is making a decision on voluntary benefits at the same time they are made aware of their mandatory benefits.

Using a platform that is employee facing is key, where employees are already using the platform to utilize and select their benefits, especially for small to mid-size companies. Ensuring that employees are made aware of ALL of their benefits and options will in turn help the employees to value those benefits more. myHSA has seen the effects of this when employees have a myFlexplan, where they log in to the system and allocate their funds between HSA and WSA. They become way more involved and are much more aware of what is actually available to them. Using the same platform for voluntary benefits integrates an element of consumerism and flexibility to create a customized solution on a case-by-case basis.”

myMarketplace

The first phase of voluntary benefits that we want to offer is based on the employer setting a budget and determine if they want a taxable and/or a non-taxable component. Then, within the budget, every year the employee can go into the system and build their own benefit plan. They can choose to keep all of the money in the HSA or the WSA, or they can choose through our list of voluntary benefit products and use the employer’s funds to purchase the benefits in 12 month increments. So that is the unique aspect of myMarketplace, is that the employee gets to build exactly what they want for benefits. Anything they don’t purchase in products they can choose to leave those funds in the HSA/WSA.

Each employer can choose what voluntary benefits are shown to employees, like offering taxable vs non-taxable products. So, if the employer only has an HSA (non-taxable) plan, only non-taxable voluntary benefit products will be shown as options to the employee. myHSA does not see benefits as JUST insurance, the really important thing about benefits is going above and beyond. Employees even have the opportunity to choose the product that is right for them if there is more than one provider of what they need, like tele-medicine. They can even pick and choose the different levels of service provided where applicable, based on their own needs.

