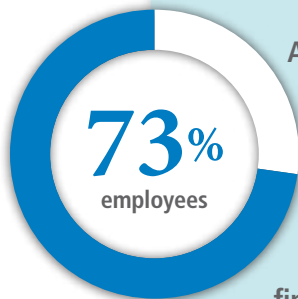


# THE VOLUNTARY BENEFITS GAP

HOW VOLUNTARY BENEFITS HELP MEET THE  
NEEDS OF EMPLOYEES AROUND THE WORLD



As the economy in Latin America continues to thrive, it's not surprising that financial sensitivity among its residents has matured. Having more, often means having more to protect. **73% of employees surveyed in our Latin America Employee Benefits Trends Study, said they were extremely or very concerned about their ability to pay basic expenses in the event of sudden income loss.** What role does the employer play in ensuring their workforce has access to the necessary benefits, to secure their financial freedom?

55% of employers in Brazil, Chile and Mexico agree that offering a wider array of voluntary benefits is a priority in the near future. What should decision makers take into consideration when expanding their voluntary benefits?



## PRODUCT FIT

In a world that favors choice, the natural thought is to offer a broad spectrum of benefits to employees and allow them to select what fits their needs. While this seems appealing, the learning curve for benefits is best approached by methodical product sequencing and a narrow initial product offering.



## DELIVERY

Insurance can be intimidating. In order to make an effective long-term financial decision, employees need to feel assured they're making the right choice.

Including convenient payment systems and decision support tools can significantly boost consumer confidence. When employees are happy with their benefits, they're proven to be more satisfied with their job and loyal to their employer.



## PARTNERSHIP

Voluntary benefit programs thrive when there is close collaboration between the provider, the employer, and the employees.

Harmony between the three nurtures an environment where everyone wins.

## Voluntary Benefits at work

50% of the employees in our survey population expressed an interest in a wider voluntary benefits menu. Voluntary benefits can help relieve concerns about unexpected illness or accidents, and accessing them through the workplace offers significant advantages.

By purchasing products through the group setting, employees have access to discounted rates and more favorable underwriting conditions. Employees in Brazil, Chile and Mexico agreed the convenience of buying these products through the workplace is a critical motivator to purchase.

**Surveyed employees exhibited their preferences of how and when they like to purchase these benefits. An often overlooked aspect to the voluntary benefits experience is product sequencing. Positioning the right benefits at the right time maximizes the experience.**

## Where to start

### Life Insurance

Unfortunately, when a loved one dies during their working years, so does their income. Historically, life insurance is an easier concept to grasp, and considered essential for a primary wage-earner to protect a spouse, family and lifestyle.

Across Brazil, Chile, and Mexico, life insurance is the most commonly offered voluntary benefit. 54% of surveyed employers offer life insurance as a voluntary benefit. Although employer adoption is common, the opportunity to address employees underserved life insurance needs is considerable.

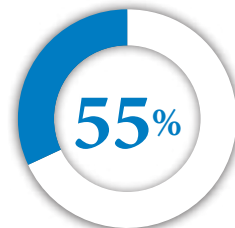
**Employees that have taken steps to evaluate their household's need for life insurance:**



BRAZIL



CHILE



MEXICO

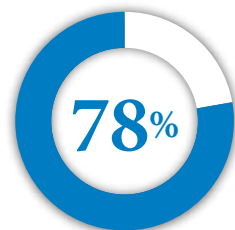
**Employees interested in life insurance as a voluntary benefit:**



BRAZIL



CHILE



MEXICO

Other peripheral benefits related to life insurance, such as accidental death and funeral expenses scored high as well. Educating employees on adequate levels of life insurance for themselves and their family, as well as providing access to life insurance options, is a step in the right direction to ensuring your employees are maximizing their benefits package.

## Where to start *(continued)*

### Expanding the Safety Net

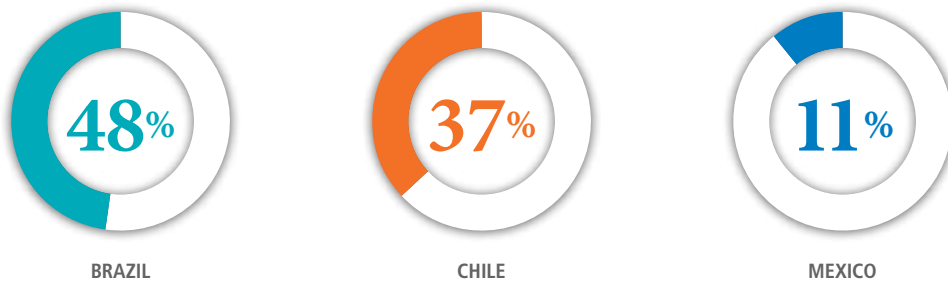
As employees' needs are diverse, so too should the benefits you offer. However, it's significantly important to limit the number of new products introduced each year. If too many products are recommended at once, employees tend to become overwhelmed and opt for the riskiest path of all – doing nothing.

**As a rule of thumb, start with one or two new voluntary products a year.** Give employees the opportunity to add additional coverage in subsequent years.

### Disability Insurance

Income protection benefits, also known as “paycheck protection” are most important for younger employees. 72% of employees surveyed expressed concern for paying for basic expenses during a time of income loss, due to an unexpected injury or illness. Education and access to income protection benefits can soften such an overwhelming concern.

**Employees that have taken steps to evaluate their household's need for disability insurance:**



The opportunity in disability coverage is significant, with only three in 10 employers currently offering this coverage as a voluntary benefit.

### Dental Insurance

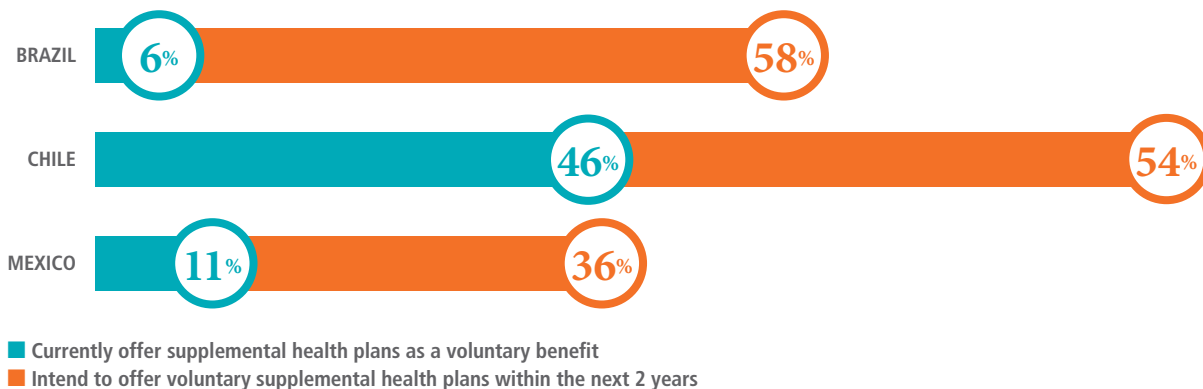
Dental insurance is growing in popularity in Latin America. In the next two years 56% of employers in the countries we surveyed, plan include it in their product portfolio, with significant majorities in Brazil (74%) and Chile (60%).

Dental is in high demand among those under 40, with 46% sighting interested in purchasing coverage if their employer offered it on a voluntary basis.

The prevalence of dental insurance varies greatly. In markets such as Brazil, 45% of employers offer the product on a contributory basis. Other high potential markets are Chile and Mexico (one in four companies in Chile and 14% of Mexican employers currently offer dental as a voluntary benefit).

### Supplemental Health

As health plans vary significantly in our surveyed markets, the adoption of supplemental plans, known for filling “gaps” in medical coverage, is equally diverse. Respondents in Brazil exhibited a strong appetite for offering these plans to their employees. If offering supplemental health products for the first time, education of employees on how the product fits into their current medical coverage is imperative.



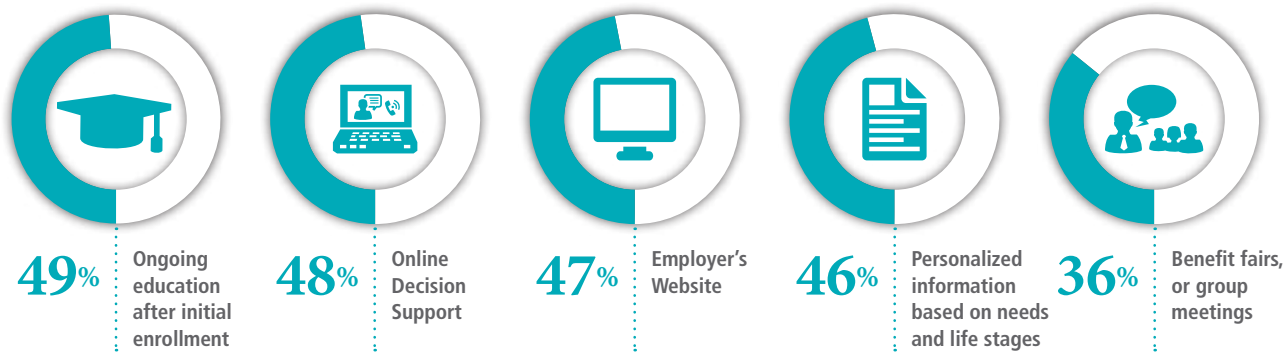
## Mastering Delivery

As consumers, the thought process for buying basic essentials like food and clothing don't require much of a selling curve. However, buying financial protection products (especially for the first time) requires proper guidance to help employees:

- Calculate their personal and family risk
- Understand what options are available to help alleviate risk
- Enroll in the plans that best meet their needs

Employees prefer to digest information in various mediums. **As a rule of thumb, it's most effective to have three different engagement opportunities to educate employees about benefits.**

**Employees in our survey expressed their preferred manner to learn about benefits:**



## Taking Action

After employees feel sufficiently educated to make a benefits choice, it is important that a timely and straightforward path to **enrollment** is clearly defined.

55% of people surveyed said "It would be easier for me to make choices if I received a personalized benefits package that outlined my costs for different options."

Furthermore, 48% expressed a strong interest in having their employer provide access to benefits advisors to help them make their benefits decisions.

Employee feedback reiterated two fundamental points when building voluntary benefits campaigns:

- **Employees want support in making the right decisions about their benefits.** In order to ensure employees fully understand and appreciate the benefits made available to them, engaging them in the learning process is critical.
- **Tailor an offer specifically to the individual employee.** Using decision support tools and personalized information, relevant to an employee's life stage, all make an offer that much more relevant and much easier to grasp.

## Partnership Pays Off

If employees have an appetite for more benefit choices, and employers want to maximize their benefits package without increasing cost – why don't more employers offer voluntary benefits?

Decision makers in all three countries we surveyed agreed on what most keeps them from offering voluntary benefits:

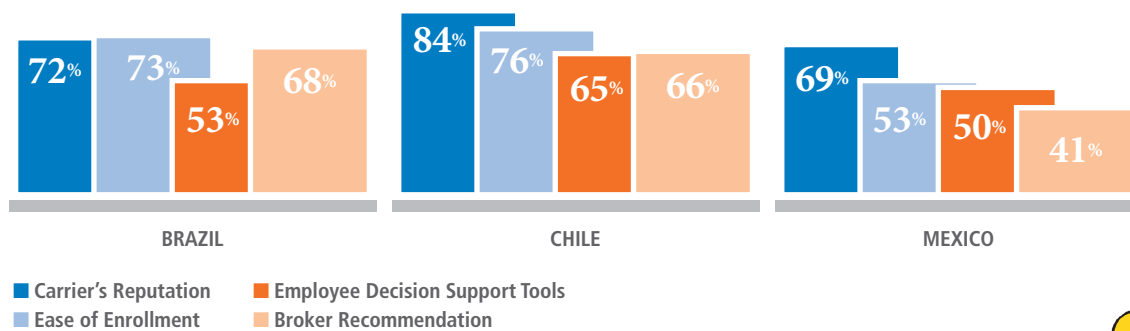
**32% of employers don't offer voluntary benefits because they believe their company doesn't have the time or resources to manage them.**

"Managing" voluntary benefits entails the initial communication and ongoing administration. Partnering with a competent provider, backed with an engaged support team, ensures the process will be fluid and shouldn't create additional work.

Employees also voiced that a personal approach to voluntary benefits is important. Obviously employers recognize the notion, and want to ensure a reputable, trustworthy provider is chosen. Ease of enrollment for both the sponsor and employee equate to a smooth, efficient, and effective process – the most time-consuming phase of offering voluntary benefits.

Employers also value a carrier that provides the necessary educational resources to help employees make the best decision. Lastly, employers in all markets exhibit the strong influence, offered by the guidance of their benefits broker.

**What is most important to employers in survey markets when they select a provider for voluntary benefits?**



*Speak to your account executive today to learn more about how we can help you bridge the voluntary benefit gap.*



For more of the latest findings from MetLife's *Study of Employee Benefits Trends*, visit [BenefitTrends.MetLife.com](http://BenefitTrends.MetLife.com)

Unless otherwise noted, statistics based on those responding to survey.

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