

Unlocking the value of supplemental health benefits: Is AI the path forward?

Today's employees are placing greater emphasis on protecting their health and well-being. They face significant headwinds in the form of inflation, excessive debt, growing anxiety, work/life balance and more. Increasing cases of critical illness in younger people, such as colon and breast cancer, are a growing concern. And more physical activities for kids (and adults too) are enhancing the likelihood of injuries.

The complexities of today's wellness environment are elevating the importance of supplemental health benefits as an essential component of a voluntary benefits program. However, regardless of their obvious value, these products face challenges within the marketplace.

Marketplace challenges

Two interrelated issues facing supplemental health benefits are appropriate loss ratios and low utilization by employees.

It's important that insurance carriers have an appropriate loss ratio – one that is high enough to validate the value of coverages through employee utilization while offering enough margin for the carrier to be financially strong and empowered to offer leading product features.

Employees are less familiar with supplemental health coverages, and as a result, they overlook them or forget to use elected benefits. And unused benefits are a key driver of lower-than-expected loss ratios.

Making it easy and understandable with artificial intelligence (AI)

We know the reasons for offering and electing supplemental health benefits are clear and powerful. And we also know the core challenges, so what's the solution?

I believe we need to acknowledge the significance of AI. This robust discipline is growing exponentially and has vast potential for enhancing the utilization of voluntary benefits, thanks to its ability to offer meaningful, personalized assistance to employers and employees.

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Employers need to ensure that their benefits align with employee demographics and underlying needs. Some carriers offer AI-powered tools that help employers analyze the employee population and align benefits with employee needs and expectations. AI is also used to analyze post-enrollment results and adjust strategies to enhance future communications and enrollment efforts.

AI's ability to synthesize data can create personalized, easy-to-use enrollment experiences that help people consider their options based on their unique circumstances. AI also improves the claims process with integrated data sharing across claim types and benefit categories, resulting in streamlined and proactive payouts, at times even before a claim has been filed. There are risks with AI that need to be considered and managed, including evolving regulations, bias in data that could discriminate against different racial and ethnic groups, along with privacy and cyber security concerns.

AI: Empowering employees to prepare today for the unexpected tomorrow

Voluntary benefits are a smart strategy for supporting today's evolving employee well-being expectations. Personalized communications and digital tools powered by AI are critical components of a successful program. And high-touch, human assistance remains an essential factor in the process to ensure carriers make the right decision for employees and their families. Although challenges exist, interest in voluntary benefits is growing, and the thoughtful infusion of AI into the voluntary benefits experience is likely to drive the development of additional creative solutions to support healthy employees and healthy businesses today and in the future.

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