



Help Prevent an Accident From Turning Into a Financial Sinkhole

▶ If you're looking to offer new solutions to business clients who are struggling to offer a comprehensive, competitive benefits program while controlling ever-rising costs, consider bringing accident insurance to the table.

By Steve Hesler

At the risk of sounding like Yogi Berra, no one plans to have an accident. But anyone can plan to protect against an accident's financial consequences by buying accident insurance.

Accident insurance is pretty much what it sounds like: coverage that helps with the costs of an unexpected injury, such as a fracture, dislocation, cut or burn. Plans

come in all shapes and sizes, but typically cover services such as emergency treatment in an emergency room, doctor's office or urgent care facility; hospital admission; surgery; medical imaging; X-rays; and sometimes rehabilitation and occupational therapy.

A growing number of customers are seeing value in accident insurance. Voluntary accident sales grew 11 percent from 2014 to 2015, with nearly \$1 billion in annualized premium and more than \$2.4 billion of in-force premium, LIMRA reported. That trend continued in 2016 with another 2.3 percent increase in industry sales — and much more than that for some top voluntary carriers.

If you're looking for new solutions for your clients struggling to offer a

comprehensive, competitive benefits program while controlling ever-rising costs, consider bringing accident insurance to the table.

Here are seven tips to get you started:

1. Follow the money. Or lack of it. There's a big gap between the average major medical insurance deductible and what most Americans have on hand for an emergency. Kaiser Family Foundation reported **the average major medical insurance deductible is almost \$1,500**, with high-deductible health plans having deductibles of more than triple that amount. Compare that with the Federal Reserve Board's findings that half of Americans say they would have trouble coming up with just \$400 in an emergency, and

only 37 percent could cover a \$1,000 emergency room visit with money they've saved.

Use those numbers to talk with your clients about how offering accident insurance can help their workers bridge that gap and protect their financial well-being.

2. Feel their pain. Accidents happen — a lot. **Thirty-nine million Americans seek medical help for injuries every year**, according to the National Safety Council. And the pain may get worse when the bill arrives. Take a broken arm, for example: Without health insurance, a trip to the emergency room for a broken arm can cost \$2,500, according to CostHelper. If surgery is needed, the cost of that broken arm jumps to \$16,000. Point out that accident coverage can give your clients' employees access to affordable ways to get the care they need when the unexpected happens.

3. Bust the myths. Be sure your clients and their employees understand that health and auto insurance may help pay expenses from some accidents, but likely leave gaps. Many accidents treated in hospital emergency rooms are related to sports, not driving. Basketball, bicycle riding, exercise, football and soccer are among the top injury-producing sports, the National Safety Council reports. And many common accidents such as falls, burns and cuts occur at home, which the Centers for Disease Control and Prevention reports is by far the most "popular" place for nonfatal accidents.

Even good major medical insurance can leave workers with significant out-of-pocket costs following an accidental injury. Those costs include emergency room fees and copayments, not to mention those high deductibles. There also may be non-medical costs health insurance doesn't cover, such as rehabilitation, caregiver fees, travel costs to treatment and lost income from being out of work.

4. Beat the competition. Without question, major medical, life and disability insurance form the foundation of a solid employee benefits program. But they're not enough if your clients want to offer a competitive benefits package that attracts and retains the best talent. Bringing them solutions to offer an affordable, comprehensive benefits program helps them (and you) beat the competition.

5. Control client costs. Explain that with voluntary accident insurance, employees select and pay for the coverage if they want it, so there's no direct cost to your clients. Employees can buy coverage for themselves, and sometimes their spouse or partner and their eligible dependent children.

Bonus points: Most accident plans also are compatible with health savings accounts. This could be increasingly important if proposed changes to the health care reform law continue to make

expenses resulting from a nonfatal gunshot wound, and a well-being assistance benefit that helps pay for routine preventive care such as a colonoscopy, mammogram or blood test.

Some plans also allow employees to customize their coverage further by choosing from a variety of optional riders. **These can include a disability income rider that pays benefits if the injury keeps the employee out of work**, a critical illness rider that pays a lump sum when a serious illness such as

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HSA's more attractive to consumers and employers.

6. Keep it simple. Accident insurance is a relatively simple, straightforward benefit to explain to your clients and their employees. It's usually indemnity-based, meaning it pays a set amount based on the injury and treatment the insured receives. For example, a policy might pay \$1,400 for a broken leg or \$2,800 if surgery is required to treat it. The benefits are paid directly to the insured and aren't reduced by what some other insurance might pay. Unlike workers' compensation, it can cover injuries that happen off the job as well as at work.

7. Make it personal. Today's newer accident plans offer greater customization and even more value. Your clients may include additional benefits in their base plan to create coverage that best meets the needs of their employee population. Examples include an "active lifestyles" option that increases the benefit amount, a gunshot wound benefit to cover

heart attack or stroke is first diagnosed, or a hospital confinement rider that helps pay for hospital admission to treat a covered sickness.

These tips show your clients the value in voluntary accident insurance. It's simple, affordable coverage that meets a growing need for today's financially fragile workers. By bringing accident insurance to the table, you can help your clients offer a more comprehensive, competitive benefits program while controlling their benefits costs — and create a new revenue stream for your practice. 

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