

Employee Benefit Enrollment and Participation Trends: The Impact of Benefit Design, Funding, and Program Breadth

LIMRA's 2026 Survey of U.S. Employers

LIMRA
Navigate With Confidence

Contacts:

Yuliya Esipov, M.A.
Associate Research Director
Workplace Benefits Research
860-285-7852
yesipov@limra.com

©2026 LL Global, Inc.

About the Study:

LIMRA surveyed U.S. employers to determine the latest trends in employee benefits penetration rates, benefit funding, and employee participation rates. The survey included 1,037 private employers that had 10 or more employees and had been in business for at least three years. Respondents were the individuals who made or shared in the firm's decisions concerning employee benefits. The sample was weighted by company size and industry to be representative of the total population of U.S. employers with 10 or more employees, based on data from the U.S. Census Bureau.



©2026 LL Global, Inc.

Contents

Overview 5

Stable Participation and Emerging Growth Across Employee Benefits. 6

Benefit Funding Models Drive Enrollment Outcomes 10

Enrollment Shifts from Traditional Benefits to Financial Protection Benefits as Programs Expand 12

Participation in Supplemental Benefits Declines as Benefit Portfolios Expand 13

Figures

Figure 1 — Average Participation Rates 6

Figure 2 — Average Participation Rates for Life Insurance 7

Figure 3 — Average Participation Rates for Long-Term Disability Insurance 8

Figure 4 — Changes in Participation Rates Over Past 18 Months. 9

Figure 5 — Average Participation Rates by Funding 11

©2026 LL Global, Inc.

Overview

The 2026 LIMRA Employer Benefits Trends survey findings highlight strong employee engagement with employer-sponsored benefits, particularly core benefits such as dental, vision, life insurance, and disability coverage. Across most benefit categories, employers were more likely to report stable or increasing enrollment trends.

Key findings include:

- Core benefits continue to achieve the highest participation rates, with dental, vision, and disability-related benefits remaining foundational elements of benefits programs.
- Employer funding is a major driver of enrollment. Fully employer-paid benefits consistently generate the highest participation levels, often exceeding 85 percent – 90 percent, while voluntary benefits generally attract lower enrollment.
- Organizations offering broader core benefit portfolios tend to see higher participation in life and disability benefits, including voluntary and buy-up coverage options.
- Traditional benefits such as dental and vision, as well as many supplemental health benefits, show stronger participation among employers offering fewer core benefits.
- Supplemental benefits continue to attract employee interest, with many employers reporting stable or growing enrollment in critical illness, accident, hospital indemnity, long-term care, and voluntary life insurance.

Overall, the results suggest that both benefit design and employer financial support play a significant role in shaping employee enrollment behavior. Employers that combine comprehensive benefit offerings with meaningful employer contributions are generally best positioned to drive participation and enhance the value of their benefits programs.

©2026 LL Global, Inc.

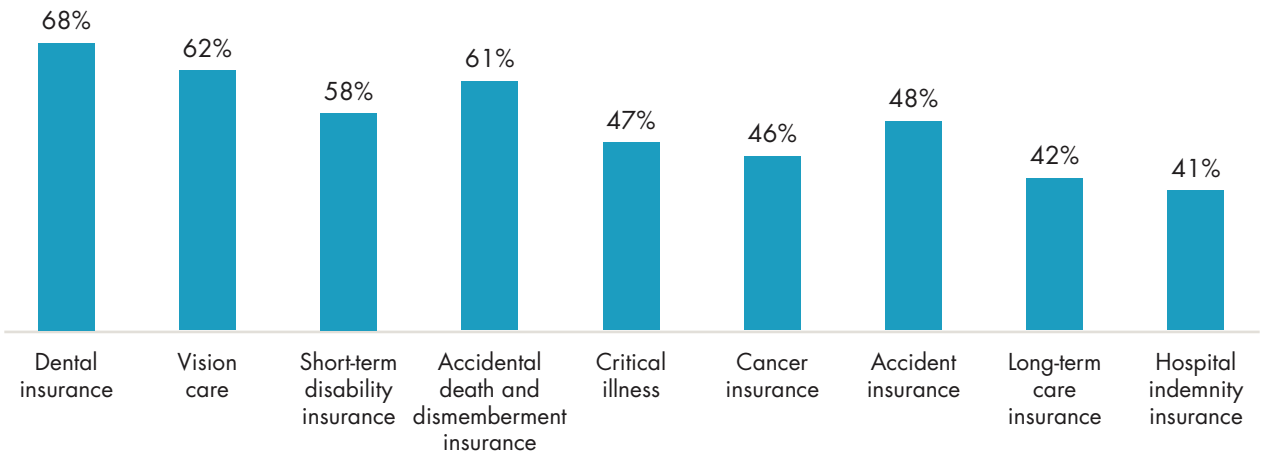
Stable Participation and Emerging Growth Across Employee Benefits

Employee engagement with employer-sponsored benefits remains resilient, with most organizations reporting stable or improving enrollment levels.

Enrollment in core benefits remains strong and stable among eligible non-union employees. Dental insurance continues to be one of the most highly utilized offerings, with many employers reporting participation rates above 68 percent and nearly half reporting enrollment growth over the past 18 months. Vision insurance shows a similar pattern, although participation levels are somewhat lower than dental. For both benefits, most employers indicate that enrollment has either increased or remained unchanged, suggesting these products remain valued components of the overall benefits package.

Disability-related benefits also demonstrate robust participation. Short-term disability (STD), accidental death & dismemberment (ADD), and core long-term disability (LTD) all exhibit relatively high enrollment levels, with a notable number of employers reporting participation rates at or near 100 percent. Enrollment trends for these benefits are largely positive, with increases reported more frequently than declines. The results suggest that income protection benefits continue to be viewed as an important part of employees' financial security and overall benefits strategy.

Figure 1 — Average Participation Rates



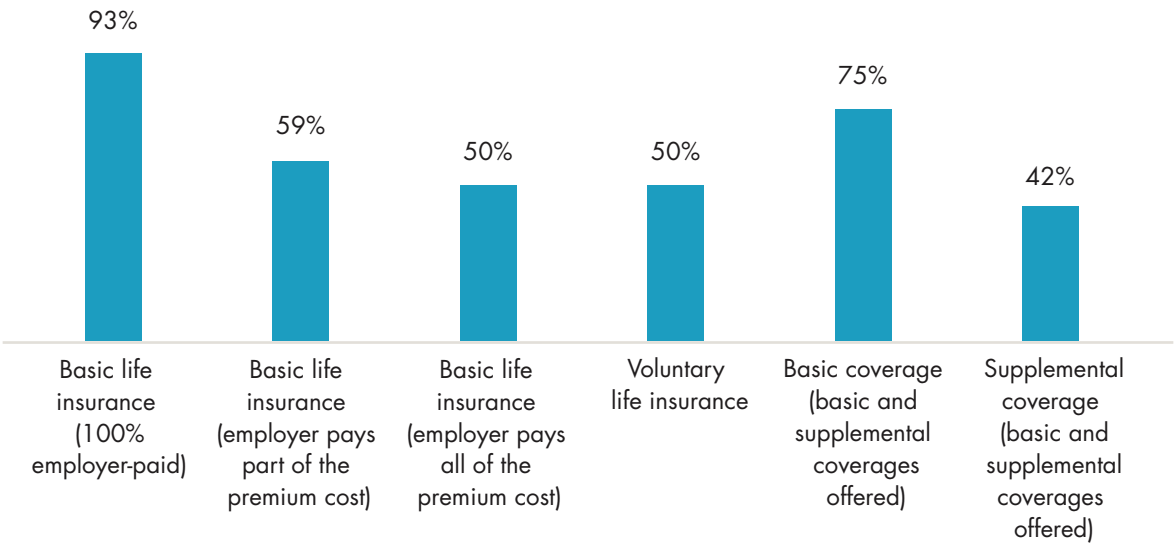
Note: Excludes cases where the employer reported 0 participating employees.

©2026 LL Global, Inc.

Long-term care (LTC) insurance presents an especially interesting trend. Although enrollment levels remain relatively modest compared with other benefits, more than half of employers offering LTC reported an increase in participation during the past 18 months — the highest increase rate observed among the surveyed voluntary benefits. This may reflect growing employee awareness of future caregiving and retirement-related risks, even though overall adoption remains limited.

Voluntary life insurance also shows strong growth momentum, albeit based on a smaller respondent sample. More than half of employers reported increased enrollment, while very few reported declines. Together with the growth seen in LTC and other supplemental products, these findings suggest that employees are increasingly seeking additional financial protection beyond traditional employer-sponsored benefits.

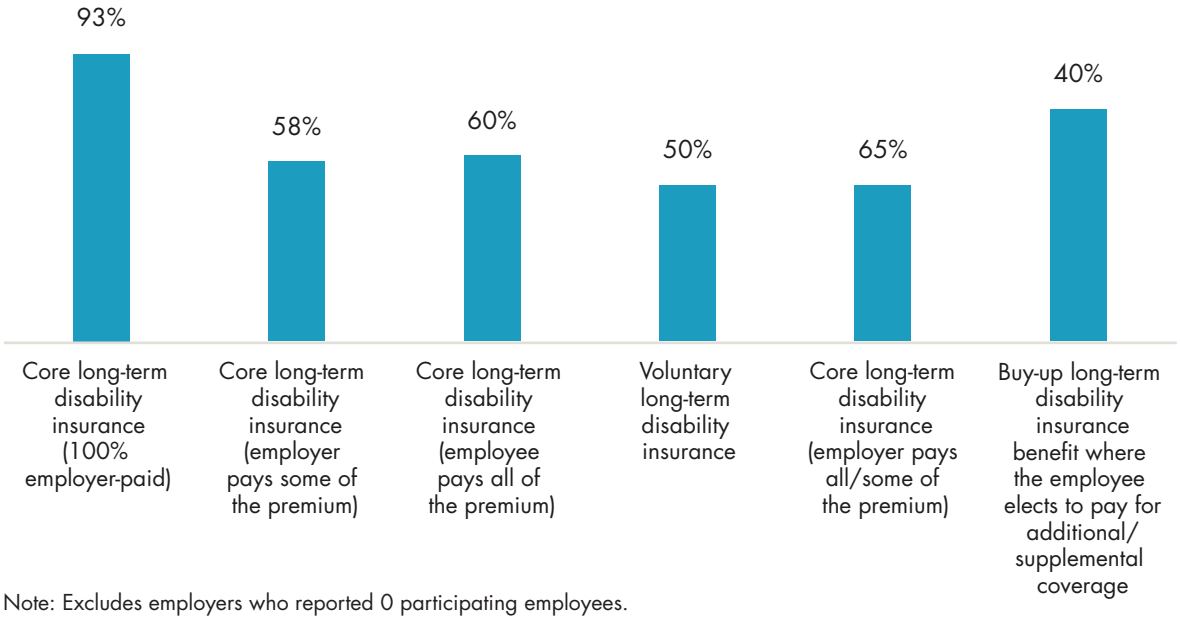
Figure 2 — Average Participation Rates for Life Insurance



Note: Excludes employers who reported 0 participating employees.

©2026 LL Global, Inc.

Figure 3 — Average Participation Rates for Long-Term Disability Insurance



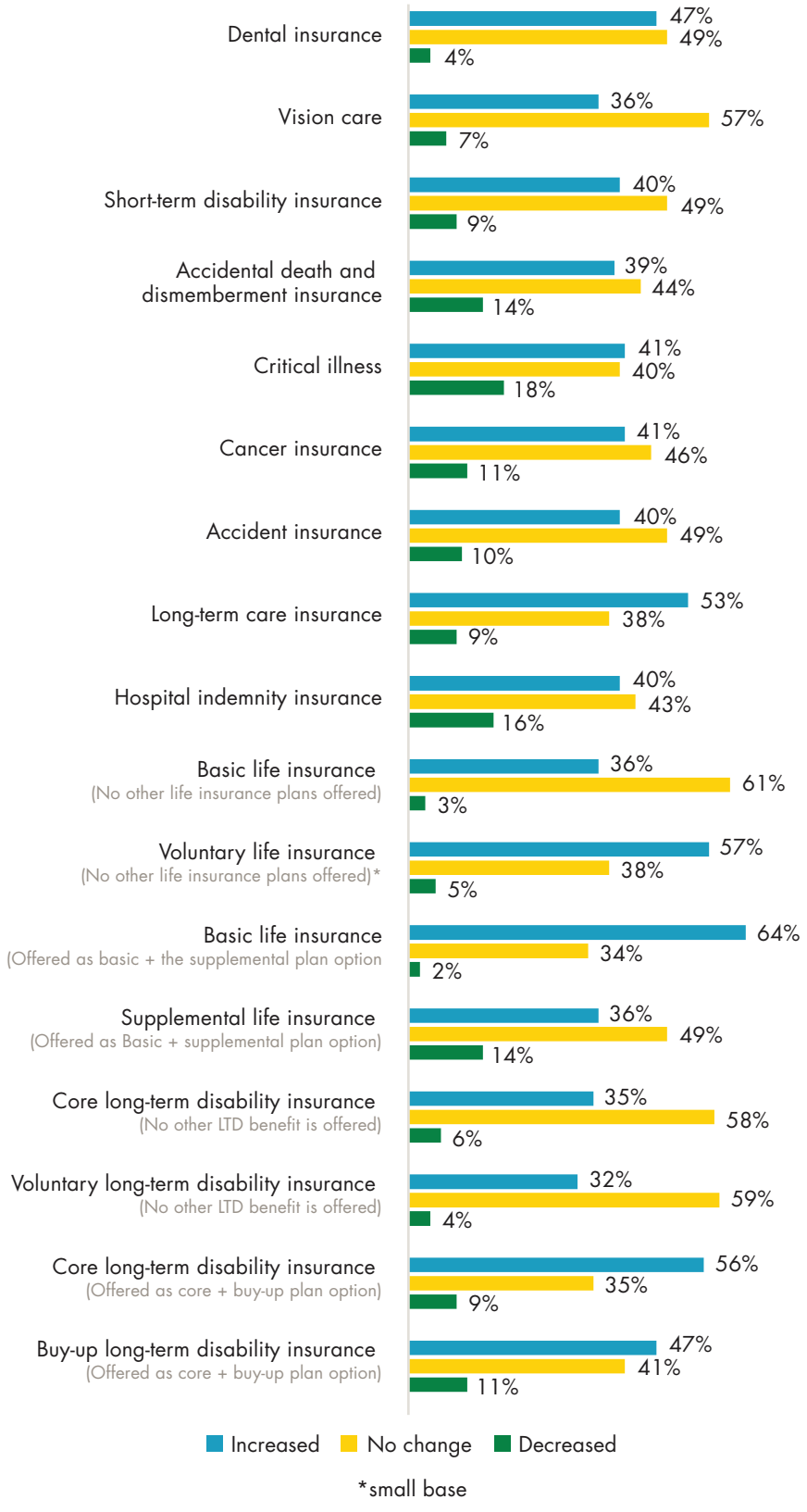
Note: Excludes employers who reported 0 participating employees.

Overall, the survey findings point to a benefits landscape characterized by strong participation in core health and disability programs and gradual growth in voluntary supplemental offerings. Across nearly all benefit categories, employers were more likely to report stable or increasing enrollment than declining participation, indicating sustained employee engagement with employer-sponsored benefits programs.

- Several benefits experienced notable increases, particularly life insurance and disability-related programs. Employers continue to prioritize financial protection benefits that support employees and their families during periods of illness, disability, or loss.
- Some voluntary health protection benefits showed more mixed trends.

©2026 LL Global, Inc.

Figure 4 — Changes in Participation Rates Over past 18 Months



*small base

©2026 LL Global, Inc.

Benefit Funding Models Drive Enrollment Outcomes

Benefits that are fully employer-paid achieve substantially higher participation rates than voluntary offerings.

A clear pattern emerges across all benefit categories: enrollment is strongly influenced by how the benefit is funded. Benefits that are 100 percent employer-paid consistently achieve the highest participation rates, often reaching average enrollment levels above 85 percent and, in several cases, above 90 percent. In contrast, benefits that are fully voluntary tend to have the lowest enrollment, while contributory plans (where costs are shared between employer and employee) generally fall in the middle. This finding reinforces the strong connection between employee out-of-pocket costs and program participation.

The impact of employer funding is particularly evident for core benefits such as dental, vision, short-term disability (STD), and basic life insurance. For dental coverage, average enrollment reaches 94 percent when the employer pays the full premium, compared with 62 percent for contributory plans and 72 percent for voluntary arrangements. Similar results are observed for vision insurance, where average participation increases from approximately 58 percent – 62 percent under employee-funded or contributory models to more than 91 percent under fully employer-paid plans. Basic life insurance follows the same pattern, with average enrollment of nearly 93 percent when employer funded.

These findings help explain why traditional benefits exhibited the highest overall participation rates in the broader survey analysis. Employees appear to view these benefits as fundamental components of their benefits package, and enrollment is further strengthened when employer contributions reduce or eliminate employee costs.

The relationship between funding and enrollment is especially pronounced for disability benefits. Average enrollment in STD rises from 46 percent for voluntary plans and 51 percent for contributory plans to 89 percent when the employer covers the premium. Similarly, participation in core long-term disability (LTD) averages 66 percent, while voluntary LTD enrollment averages only 50 percent.

These results suggest that employees place substantial value on disability protection but are considerably more likely to enroll when coverage is employer sponsored. The findings are consistent with the trend data discussed earlier, where disability-related benefits not only showed relatively high participation rates but also reported more enrollment increases than decreases over the previous 18 months.

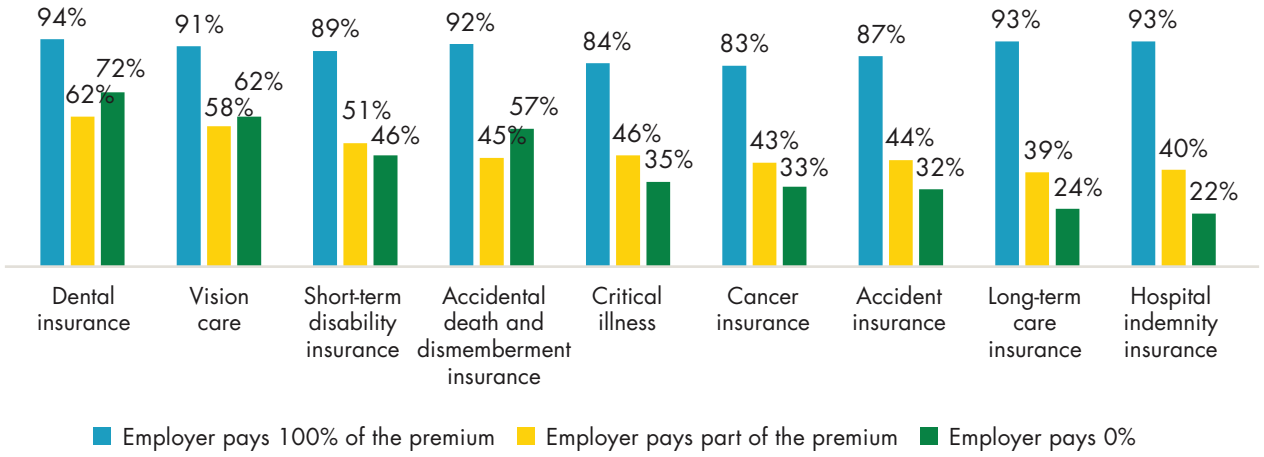
Voluntary supplemental benefits — including critical illness, cancer, accident, long-term care (LTC), and hospital indemnity coverage — generally report lower enrollment levels than core benefits. However, the same funding-driven enrollment pattern remains evident. For critical illness insurance, average participation rises from 35 percent in voluntary plans to 46 percent in contributory plans and 84 percent when fully employer funded. Cancer insurance follows a nearly identical pattern, increasing from 33 percent to 43 percent to 83 percent, respectively.

Accident, LTC, and hospital indemnity benefits show perhaps the largest funding effect. Average enrollment for LTC, for example, is only 24 percent when employees pay the full premium, but reaches nearly 93 percent when the employer fully funds the benefit. Hospital indemnity follows a similar trajectory, increasing from 22 percent to 40 percent and ultimately to 93 percent under full employer sponsorship.

©2026 LL Global, Inc.

Taken together, these findings suggest that funding design may be one of the most important determinants of employee enrollment. The earlier analysis showed that core benefits generally have stronger participation and more stable enrollment trends than supplemental offerings. The funding analysis helps explain why benefits that receive greater employer financial support consistently achieve substantially higher participation rates. Even traditionally low-participation products such as long-term care, hospital indemnity, and cancer insurance can achieve enrollment levels approaching those of core benefits when the employer assumes the full premium cost. As organizations evaluate future benefits strategies, these results indicate that employer contributions remain a powerful lever for encouraging employee participation and expanding benefit utilization.

Figure 5 — Average Participation Rates by Funding



Note: Excludes employers who reported 0 participating employees.



©2026 LL Global, Inc.

Enrollment Shifts from Traditional Benefits to Financial Protection Benefits as Programs Expand

More comprehensive benefits programs are associated with stronger enrollment in life and disability benefits, particularly voluntary coverages that require active employee elections.

Enrollment patterns vary meaningfully based on the number of core benefits offered. Traditional benefits such as dental and vision have the highest participation among organizations offering only 1–3 core benefits, with average enrollment rates of 73 percent and 66 percent, respectively. Participation in these benefits gradually declines as the number of core benefits increases, suggesting that employees in organizations with broader benefit portfolios may spread their enrollment decisions across a larger range of available options.

In contrast, participation in life insurance and disability-related benefits tends to increase as organizations offer more core benefits. Employers offering 6–7 core benefits report the highest enrollment in basic life insurance (74 percent), voluntary life insurance (68 percent), core long-term disability (71 percent), and buy-up long-term disability coverage (59 percent). These results suggest that more comprehensive benefits programs may be associated with greater employee awareness and utilization of income protection and financial security benefits.

The most pronounced differences are seen in voluntary benefits. Voluntary life insurance participation rises from just 23 percent among organizations offering 1–3 core benefits to 68 percent among those offering 6–7 benefits. Similarly, voluntary long-term disability enrollment increases from 26 percent to 59 percent across the same groups. This indicates that employees in organizations with more mature benefits programs are considerably more likely to elect optional coverage beyond employer-paid offerings.

Overall, the data suggests that organizations with broader core benefits packages are more successful at driving enrollment in life and disability benefits, while organizations offering fewer core benefits maintain stronger participation in traditional ancillary benefits such as dental and vision. The findings point to a shift from basic benefit utilization toward more comprehensive financial protection coverage as benefit programs become more robust and sophisticated.

©2026 LL Global, Inc.

Participation in Supplemental Benefits Declines as Benefit Portfolios Expand

Enrollment in supplemental health benefits is strongest among organizations offering fewer core benefits, with participation in critical illness and cancer coverage dropping sharply as benefit portfolios expand.

Participation patterns for supplemental benefits differ notably from those observed for core life and disability benefits. In general, enrollment in most supplemental benefits tends to be highest among organizations offering fewer core benefits and declines as the number of benefits offered increases. This pattern is particularly evident for critical illness, cancer, long-term care, and hospital indemnity coverage, suggesting that employees may be more likely to elect supplemental offerings when they are part of a more limited benefits portfolio.

Cancer insurance demonstrates the clearest difference across groups. Employers offering 1–3 core benefits report an average participation rate of 61 percent, compared with 44 percent among organizations offering 4–5 core benefits and just 23 percent among those offering 6–7 benefits. Similar trends are seen for critical illness insurance, where enrollment declines from 48 percent to 28 percent, and for hospital indemnity coverage, where participation falls from 45 percent to 28 percent as benefit offerings become more extensive. These findings suggest that employees in organizations with broader benefits portfolios may have less demand for supplemental health protection products or may distribute their enrollment choices across a larger number of available benefits.

Accident insurance is the most widely utilized supplemental benefit overall, with participation rates ranging from 38 percent to 49 percent across the three groups. Unlike the other supplemental offerings, accident insurance maintains relatively strong enrollment regardless of the number of core benefits offered, indicating broad employee appeal and perceived value across different benefit strategies.

Pet insurance stands apart from the other supplemental benefits. Participation remains consistently low across all groups, averaging approximately 18 percent regardless of the number of core benefits offered. This suggests that while pet insurance is increasingly available in the marketplace, it remains a niche offering compared with traditional supplemental health and income protection benefits.

Overall, the supplemental benefit participation does not necessarily increase alongside broader benefits programs. In fact, enrollment in several voluntary supplemental products is highest among organizations offering fewer core benefits, while participation generally declines as benefit portfolios become more comprehensive.

©2026 LL Global, Inc.

Advancing the financial services industry by empowering our members with



LIMRA LOMA

Navigate With Confidence

©2026 LL Global, Inc.
Unauthorized use, reproduction, or reprinting of this material (or any portion thereof) for any purpose without express written permission from LL Global (LIMRA and LOMA) is strictly prohibited, including, without limitation, use with any current or future form of an Artificial Intelligence tool or engine.

0757-2026