

# The affordability trap



# Why cheaper choices cost employees more

When costs rise faster than wages, people make affordability-first choices: lower-premium plans with higher deductibles, skipping supplemental coverage, cutting dental or vision to keep medical. The savings are immediate. The exposure is hidden – until it's not.



This is the affordability trap:  
Optimizing for today's paycheck  
at the cost of tomorrow's crisis.

It creates gaps – in coverage, in confidence, in understanding – that employees don't see until something goes wrong. This research explores six gaps, and what employers can do to close them.

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## 6 gaps. 6 opportunities to close the trap:

1. Generational: How one-size-fits-all fails a workforce in transition ([page 5](#))
2. Affordability and confidence: Why employees triage instead of optimize ([page 7](#))
3. Supplemental health: The protection gap that costs employees most ([page 10](#))
4. Life insurance: The gateway benefit employers underuse ([page 15](#))
5. AI: Helping employees see trade-offs before they choose ([page 19](#))
6. Trust and transparency: Communication that earns confidence ([page 21](#))

# Executive summary

**Cost dominates, but confidence is the real casualty.** Two-thirds of employees spent less than an hour on open enrollment. Thirty percent spent less than 30 minutes. When decisions are rushed and stakes feel abstract, people default to the safest-feeling shortcut: keep what they had, pick the cheapest option or choose the middle. They're not optimizing – they're triaging.

**Supplemental health is under-enrolled and misunderstood.** Only 30% of employees are enrolled. Another 11% aren't sure if they are. Among those who could have filed a claim, 5% forgot they had coverage. The protection that could offset high-deductible exposure goes unused. When employees do use supplemental coverage, 67% find it helpful. The gap is awareness and activation – not value.

**Generations are diverging.** Gen Z is twice as likely as boomers to prioritize simplicity (31% vs. 15%) and eight times more likely to value wellness perks (24% vs. 3%). Benefits packages optimized for boomer priorities may be systematically underserving younger employees.

**The retention math favors closing the gaps.** Sixty-two percent of employees say employer contributions to supplemental health would make them more likely to stay.

**AI is already here.** Younger employees are using it to compare plans and estimate costs. The opportunity: explainable help for routine decisions, clear escalation for high-stakes moments.

**Transparency protects trust.** When employees can't see the rationale behind changes, they assume cost-cutting. Showing the trade-offs protects trust even when the news isn't good.

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## What this research covers

Securian Financial's 4th annual workplace benefits study draws on a quantitative survey of 1,000 employees (November–December 2025) and qualitative interviews with eight HR decision-makers (November 2025).



## The affordability reality in three numbers:

**30** minutes

Time most employees spend on enrollment

**11%** of employees

unsure if they're enrolled in supplemental health

**86% vs. 32%**

Confidence when communication is strong vs. poor

# The generational gap

## How one-size-fits-all communication is failing

Generational differences are less about preferences and more about context – caregiving load, financial responsibilities and proximity to retirement. Employees don't need different benefits. They need different conversations. But most benefits communication treats the workforce as a monolith. The result: noise instead of clarity, and the impression that the employer doesn't "get" them.

### Generations are prioritizing fundamentally different things

**Top priorities when making benefit decisions** % ranked in top 3 by generation

	Gen Z n=250	Millennials n=330	Gen X n=320	Boomers n=100	Total
Low-cost premiums	57%	68%	66%	73%	65%
Depth of coverage (strong coverage for key needs)	48%	55%	58%	69%	56%
Breadth of coverage (wide range of benefits to fit personal needs)	46%	44%	55%	61%	50%
Flexibility to choose benefits that fit personal situations	49%	50%	44%	43%	47%
Ease of using benefits once enrolled	43%	39%	43%	33%	41%
Simplicity and ease of understanding options	31%	25%	18%	15%	23%
Wellness perks and programs	24%	16%	15%	3%	17%



**Insight:** The gap between Gen Z and boomers on simplicity (31% vs. 15%) and wellness perks (24% vs. 3%) signals a shift in what "good benefits" means. Younger employees aren't ignoring cost – they're weighing it against navigability and employer values. A package optimized for boomer priorities (depth, low premiums) may be systematically missing younger employees in how it's communicated.

### Gen Z is nearly four times more likely than boomers to search online for benefits questions

**Action taken to help with benefit decisions** By generation

	Gen Z n=250	Millennials n=330	Gen X n=320	Boomers n=100	Total
Asked coworkers, friends, family	42%	36%	28%	22%	34%
Search online for explanations	37%	34%	24%	11%	29%
Asked HR or benefits administrator	26%	30%	22%	21%	25%
Utilized decision-support tools through my company	22%	23%	24%	14%	22%
Used a cost calculator or comparison tool	20%	25%	21%	12%	21%
Kept what I had last year without reviewing	18%	18%	26%	20%	21%



**Insight:** When internal channels don't feel useful, employees find answers elsewhere – sometimes wrong, sometimes incomplete. Gen X and boomers default to inertia (keep last year's elections without reviewing). Gen Z and millennials turn to coworkers, friends and search engines first. Both behaviors signal the same thing:

## Current generations value different protections based on where they are in life

### Agreement\* life stage benefits should be offered By generation

	Gen Z n=250	Millennials n=330	Gen X n=320	Boomers n=100	Total
Paid parental leave	87%	85%	79%	68%	82%
Childcare assistance	84%	86%	74%	50%	77%
Eldercare support	72%	82%	78%	64%	76%
Caregiver leave	72%	80%	78%	67%	76%
Student loan repayment	75%	73%	60%	37%	66%
Fertility/adoption benefits	66%	70%	55%	41%	61%
Menopause support	59%	65%	59%	36%	59%

\*Strongly/Somewhat



**Insight:** Fertility benefits matter most to Gen Z (66%) and millennials (70%) while eldercare support peaks with millennials (82%) – the average caregiver age is around 41 as of April 2025.<sup>1</sup> Communicating eldercare benefits the same way to a 26-year-old and a 42-year-old wastes at least one of those messages.

## Gen Z shows the highest uncertainty about whether their benefits will cover them across life stages

### Employee perceptions of employer's life stage Benefits coverage

	Gen Z n=250	Millennials n=330	Gen X n=320	Boomers n=100	Total
Top 2 Box*	65%	70%	67%	58%	67%
Somewhat Well	26%	20%	24%	23%	23%
Bottom 2 Box**	8%	8%	7%	16%	8%
Not Sure	1%	1%	3%	3%	2%

\* Extremely/mostly well

\*\* Slightly/Not at all well

■ Significantly higher than Gen X, millennial and Gen Z



**Insight:** Gen Z entered the workforce with high-deductible plans as the norm and economic instability as context. Their uncertainty isn't inexperience – it's rational skepticism. More information won't build confidence. Clearer, simpler, more relevant information will.

## What employers can do next

**Segment by generation.** Layer in life stage. Use generation to shape the tone, channel and complexity. Use life stage (new parent, caregiver, approaching retirement) to personalize the moment. A 32-year-old new parent and a 32-year-old single renter need different messages.

**Design for where employees already look.** Gen Z is searching online. That's not a problem to fix, it's a behavior to design for. Make benefits information findable and scannable where they're searching.

**Treat simplicity as a feature, not a concession.** Simplicity matters twice as much to Gen Z as boomers. That's not a request for dumbed-down content – it's a signal that complexity is a barrier to engagement.

# The affordability and confidence gap

## Why employees triage instead of optimize

Here's the math most employees are doing at open enrollment: How much comes out of my paycheck?

When decisions feel rushed and stakes feel abstract, people default to the safest-feeling shortcut: keep what they had, pick the cheapest option or choose the middle. Benefits decisions that feel "easy" today can have major cost impacts tomorrow. And most employees don't realize it until a health event hits.

### Fast enrollment, high stakes

That's 30 minutes to evaluate medical plans, weigh supplemental coverage, update dependents and decide how much risk to carry for the next 12 months. For most people, that's not enough time to understand what they're choosing, let alone optimize for it.

The result isn't just suboptimal decisions. It's decisions made without confidence.

Eighty-six percent of employees feel confident in their enrollment decisions when benefits are communicated well. Only 32% feel confident when communication is poor.

That's a 54-point swing based on communication alone. The gap isn't in what employers offer. It's in whether employees understand what they're choosing.

### The barriers are predictable and fixable

#### Challenges in making confident benefit decisions (n=1,000)

Difficult to calculate total out-of-pocket costs across all benefits	25%
Felt pressured to decide quickly during enrollment window	21%
Couldn't estimate what I'd actually use/need	20%
Terms and language were confusing	19%
Too many options to compare	16%
Took too much time to research and decide	14%
Couldn't compare costs to buying similar coverage outside of work	13%
Couldn't figure out how benefits work together	12%
I didn't understand the differences between similar products	12%
Couldn't get answers to specific questions about my situation from my employer	9%
Something else	2%
None of the above - I felt confident in my decisions.	36%

**2/3**  
of employees

spent less than one hour on open enrollment. About 30% spent less than 30 minutes.



**Insight:** The top barrier (25%) is calculating total out-of-pocket costs. Notably absent: "My employer doesn't offer good benefits." The plan isn't the problem. Translation is.

### Employers feel the same tension

HR decision-makers don't describe benefits strategy as optimization. They describe it as containment: managing medical and pharmacy trends that outpace inflation, absorbing specialty drug costs that can blow up forecasts and navigating governance constraints that slow change.

Employees see premium increases and reduced coverage and assume it's about the bottom line. Employers see the same changes and think: We're holding the line as best we can. Neither side is wrong, but without transparency, trust erodes anyway.

### The hidden toll of cost-first decision

LIMRA's 2024 BEAT Study found the median amount employees spend is \$120/month on benefits (excluding retirement). Employees without supplemental coverage spend even less: \$100/month versus \$150 for those who are enrolled.<sup>2</sup>

When the budget is that tight, every decision is a trade-off. And when employees can't estimate total exposure, they default to whatever costs the least today.



**"What looks like cost-cutting to employees often feels like damage control to employers."<sup>4</sup>**

## In the past 12 months

**22%**

Received a surprise medical bill that was higher than expected

**22%**

Used savings or emergency funds to pay medical bills

**20%**

Delayed or avoided medical care due to cost concerns

**18%**

Experienced significant financial stress due to medical bills

**17%**

Had to make trade-offs

**13%**

Went into debt for medical expenses

**3%**

Filed for bankruptcy or considered it due to medical debt

In 2025, employees with high-deductible health plans (HDHPs) faced average annual deductibles of roughly \$1,886 for single coverage, though this can exceed \$2,600 at smaller firms. If a major health event occurs, out-of-pocket costs can reach up to

**\$8,500**  
for individuals

**\$17,000**  
for families.<sup>3</sup>

## What employers can do next

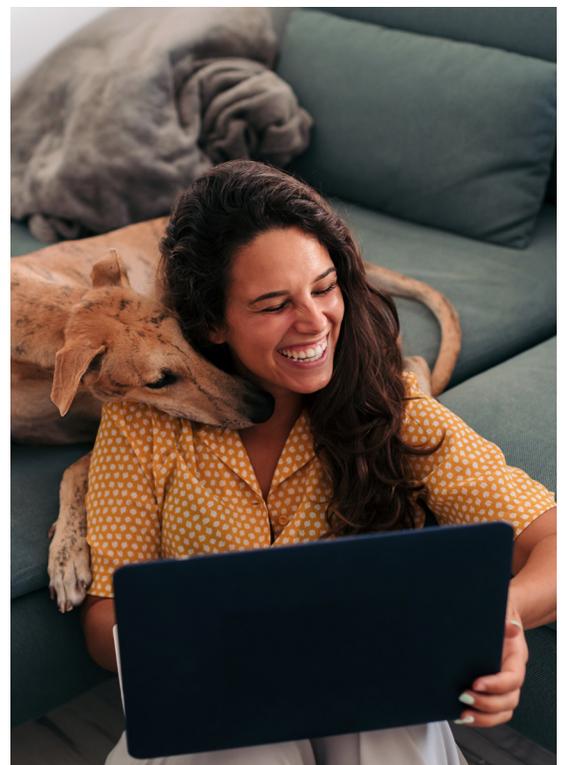
**Show total cost, not just premium.** For 25% of employees, calculating total out-of-pocket costs is their top challenge. Show real-dollar scenarios: premium + deductible + out-of-pocket maximum in a routine year versus a year with a hospital stay.

**Design for 30 minutes.** Two-thirds of employees spend less than an hour on enrollment. Lead with the most important decision, surface key trade-offs. And note 46% of employees feel overwhelmed by the volume of communication. More isn't better – clear is better.

**Invest in decision-support tools.** Seventy percent of employees use them when available. Make them scenario-based, simple and easy to find.

**Measure confidence, not just completion.** Completion rates tell you who clicked “submit.” Add one question: “How confident do you feel in the decisions you just made?” Track it annually.

**Design for accessibility.** Plain language, mobile-first, screen-reader compatibility and clear visual hierarchy aren't just accommodations, they're good design. These improve the experience for everyone – and ensure benefits reach the people they're meant to protect.



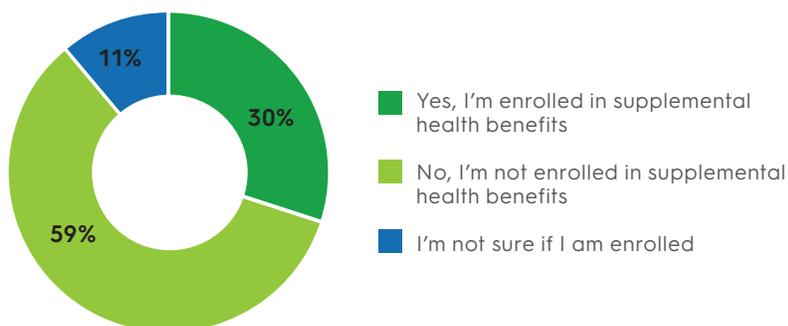
# The supplemental health gap

## Under-enrolled, misunderstood – yet high value when activated

Only 30% of employees are enrolled in supplemental health benefits through their employer. Another 11% aren't sure if they are. And among those who could have filed a claim – 5% forgot they had coverage.

The protection exists. The connection is broken.

### ENROLLMENT IN SUPPLEMENTAL HEALTH BENEFITS THROUGH EMPLOYER (n=1,000)



### The value is real when employees get there

#### HOW HELPFUL SUPPLEMENTAL COVERAGE WAS AMONG USERS (n=174)



- Very or somewhat helpful
- Neither helpful or unhelpful
- Very or somewhat unhelpful
- Not sure because I forgot to file a claim



**Insight:** The problem isn't that supplemental health doesn't work. It's that most employees never experience its value because they either don't enroll, don't understand what triggers a claim or don't remember they have it when it matters.



"I first didn't realize that I had supplemental accident insurance. When I found that out which was basically through an email that was sent to me in my company, I went back into the kid's history and found the claims that needed to be paid for and they paid them. It was important money."

"Supplemental coverage did not cover an MRI bill for a procedure my wife needed. The doctor needed to rule out cancer on a lesion on her foot, supplemental coverage didn't cover this."

Percentages are rounded to the nearest whole number; therefore, totals may be slightly higher or lower than 100%.

## Why employees don't enroll

### Primary reason for not having supplemental health insurance (n=588)

Don't think I need it/unlikely to use it	20%
Already have enough coverage through my major medical plan	20%
Too expensive/can't afford it	20%
My employer doesn't offer it	19%
Prefer to save/invest the money myself	7%
Don't understand what it covers	5%
Had it before and felt it wasn't worth it when I needed to use it	3%
Tried to enroll but was confused by the options	2%
Enrollment process is too complicated	2%
Don't trust insurance companies	1%
Something else	1%

■ Gen X are most likely to face these challenges than other generations

■ Gen Z are most likely to face these challenges than other generations



**Insight:** Only 5% say they don't understand what supplemental coverage does. But 40% think they don't need it or already have enough protection. The understanding gap is larger than employees realize.

## The cost of the gap

Supplemental health exists to offset exactly what the affordability trap creates: out-of-pocket exposure from high-deductible health plans (HDHPs).



According to data from HealthCare.gov, an average three-day hospital stay costs about \$30,000.<sup>5</sup>



"It is so expensive to stay in hospital – I owe \$11,000 after insurance for an overnight surgery/ stay."<sup>4</sup>

## The framing problem

Employees feel payroll deductions immediately. The value feels hypothetical until an event occurs.

That's the core challenge with supplemental health. The cost is concrete and recurring; the benefit is abstract and contingent. It's hard to value something you hope you'll never use.

This is where framing matters:

How it's often positioned	How it should be positioned
"Supplemental insurance"	"Extra protection for unexpected medical costs"
"Accident coverage"	"Cash to cover what your deductible doesn't"
"Hospital indemnity"	"Money deposited directly to you if you're admitted"
"Critical illness insurance"	"A lump sum if you're diagnosed - to use however you need"

The word "supplemental" itself sounds optional, secondary, nice-to-have. The reframe: these are financial shock absorbers for the gaps medical plans leave open.

## When choice backfires

More options can increase decision fatigue unless communications translate benefits into real-life triggers.

HR decision-makers described supplemental benefits as a way to differentiate the employer offering. They were also considered operationally fragile due to inconsistent adoption, vendor limitations, union issues and budget pressures.

SHRM's 2025 Employee Benefits Survey found that 53% of employers now offer critical illness insurance and 40% offer hospital indemnity.<sup>6</sup> The coverage is increasingly available. Clarity isn't keeping pace.

The result: a menu of options without a map. Employees see accident, critical illness, hospital indemnity coverage - and don't know which apply to them or which are worth the deduction.

## Why employees struggle to use benefits they have

### Challenges in making confident benefit decisions (n=302)

I assumed my medical insurance covered everything	21%
The out-of-pocket cost is too high before they provide coverage	19%
It's hard to find clear information when I need it	19%
Benefits descriptions are complex or confusing	19%
I don't fully understand what's covered with these benefits	19%
The claims process is too difficult/time consuming	15%
I forget what's available to me throughout the year	14%
I'm unsure how to access or use certain benefits	14%
The tools or platforms are difficult to use	9%
I worry about others knowing I used certain benefits	7%
I haven't needed to use my supplemental health benefits/haven't had a qualifying event that would allow me to use my supplemental health benefits	21%
None of the above	17%

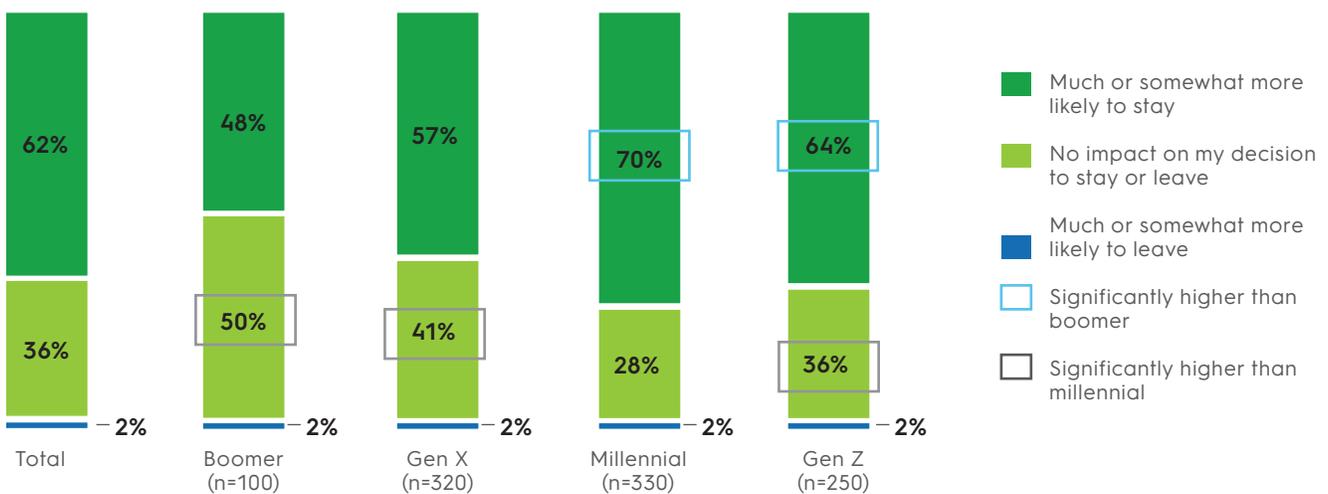


**Insight:** Twenty-one percent assumed medical insurance covered everything. Fourteen percent forget what's available throughout the year. Employees aren't rejecting supplemental benefits - they're losing track of them. By the time an event happens, the coverage has faded from memory.

### The retention case is clear

Sixty-two percent of employees say they'd be more likely to stay if the employer contributed to supplemental health coverage.

### IMPACT OF EMPLOYER CONTRIBUTION TOWARD SUPPLEMENTAL HEALTH BENEFITS ON RETENTION (n=1,000)



Percentages are rounded to the nearest whole number; therefore, totals may be slightly higher or lower than 100%.



**Insight:** It cuts both ways: employers who offer supplemental coverage but don't communicate its value are leaving retention impact on the table. Employees don't value what they don't understand.

## What employees want employers to prioritize

### Top prioritized supplemental health benefits (n=1,000)

	Rank 1	Rank 2	Rank 3	Total
Short-term disability	25%	17%	12%	54%
Long-term disability	18%	20%	16%	54%
Critical illness insurance	13%	17%	17%	47%
Accident insurance	13%	13%	16%	44%
Hospital indemnity insurance	12%	11%	17%	40%
Cancer insurance	7%	9%	9%	25%
Reproductive health benefits	4%	4%	4%	12%
Fertility benefits	3%	4%	3%	10%



**Insight:** Disability tops the list indicating employees recognize that income replacement matters. Critical illness, accident and hospital indemnity insurance cluster together in the 40 - 47% range. These are the “financial shock absorber” products that offset out-of-pocket exposure from high-deductible medical plans, but only 30% of employees are enrolled.

The gap between stated priority and actual enrollment is the opportunity.

## What employers can do next

**Position these benefits as “financial shock absorbers.”**

**Bundle guidance at decision points.** If employees choose high-deductible plans, surface protections that offset likely exposures.

**Simplify activation, not just enrollment.** For each product: What triggers a claim? How do you file? How fast does it pay? Make retroactive filing easy and visible.

**Use contributions as a credibility signal.** Sixty-two percent say employer contributions would make them more likely to stay. Even modest contributions signal the employer believes the coverage is worth having.

# The life insurance gap

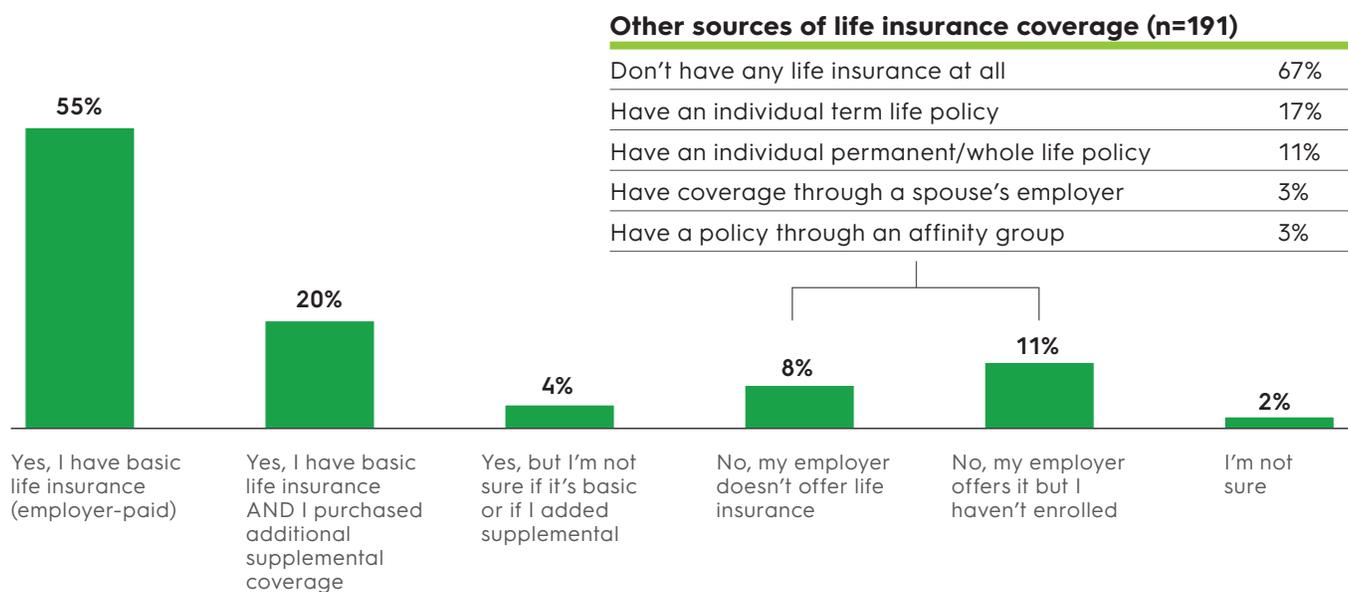
## The gateway employers underuse

Life insurance is one of the benefits most employees intuitively understand: a number, a beneficiary, a purpose.

That clarity makes it a gateway. If employees understand life insurance, employers can use that foundation to explain disability and supplemental health. But most employers treat life insurance as a checkbox without leveraging it as an entry point to broader protection literacy.

### Most have coverage. But is it enough?

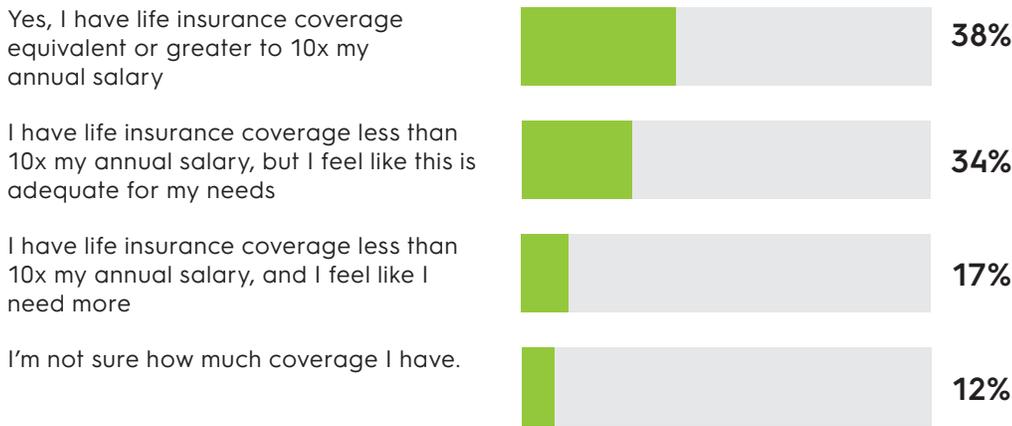
#### CURRENT LIFE INSURANCE COVERAGE STATUS THROUGH EMPLOYER (n=1,000)



Percentages are rounded to the nearest whole number; therefore, totals may be slightly higher or lower than 100%.

**Most employees have some coverage. Fewer have evaluated whether it's enough.**

**Adequacy of life insurance coverage (based on 10x annual salary guideline [n=786])**



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**Insight:** There are two gaps to close. The 17% who feel underinsured need a nudge, not more convincing. The 12% who don't know their coverage amount need visibility, not education.

**Life events and life stage flip the switch to activation**

Seven in ten employees say a life event shifted their benefits priorities in the past two to three years.

**Life events that triggered a shift in which benefits mattered most (n=1,000)**

Reaching a certain age milestone	22%
Serious illness/injury (self or family)	20%
COVID-19 pandemic	18%
Death of a family member	14%
Job loss/financial hardship	14%
Caring for an aging parent	13%
Having a baby	11%
Buying a home	11%
Friend's experience made me rethink coverage	9%
Getting married/divorced	8%
Adult child needed support	5%
Something else	2%
None of the above	30%

## For life insurance, the triggers are even clearer

### Life events that triggered a shift in which benefits mattered most (n=1,000)

When I had my first child	35%
When I started earning enough that my family depends on my income	25%
When I got married/entered a serious relationship	23%
When a friend or family member died unexpectedly	18%
When I realized my spouse couldn't maintain our lifestyle without my income	17%
When I bought a home/took on a mortgage	16%
When I became responsible for aging parents	14%
When I started a business	5%
Something else	4%
Life insurance hasn't been (and will never be) a priority for me	12%

■ Significantly higher amount with boomers than other generations



**Insight:** Life insurance becomes urgent when someone depends on the employee's income or when death becomes tangible through someone else's loss. Some of these moments are predictable or anticipated. Employers know when they happen.

## Why employees don't buy more

### Main reasons for not having life insurance coverage (n=127)

Too expensive/can't afford it	35%
Don't think I need it yet - I'm young/healthy	30%
Have other financial priorities right now	24%
Haven't gotten around to it/keep putting it off	16%
Don't have dependents who would need the money	14%
Think life insurance is too expensive/poor value	14%
Don't understand how much coverage I need	9%
Believe my existing assets are enough to protect my family	9%
Don't know where to buy it or who to trust	6%
My employer doesn't offer enough coverage options	6%



**"Open enrollment is when employees are asked to decide. Life events are when benefits are tested."**



**Insight:** Cost is the top barrier, but inertia is close behind. "Don't think I need it yet" (30%) and "haven't gotten around to it" (16%) equals nearly half of non-buyers. These aren't objections, they're deferrals. A well-timed nudge can convert intent into action.

# 36% of employees

prefer to purchase through their employer - more than direct purchase online (16%), agents/brokers (10%) or financial professionals (9%). The workplace is already the default channel. The opportunity is making action easy at the moment employees are ready.

## What employers can do next

**Use life insurance as a gateway to protection literacy.** Start protection conversations here – employees already understand it. Then bridge to disability and supplemental health.

**Intercept life events.** When employees add dependents, get married or buy homes, it should trigger a coverage check-in. Don't wait for open enrollment.

Make coverage visible year-round. Twelve percent don't know their coverage amount. A simple annual statement – "Your coverage is \$X (2x salary). Here's how to change it." – removes the mystery.

**Close the intent-action gap.** Seventeen percent feel underinsured but haven't acted. Pre-populated forms, one-click enrollment for common increments, deadline reminders tied to life events – all reduce friction for employees who already want more.



## The AI gap

### Where technology helps and where humans still matter

Employees are already using AI to make benefit decisions. They're asking chatbots to define terms, comparing plans and prompting AI assistants with "What would I pay if I had surgery?"

The question: will employers shape AI's role or let employees figure it out on their own?

#### Who's already using AI

##### Usage of AI tools by generation

	Gen Z n=250	Millennials n=330	Gen X n=230	Boomers n=100	Total
No, and I'm not interested	18%	13%	21%	34%	19%
No, but open to using AI	24%	20%	22%	33%	23%
Yes, but only once or twice	8%	7%	11%	11%	9%
Yes, occasionally	29%	30%	24%	12%	26%
Yes, regularly	20%	30%	22%	10%	23%



**Insight:** Millennials and Gen Z are leading adoption. Older generations are more cautious, but comfort is growing across the board.

#### Where AI has influence

##### Level of influence for personalized AI cost predictions

	Gen Z n=204	Millennials n=286	Gen X n=254	Boomers n=66	Total
Completely change/Significantly influence	49%	58%	54%	27%	52%
One of several factors I'd consider	37%	33%	36%	56%	37%
Interesting but not influential/Would not influence	10%	8%	8%	14%	9%
I don't trust AI enough to predict cost	4%	1%	2%	3%	3%



**Insight:** Personalized cost estimates resonate, especially with younger employees. But comfort has limits. For high-stakes moments – denied claims, serious diagnoses, coverage disputes – employees across all generations want a human. AI can answer "What's my deductible?" It shouldn't deliver difficult news.

## What HR decision-makers are seeing

### Early AI adoption in benefits administration:

- Decision-support tools that recommend plans based on inputs
- Chatbots handling routine questions
- Analytics surfacing utilization trends and coverage gaps

But they're cautious. They want AI as a support layer, and they prefer demonstrations over promises.

### Three non-negotiables:

1. Transparency – Employees should understand how recommendations are generated
2. Escalation paths – Every AI interaction needs a clear route to a human
3. Human oversight – Sensitive moments need empathy, not automation

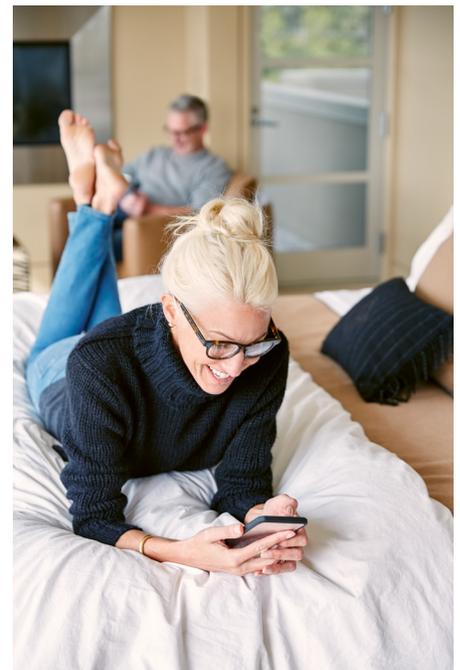
AI should reduce friction, not replace empathy.

## What employers can do next

**Design for explainable help.** Translate jargon into plain language. Show scenario estimates with visible assumptions. Highlight trade-offs between plans, not just features. Make next steps obvious.

**Start where confusion is highest.** Total cost, deductible versus out-of-pocket maximum and claims guidance. Deploy AI where employees are already struggling.

**Build escalation into every interaction.** "Talk to someone" should be visible, not buried.



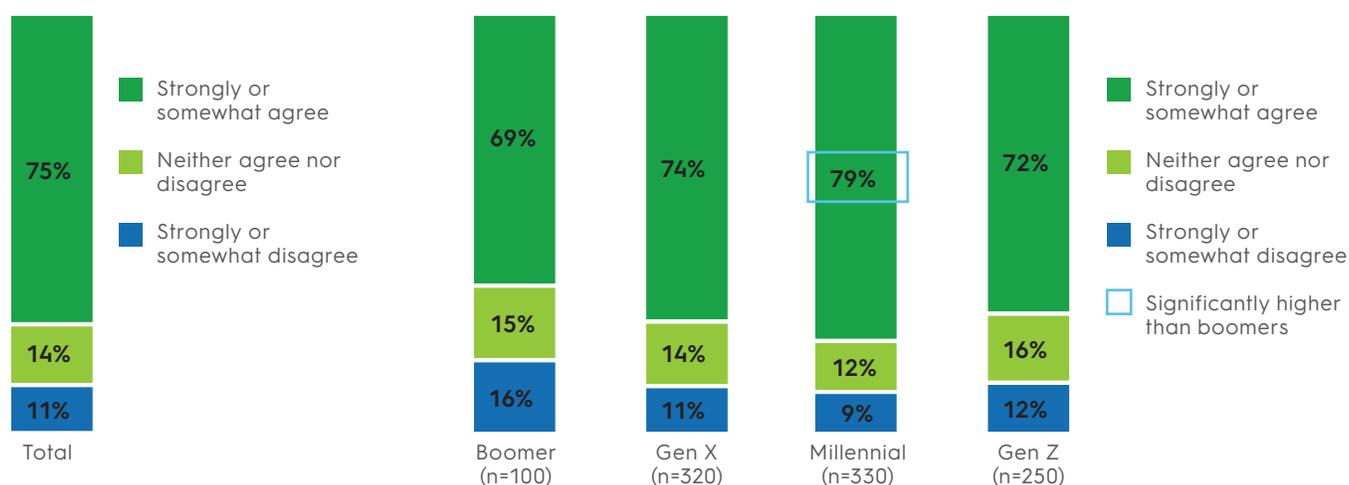
# The trust gap

## Transparency doesn't require flexibility, just honesty

When employees can't see the rationale behind changes, they assume decisions are cost driven. Transparent trade-off communication protects trust – even when budgets are tight.

Employees want to believe employers have their interests in mind.

### AGREEMENT THAT EMPLOYERS MAKE BENEFITS DECISIONS WITH EMPLOYEE NEEDS IN MIND (n=1,000)



Percentages are rounded to the nearest whole number; therefore, totals may be slightly higher or lower than 100%.



**Insight:** Trust varies by generation. If younger employees are more skeptical of employer intent, generic reassurances won't land. They need specifics: what was considered, what constraints existed, what changed and why.

### The hidden trust risk: Asking without acting

HRDMs highlighted a key tension: asking for employee feedback without the flexibility to act. Some avoid surveys because unmet expectations can erode confidence faster than silence.

The solution isn't "don't ask." It's to set constraints upfront, explaining what's changeable and what isn't and closing the loop visibly when changes are made.



"We know we don't have the flexibility... we don't want to get people's hopes up."

### What employers can do next

**Make communication two-way.** Employees report higher trust when they feel consulted – even if the outcome doesn't change. Being asked matters.

**Show how decisions were made.** Not just what changed, but why. What was considered. What constraints existed. Employees trust process transparency even when they don't love the outcome.

**Publish a renewal brief.** What changed. What didn't. Why. What employees should do next. One page, plain language.

**Close the feedback loop visibly.** "You shared feedback. Here's what we changed – and what we couldn't and why." Silence after surveys feels like dismissal.

# Closing the gaps

The affordability trap isn't about employees making bad decisions. It's about employees making rational decisions with incomplete information – and paying for it later.

The employee who skipped hospital indemnity to save \$18/month faces a \$3,000 bill when their kid breaks an arm. The employee who kept last year's high-deductible plan doesn't realize they're exposed until they need surgery. The employee who declined supplemental coverage because "major medical is enough" learns otherwise when the out-of-pocket costs hit.

The cheapest choice at enrollment can become the most expensive choice at the hospital.

Employers can't eliminate the trade-offs. But they can make the trade-offs visible – so employees choose with their eyes open, not just their wallets.

## The gaps don't have to stay open

Securian Financial's life insurance and supplemental health benefits are built for how employees actually make decisions – not how we wish they would.

Flexible coverage. Clear enrollment. Decision support that works. Service when it counts.

## Learn how

innovative life insurance and supplemental health benefits with extensive coverage options and exceptional service can help navigate complexity and close the trade-off gaps for your diverse workforce.

[securian.com/employers.html](https://securian.com/employers.html)

## See more

research conducted by Securian Financial, including data on family-building benefits,<sup>7</sup> caregivers in the workplace<sup>8</sup> and mental wellness benefits.<sup>9</sup>

[securian.com/employers/industry-insights.html](https://securian.com/employers/industry-insights.html)

## Methodology

**Employee survey:** Online survey of 1,000 Employees at companies with 1,000+ Employees (fielded Nov. 18–Dec. 1, 2025).

**Broker research:** Online survey (n=52) fielded Aug. 25–Sept. 9, 2025, plus five virtual interviews (Sept. 25–26, 2025).

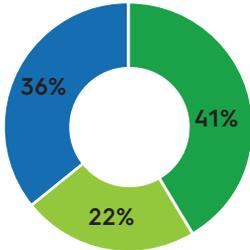
**HR decision-maker interviews:** Eight 60-minute virtual interviews with benefits decision-makers at Fortune 500/1000 organizations (conducted Nov. 10–24, 2025; fieldwork partner: C Space).

## Appendix

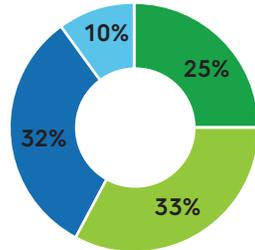
# Employee respondent profile

### Company size

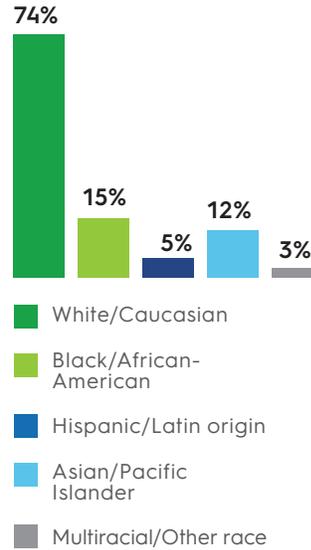
number of employees



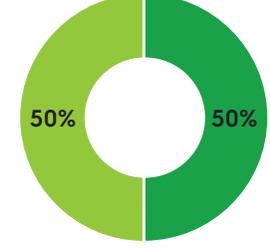
### Generation



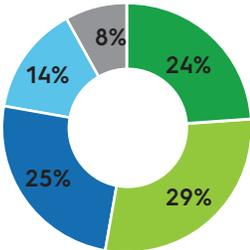
### Ethnicity



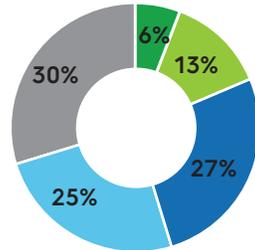
### Gender



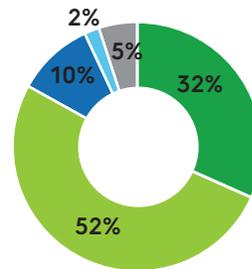
### Household income



### Tenure at Company



### Relationship/Marital Status



### Results were analyzed based on generations

Generation	Born	Current ages in 2026*
Gen Z	1997-2012	18-28
Millennials	1981-1996	29-44
Gen X	1965-1980	45-60
Boomers	1955-1964	61-65

\*For purposes of this study, we only included those aged 18+ and up to age 65.

Percentages are rounded to the nearest whole number; therefore, totals may be slightly higher or lower than 100%.

## Appendix

# What employees told us they need

**Scenario-based comparisons, not feature lists.** “What would I pay if I had a baby? Needed surgery?” beats a table of deductibles and copays.

**The basics before they need them.** Portal access, claims process, who to call. When a health event happens, employees shouldn’t be searching the Internet.

**Real examples.** Employees want to see how someone in a similar situation made a choice that protected them, what they were thinking before, what they decided, what happened and how it turned out.

**Clarity on what triggers.** “What has to happen for this to pay out?” Concrete scenarios beat coverage summaries.

**Connection to their medical plan.** Show how supplemental coverage works with their medical plan, not as a separate decision.

**Reminders that coverage exists.** Fourteen percent of employees forgot what’s available. Quarterly nudges can be the difference between a benefit that pays and a benefit that’s forgotten.

**Permission to file.** Some employees aren’t sure if their situation “counts.” Clear eligibility messaging removes the hesitation.

**Supplemental health feature preferences.** The through line: employees want breadth (more conditions covered), speed (no waiting periods) and family coverage. They’re thinking about real-life events, not product features.

## Critical illness features employees value most

### Top critical illness insurance features (n=1,000)

Coverage for more conditions	47%
Coverage for spouse/family members, not just employee	38%
No waiting period for coverage to begin	37%
Higher lump-sum payment amount (\$50k vs. \$25k)	33%
Mental health/wellness	32%
Coverage for recurrence of the same illness	26%
Coverage that pays even if I don’t have major medical insurance	26%
Wellness benefit/annual health screening payment	23%
Lower premiums with higher out-of-pocket costs	22%
Reproductive health benefits	9%
Fertility benefits	7%

## Accident insurance features employees value most

### Top accident insurance features (n=1,000)

Hospitalization coverage	58%
ER visit coverage	50%
Compensation in the event of permanent total or partial disability	41%
Rehabilitation and therapy benefits	38%
Ambulance services	37%
Diagnostic and follow-up care	30%
Specific injury payments	29%
Travel benefit	19%

## Hospital indemnity features employees value most

### Top hospital indemnity insurance features (n=1,000)

Daily hospitalization benefit amount upon admission	49%
Outpatient surgery/coverage - not dependent on full admission	43%
No waiting period for coverage to begin	36%
ICU coverage	35%
Guaranteed acceptance	35%
Ambulance transportation benefits	30%
Mental health benefits - inpatient or outpatient	30%
Rehabilitation therapy	25%
Newborn coverage	17%

**An anchor for “how much is enough?”** Rules of thumb help: “10 – 12x your salary if you have dependents.”

**Permission to start small.** Employees who can’t afford 5x their salary today might be able to afford 1x and increase later.

**Prompts when life changes.** “I wish someone had asked me after my daughter was born: is your coverage still right?”

**Scenario-based answers.** “What would I pay if I had a baby? If I was hospitalized?”

**A starting point, not a final answer.** AI to narrow options; humans to confirm high-stakes decisions.

**Permission to escalate.** Clear signal that asking for a person is okay and easy.

**The “why” behind changes.** “Tell me why my premium went up. Tell me what you tried to do about it.”

**Acknowledgment that trade-offs are hard.** Employees know budgets are tight. They resent being treated like they can’t handle the truth.

**Clear next steps.** After any change, employees want to know: “What should I do now?”

## Sources and footnotes

### Primary sources

Securian Financial's 4th annual workplace benefits study (January 2026) includes a quantitative online survey (N=1,000 employees at companies with 1,000+ employees; Nov. 18 - Dec. 1, 2025), qualitative virtual interviews with HR decision-makers (n=8; Nov. 10-24, 2025; fieldwork partner: C Space).

### Secondary sources

1. Center for Workplace Mental Health. Navigating Career and Caregiving in the Sandwich Generation, Oct 2025.
2. LIMRA, 2024 BEAT Study: Benefits and Employee Attitudes Tracker, Nov 2024.
3. KFF, 2025 Employer Health Benefits Survey, Oct 2025.
4. The direct quotes in this document are from independent third-party respondents (employees and employers) who participated in Securian Financial's 4th annual Workplace Benefits Study survey and do not necessarily reflect the views or positions of Securian Financial Group, Inc. Securian Financial makes no representations as to accuracy or suitability of any information presented. The survey respondents are not affiliated with Securian Financial Group, Inc., Securian Life Insurance Company or Minnesota Life Insurance Company.
5. HealthCare.gov, Why health insurance is important, data retrieved Feb 11, 2025.
6. SHRM, 2025 Employee Benefits Survey (executive summary).
7. Securian Financial's Family-building benefits study, 2025.
8. Securian Financial's Caregivers in the workplace study, 2024.
9. Securian Financial's Mental Wellness benefits study, 2023.

All other statistics cited are from Securian Financial's 4th annual workplace study: The affordability trap, 2026. Study/survey participants were compensated for their time.

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