

[Return to Table of Contents](#)

New voluntary benefits enrollment software a boon for agents, employers and employees

By Len Strazewski

The future is a scary place and it's not just the unstable economy that has American workers worried about their future. The high cost of health care, the risks of death and disability, and the monumental costs of long term care are also capturing their attention, according to a recent employee benefits industry study.

Medigap insurance, short- and long-term disability insurance, supplemental term life insurance and long term care insurance should be hot employee benefits; but with rising health care costs, few employers are willing to pay for new benefits.

And while they may be available as voluntary, employee-paid benefits, the enrollment process can be a real burden for agents and brokers who need employer permission to meet personally with employees to educate and eventually conduct enrollment.

However, the task could be lucrative if it could be simplified and expedited, experts say.

According to the MetLife 2009 Employee Benefit Trends Survey, employees are more focused than ever on benefits that are provided at their workplace. Retirement benefits and all other nonmedical benefits (such as life, dental, disability, vision, etc.) increased in importance as factors contributing to a sense of loyalty.

MetLife polled more than 1,300 full-time adult employees in August 2008 and personally interviewed more than 600 employees in November of last year.

Of the surveyed employees, 41% consider workplace benefits to be "the foundation of their personal safety net as they awaken to current realities about their financial security," says the survey report.

The survey report also noted that 51% of employees say that they now obtain most of their financial products through the workplace.

"To protect against future financial risks, many have been prompted by the current economy to also take steps to determine their household's needs for life insurance (44%), disability insurance (38%) and long term care insurance (35%). For those with children under the age of 18, those percentages climb to 57%, 49%, and 46%, respectively," according to the report.

At the same time, many employees surveyed do not necessarily feel prepared to face significant unforeseen events such as income loss due to disability, eldercare, or premature death, MetLife says.

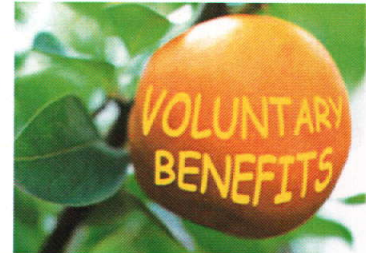
"This heightened awareness and concern point to the value of voluntary benefits offerings such as individual disability coverage, group variable universal life products, and long term care insurance as potential solutions that would be well received by employees."

Don Beckerle, president of Beckerle Financial Group in Eureka, Missouri, outside of St. Louis, says voluntary employee benefits have grown to about 80% of his life and health insurance agency business. Traditional employer-paid group benefits, including Section 125 cafeteria benefits plans and Flexible Spending Accounts, comprise about 20%.

About half of his voluntary benefits business comes from referrals from primarily property/casualty insurance agents who don't want the hassle of the enrollment process, he says.

"The voluntary benefits business has been growing steadily for the past few years, and employers are always interested in providing some value that doesn't come directly from their benefits budget. But it's not particularly easy to manage for an agent who can't provide the time for enrollment," he says.

Beckerle has four full-time employees and four contract enrollment specialists hired on a per



"Voluntary benefits should be low-hanging fruit for brokers who are looking for ways to build their business."

—Tom Smith
President
Voluntary Benefits of America