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Employers offering more nontraditional or voluntary benefits, Gallagher report says

Dive Brief:

- Forty-one percent of surveyed employers said they have added more or different voluntary benefits to meet recruitment and retention objectives this year, Gallagher's Physical and Emotional Wellbeing Report shows. Among popular voluntary benefits were accidental death and dismemberment and employee discount programs, offered by 87% and 70% of employers respectively. Close to 1 in 5 offer pet insurance.
- Gallagher also found organizations are "applying a renewed strategic vision" to developing absence management programs and policies. Half of employers said they have one in place and 63% expect to by 2023. Respondents' greatest absence-management concerns included compliance with regulations at all levels of government (55%), the impact of absence on employees' productivity (40%) and educating managers about various leave types (39%).
- While workers underutilized healthcare benefits last year, that "may have been an anomaly" due to the pandemic. The use of telemedicine surged 12 points since 2019, with more employers expected to begin offering the benefit in the future, Gallagher said.



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Dive Insight:

As the talent war heated up this summer, employers looked for ways to retain and attract employees. From fertility benefits to mental health offerings to financial wellness resources, employers are exploring a range of nontraditional and voluntary benefits. Even businesses that rarely used to provide benefits — like grocery stores — are expanding their offerings.

Competitive healthcare benefits in particular can be an important factor for employees. A Gallup poll conducted in March found that 1 in 6 U.S. workers were working a job they would otherwise leave just for the healthcare benefits. Given the tie between employment and health insurance in the U.S., these findings aren't surprising; employers that evaluate healthcare offerings and work to provide competitive options may reap the benefits in retained and new talent.

The increased use of telemedicine aligns with the consequences of a pandemic that kept people largely at home last year. Usage began spiking precipitously by March last year, as nonessential in-person services across the country began shutting down. Experts who spoke to HR Dive then predicted a lasting trend, which employers that responded to Gallagher seem to be banking on.