

The Benefits of Voluntary Insurance

Colonial Life
Making benefits count

Colonial Life

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The Need for Voluntary Insurance

Solely owning health coverage leaves Americans vulnerable to bankruptcy. More comprehensive insurance for indemnity and coverage of out-of-pocket expenses is needed.

- In 2007, over half of all bankruptcies had a medical cause.
- Most medical debtors were well educated and middle class; three quarters had health insurance.
- The share of bankruptcies attributable to medical problems rose by 50% between 2001 and 2007.

Source: Medical Bankruptcy in the United States, 2007: Result of a National Survey—The American Journal of Medicine, 2009.

Do you have enough insurance coverage to meet your particular needs? Take a minute and ask yourself the following questions to find out if you have any gaps in your current insurance coverage.

- Is any of my current coverage portable? Can I keep it if I change jobs or retire?
- How would the type or amount of my current coverage be affected if I changed jobs?
- Does my spouse have benefits coverage?
- How would my family be affected if my spouse or I lost our income for a period of time?
- Do I currently have insurance coverage that meets my family's needs?

For information about Colonial Life's broad portfolio of voluntary insurance plans, please see your Colonial Life benefits counselor or visit coloniallife.com.

What Can Voluntary Insurance Do for You?

Voluntary insurance creates a win-win situation for both employers and employees. It helps employers expand their employee benefits program and gives employees the flexibility they want in their benefits package.

Voluntary insurance has many advantages for employees like you, and we'd like to explain how it can benefit you and how it differs from major medical insurance coverage.

What Is Voluntary Insurance?

Sometimes referred to as supplemental insurance, voluntary means the insurance is offered in addition to an employer's core or standard benefits. Employers can offer core benefits plus a menu of voluntary products to give their employees an enhanced benefits program. You, the employee, can then create a benefits package that helps meet your specific needs. You choose and pay for voluntary benefits and the premium is typically deducted from your paycheck.

It should be noted that voluntary policies, similar to other types of insurance, have limitations and exclusions. This means that some conditions may not be covered. You should always carefully consider whether a particular policy meets your specific needs.

Types of Voluntary Insurance

There are several voluntary products available that can address many different employee needs. With the help of a good voluntary insurance provider, employers can offer a broad portfolio of products that may include the following insurance plans.

- **Disability insurance**—helps protect your most valuable asset: your income. This insurance replaces part of your income if you are disabled because of a covered injury or sickness.
- **Supplemental life insurance**—complements employer-provided life insurance. Products may include term, whole or universal life, and benefits can be used to help pay for final expenses and to help provide financial security for family members.
- **Accident insurance**—helps protect against the unexpected, including significant out-of-pocket expenses that may not be covered by major medical insurance.
- **Hospital confinement insurance**—can help fill the gaps in major medical coverage to help pay for hospital-related expenses including co-payments and deductibles.
- **Cancer and critical illness insurance**—supplements major medical coverage to help with the high cost of cancer or critical illness treatment. Some plans offer screening benefits that encourage regular health exams.

The Advantages of Voluntary Insurance

In addition to choice and affordability, voluntary insurance offers the following features.

- **Flexibility in using claim payments.** You can use claim payments any way you wish. Payments can be used to pay deductibles, co-payments, and other non-covered costs associated with unexpected accidents or sicknesses. With policies that have costs rising every year, assistance from voluntary policies can help with the unexpected expenses that may result from these accidents or sicknesses.
- **Portability.** If you leave your employer, you can keep your individual voluntary coverage with most group insurance products. Most policies are individual rather than group; therefore, you can keep your coverage when you change jobs or retire. You keep paying the premiums. (An exception is a disability policy, which is designed to provide income protection during normal working years as ages 18-65).
- **Intact coverage.** The provisions of an individual voluntary policy don't change when you change jobs. Whether the move is made voluntarily or involuntarily, as a policyholder, you maintain the same protection and coverage whether you are employed or retired.
- **Continued convenience.** Many employees appreciate the convenience of paying for voluntary benefits through payroll deduction. There are no checks to write and no premium payment deadlines to remember. If you leave your employer, you can usually continue that convenience simply by changing the payment method to direct