



Preparing for ***"What if?"***

How voluntary benefits can help your employees feel more financially secure and protected

By Richard Shaffer,
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Over one-third of Americans say they're not confident they have enough emergency savings to cover an unexpected bill.¹ This is according to a recent survey on financial preparedness released by TD Bank.

Most people know they need to save more. It's not that easy.

The same survey revealed that 77% of respondents save regularly—including for emergencies²—and 57% recognize that an emergency fund should cover at least four months of living expenses.³ However, less than a quarter (23%) of those surveyed allocate 10% or more of their savings to an emergency fund.⁴ This leaves many individuals and families short of what they may need.

Rising inflation and high interest rates are among the reasons people aren't saving enough for emergencies.⁵ 59% of those surveyed report going into debt over unexpected bills, and 31% say emergency costs put them into a period of financial instability.⁶

Among unexpected expenses, healthcare costs loom large. 70% of people rate medical emergencies and illnesses as one of the top-three most important reasons to be financially prepared.⁷

ABOUT THE AUTHOR

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Richard is a seasoned leader in the employee benefits industry, with 27 years' experience in sales and distribution, enrollment and voluntary benefits. He is responsible for Optavise's career agency and independent partner distribution and sales and also oversees sales and account management teams selling Optavise employee benefits services.

Americans know they need to save for emergencies, but struggle to do so.

Results from 2025 survey of 5,013 American adults:



Supporting employees with resources and options

As an employer, you understand how stressors like these can affect workers. You strive to offer competitive compensation and benefits that give employees more peace of mind and an opportunity to build a firm financial footing for themselves and their families. This helps you retain the employees you value, contributes to their well-being and it's the right thing to do. Yet, it's clear that many of the people in your workforce are still likely to face financial hardship over unforeseen events.

Voluntary benefits can be an excellent way to offer employees tools and choices to help them feel more prepared, secure and supported. In fact, in the TD Bank survey, 41% of respondents said that insurance is an important part of helping them feel financially prepared.⁸ Voluntary benefits are designed to help employees answer the most important "what if..." questions that are likely on their minds.

41%

of Americans say having appropriate insurance coverage is an important part of being financially prepared.⁸

Understanding the options: Common types of voluntary benefits

SUPPLEMENTAL HEALTH INSURANCE

Pays cash benefits directly to the insured person. Cash can be used for any purpose, such as to help cover medical bills, lost wages or personal expenses. Some common choices include:

- ▷ **Hospital indemnity insurance**
Helps pay for hospital stays and additional medical services such as surgery and treatments.
- ▷ **Accident insurance**
Helps cover the out-of-pocket medical expenses incurred due to injuries such as broken bones, burns, lacerations and more.
- ▷ **Critical illness insurance**
Offers more complete protection against the high costs of treatment for common diseases like cancer, heart attack and stroke.

LIFE INSURANCE

Pays a cash benefit to the beneficiary if the insured person dies while the policy is in force. Some policies also offer other benefits, such as the ability to draw a loan against the policy or surrender it for cash value.

- ▷ **Universal life insurance**
Offers coverage that can be kept in force for a lifetime. Premium rates are usually stable and the policy may gain in cash value over time.
- ▷ **Term life insurance**
Provides coverage for a certain period of time, often 10, 20 or 30 years. Term policies tend to be affordable and may be purchased in addition to a universal life policy. Usually offers a range of coverage amounts and rider options to expand coverage.

Helping to answer the toughest questions

We all have those thoughts that keep us up at night. Voluntary benefits give employees choices for coverage that can help ease some of their biggest concerns.

What if...

I need to pay my full deductible?

The health insurance benefits you offer to employees are pivotal in defraying major healthcare expenses, but employees may worry about being able to cover their annual deductible.

In the U.S., the average deductible for employer-sponsored healthcare plans is \$1,930 for individuals and \$3,733 for families.⁹ Your deductibles may be lower but could still represent a substantial expense for some of your workers.

HOW VOLUNTARY BENEFITS CAN HELP:

Supplemental health benefits, such as hospital indemnity, accident and critical illness policies, pay out funds that employees can use to cover out-of-pocket costs, including their deductible.

EXAMPLE*:

An employee with supplemental health insurance needs to have their appendix removed. They currently need to satisfy \$800 of their \$1,000 annual deductible from their employer-sponsored health insurance plan. The supplemental health plan pays out a cash benefit that the employee uses to pay their remaining deductible. Their health insurance picks up the rest, and the employee does not have to spend anything else out of pocket.

What if...

I'm unable to work for an extended period of time?

Some healthcare events require extended time off from work. Even with generous sick and vacation policies, employees may quickly max out their available paid time off. And while programs like FMLA help ease concerns about job security, employees are still off work without pay.

HOW VOLUNTARY BENEFITS CAN HELP:

If a health event occurs, hospital indemnity, accident and critical illness policies are all options to help employees cover expenses—even those unrelated to their healthcare. These policies all offer cash benefits that employees can use as they see fit, helping to fill the temporary income gap while they're off work.

EXAMPLE*:

An employee has a critical illness policy. They are diagnosed with cancer, and treatment is expected to have them off work periodically for a total of eight weeks over the next year—six weeks more than the company's paid sick leave policy. Payments from the critical illness policy help the employee cover household expenses during these extra weeks off. This also eases the burden on the employee's spouse, who was worried about needing to pick up extra shifts to make up for the lost income. Now, the employee and their family can be fully focused on treatment and recovery.

*All examples are for illustrative purposes only.

What if... I'm not here to care for my family.

This question often leads to many others: How would my spouse cover all the bills without my income? How can I secure my kids' future needs, like funding education? How will my family cover my debts? How would they pay for a funeral? Will I be able to leave behind a financial legacy for those I care about?

HOW VOLUNTARY BENEFITS CAN HELP:

Life insurance helps employees feel more secure in their ability to provide for those they care about if the unthinkable happens. Universal and term life insurance policies can both be effective options, and offer flexibility in cost, length of term and other benefits. Some term life insurance policies also include a return of premium benefit, which pays back a portion of premiums paid if the benefits are not used by the end of the policy period.

EXAMPLE*:

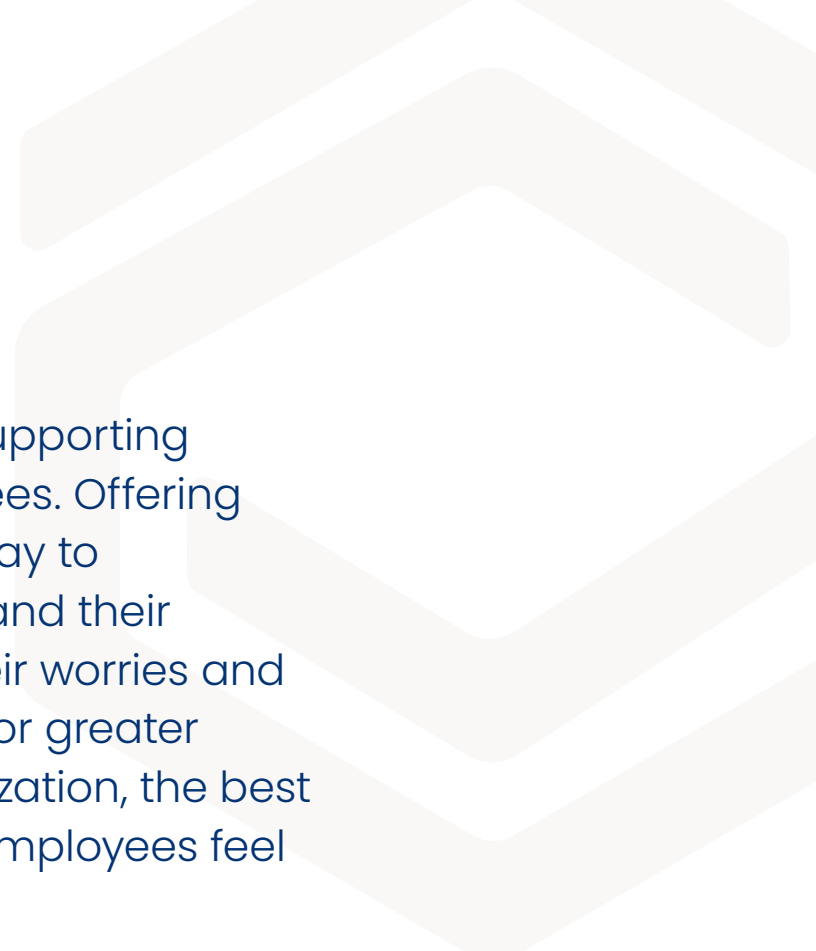
An employee with two young children opts for a term life insurance policy with a face value of \$75,000 and a \$25,000 accidental death benefit rider. Their spouse is the beneficiary. Tragically, the employee dies in an auto accident. Because the accident was covered by the benefit rider, the employee's spouse receives a \$100,000 benefit. The employee's surviving spouse plans to put some of this money aside into a college fund for their children.

What if... I'm not sure what voluntary benefits are right for my employees?

We saved this last question for a topic that's probably at the top of your mind. A knowledgeable broker or vendor partner can help you identify which benefit options would be a good match for your employees. When you're evaluating what voluntary benefits to offer, here are some things to consider:

- ▷ **Affordability:** You want to offer benefits options that make sense for your employees' budgets so they're more likely to take advantage of them. A benefits advisor can also help your employees understand their options and costs.
- ▷ **Portability:** Portability lets an employee continue their coverage even after leaving your company. Portability can help build employee loyalty and retention.
- ▷ **Flexibility:** A voluntary benefits program gives your employees choices among kinds of policies, but it's also important for them to have choices within policies. Look for policies that offer optional riders, which can let employees customize coverage to best fit their needs. For example, some individual term life insurance policies have the option to add coverage for spouses or children for a small additional cost.
- ▷ **Return of premium options:** Insurance is there in case we need it. Return of premium options help employees recoup some of their costs if they end up not using their coverage at the end of a term.
- ▷ **Support:** Benefits can be complicated. Look for a partner that helps you design and administer your benefits program and also helps employees in choose—and use—their voluntary benefits. Effective advisory services can help everyone get the most value from the benefits available.

*All examples are for illustrative purposes only.



You're already committed to supporting the well-being of your employees. Offering voluntary benefits is another way to demonstrate that you understand their challenges, empathize with their worries and want them to have resources for greater peace of mind. For your organization, the best benefit of all may be helping employees feel seen and cared for.

Explore how voluntary benefits can help support your workforce.

Visit [Optavise.com](https://www.optavise.com) to connect with us to start the conversation.

¹ TD Bank, 2025 Financial Preparedness Survey, <https://stories.td.com/volumes/default/TD-Bank-Financial-Preparedness-Survey-2025Report.pdf>, March 2025, p.7.

² Ibid., p.5.

³ Ibid., p.7.

⁴ Ibid., p.5.

⁵ Bankrate, Bankrate's 2025 Annual Emergency Savings Report, <https://www.bankrate.com/banking/savings/emergency-savings-report/>, March 26, 2025.

⁶ TD Bank, 2025 Financial Preparedness Survey, <https://stories.td.com/volumes/default/TD-Bank-Financial-Preparedness-Survey-2025Report.pdf>, March 2025, p.7.

⁷ Ibid., p.6.

⁸ Ibid., p.16.

⁹ KFF, Average Annual Deductible per Enrolled Employee in Employer-Based Health Insurance for Single and Family Coverage, <https://www.kff.org/other/state-indicator/average-annual-deductible-per-enrolled-employee-in-employer-based-health-insurance-for-single-and-family-coverage/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>, 2023.