



# How Strong Is Your Employees' Financial Safety Net?

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**R**ising unemployment rates, bankruptcy filings and foreclosures are just a few of the problems facing today's middle- and lower-income Americans. With less money set aside in savings and investments, they're more vulnerable to financial hardship if they get sick or can't work. Factor in the growing ranks of the underinsured—those who lack sufficient coverage to protect themselves from out-of-pocket health costs and deductibles—and you've got a workforce whose safety net is quickly eroding.

How can employers help their employees weather these tough times when they're also struggling? Many businesses find that voluntary benefits offer a solution where everyone wins.

## Voluntary Benefits Offer Many Advantages

Voluntary benefits are personal insurance products that are offered at the workplace and complement an employer's core benefits program. They're typically paid for by employees and are payroll-deducted. The most common types of plans offered are disability, life, accident, cancer/critical illness and hospital confinement coverage.

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### *Voluntary benefits can alleviate some of the economic pressure employers face today.*

By integrating voluntary benefits with core group offerings, employers can help employees protect themselves against increased financial exposure. At the same time, voluntary benefits can alleviate some of the economic pressures employers face. They're especially helpful in the following situations that employers deal with during poor economic times:

- Introduction of high-deductible medical plans
- Reduction in benefits for executives or carve-outs for hourly and part-time workers
- Corporate mandates to cut operational costs
- Changes in management
- Large numbers of financial or family changes (marriages, births, etc.) occurring in the workforce

### *Voluntary benefits offer employees choices and a cost-efficient way to meet their individual needs.*

Employees like voluntary benefits because they offer expanded choice at a reasonable price. They can take their products with them if they leave the company or retire. And there are no

restrictions on how they use their claims payments. They can use their money however they choose—to cover expenses for lodging and child care during a family member's treatment or to pay for deductibles or co-insurance or to pay the mortgage or electric bill.

### *Today's economic times make voluntary benefits a smart choice.*

Voluntary benefits will continue to play an increasingly important role in the workplace, especially in today's tough economic times. They're a viable solution to helping employees strengthen their financial safety nets.

Downloadable copies of Colonial Life's newest white paper, "*A Workforce at Risk: How Employers Can Help Employees Strengthen Their Financial Safety Nets*," are available at [www.coloniallife.com/About/Newsroom](http://www.coloniallife.com/About/Newsroom).

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