EBRI FAST Facts
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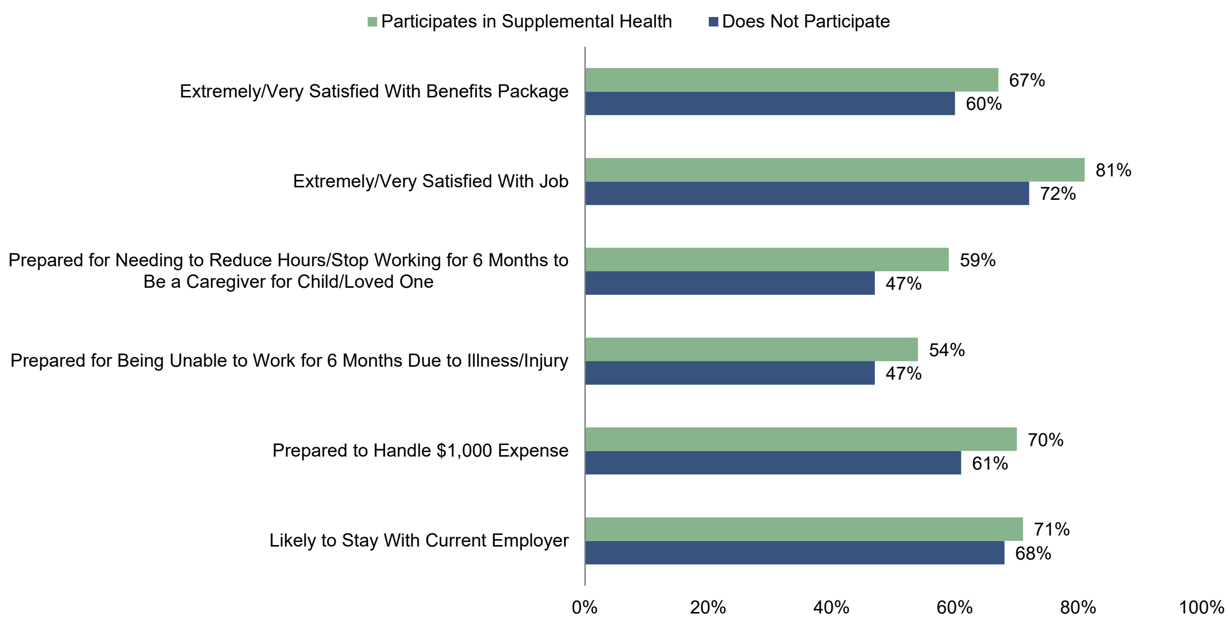
More Than Supplemental: Preparedness and Protection

Employers have a myriad of reasons to offer benefits. Improving worker satisfaction, maintaining a healthy work force, and attracting and retaining employees were among the top reasons employers cited in a recent EBRI *Issue Brief*. However, many employers also cited issues such as reducing employee financial stress and reducing health care costs as motivating factors to offer benefits. Supplemental health benefits, such as accident insurance, critical illness insurance, hospital indemnity insurance, and cancer insurance can add an extra layer of financial protection for everyday expenses — such as child care, groceries, and bills — as well as downstream costs, such as replacing lost income.

Recent research from EBRI in collaboration with Lincoln Financial indicates that employees who enrolled in supplemental health benefits differed from those who did not enroll in several notable ways. Workers enrolled in supplemental health benefits were more likely to report high levels of satisfaction with their job as well as their benefits package, shown below in Figure 1. Additionally, workers enrolled in supplemental health benefits expressed more confidence in overcoming financial adversity, such as being prepared to handle an unexpected $1,000 expense (70 percent vs. 61 percent), needing to reduce hours or stop working for six months to be a caregiver for a child or loved one (59 percent vs. 47 percent), or being unable to work for six months due to illness or injury (54 percent vs. 47 percent).

Figure 1
Selected Attributes of Workers Enrolled in Supplemental Health Benefits vs. Those Who Did Not



Higher job satisfaction and higher satisfaction with benefits may reflect workers' broader experiences with their employers. EBRI's analysis finds that workers who participated in supplemental health benefits were more likely to rate their employer's communications about benefits as excellent compared with workers who were not enrolled (38 percent vs. 29 percent), shown below in Figure 2. They were also less likely to rate their employer's benefits communication efforts as either fair or poor. Furthermore, workers who enrolled in supplemental health benefits were also more likely to report that their employer provided an opportunity to give feedback about their benefits package (84 percent vs. 68 percent), shown below in Figure 3.

Figure 2
Employee Ratings of Employer Benefit Communications, by Participation in Supplemental Health Benefits

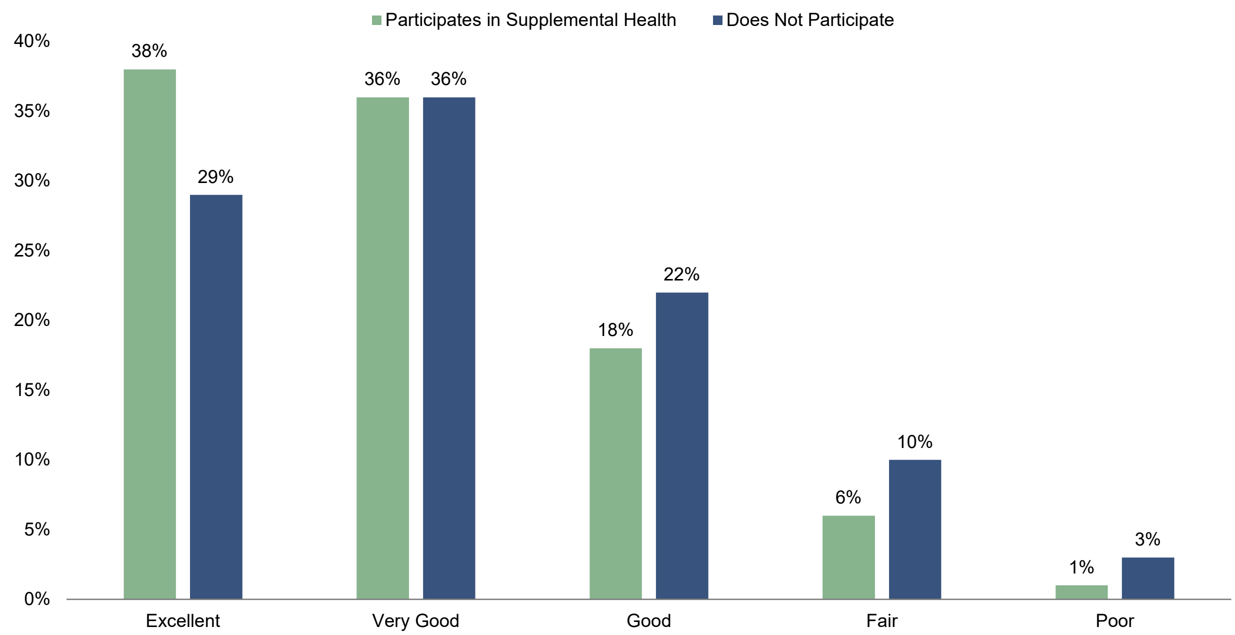
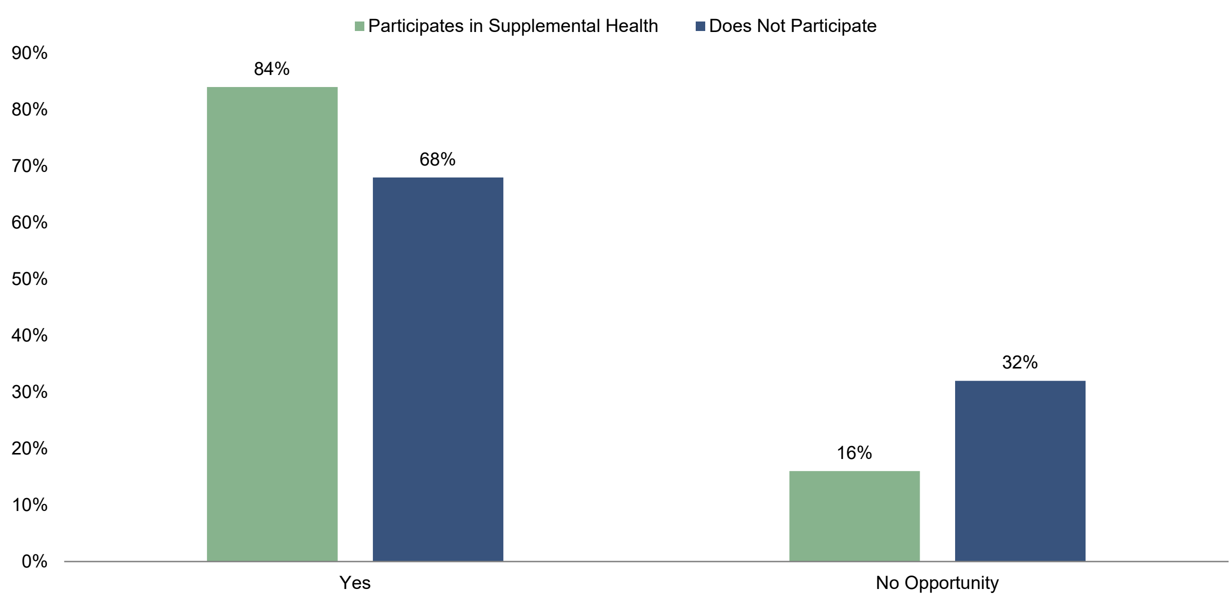


Figure 3
Opportunity to Provide Feedback on Benefits Package, by Participation in Supplemental Health Benefits



Supplemental health benefits are part of a broader benefits ecosystem tied to financial resilience, benefits satisfaction, and the quality of employer–employee communication. Workers enrolled in supplemental health benefits are more likely to feel prepared for financial disruptions and more likely to be satisfied with their jobs and benefits. Workers enrolled in supplemental health benefits were also more likely to report strong benefits communication and opportunities to provide feedback. And, incorporating the viewpoint of supplemental health brokers, providing better educational tools may help workers better understand voluntary benefits. Given the context of EBRI's previous research on voluntary benefits, the value of these benefits depends not only on whether employers offer them, but also on the effectiveness of benefits communications.

Data for this *Fast Fact* were sourced from surveys conducted as part of a research program called Benefits in Focus: Supplemental Health, Dental, and Vision Perspectives. EBRI was able to fund the development of this research thanks to support from Lincoln Financial.

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