

Accident Insurance Can Save Your Workers from Ruin

Even if you are providing your staff with health benefits, they could be left under great financial pressure if one of them has a major accident off the job that leaves them debilitated and unable to work.

Millions of working Americans struggle with managing out-of-pocket costs for non-medical and medical expenses after suffering an unexpected event such as an accident.

If you are already offering your employees health insurance coverage, you can help fill the gap by also offering voluntary accident insurance, which can pay for:

- Lost wages,
- Deductibles and other expenses not covered by insurance,
- Transportation to and from hospitals and doctors, and
- Home modifications.

Many Americans are ill-prepared financially

According to a survey by Prudential Insurance Co.:

- Two-thirds of Americans say it would be very or somewhat difficult to meet their current financial obligations if their next paycheck were delayed for just one week.
- Half of all households say they have less than \$10,000 in liquid assets available for use in an emergency.

Why your employees need coverage

- Health insurance only covers a portion of expenses, and only after the employee has paid their deductible and copay.
- Employees sometimes have to pay out of pocket for medicines, medical equipment and visits to out-of-network physicians.
- Employees have to pay out of pocket for travel to appointments, home accommodations, caregiving and housekeeping if they cannot do those things on their own after an accident.
- Lost wages are a sometimes-overlooked cost of illness or injury. This can be an issue not only for the employees directly impacted by illness or injury, but also for family members who are providing care for them.

The types of accident insurance

Traditional treatment-based plans. These pay benefits based on the occurrence of an accidental injury and the type of treatment or procedure required to treat an injury.

The injured individual will often submit a separate claim for each service they receive related to the accident. For example, if they were in a car accident in which they broke both legs, they would file individual claims for:

- The costs not covered by health insurance for each service to treat the injury.
- The cost of paying for transportation to doctors' visits and physical therapy sessions.
- Each time a home caregiver visits them to provide care.

Incident-based plans. These pay benefits based upon the incident and type of injury. This can simplify the claims process by reducing the number of claims that must be submitted.

In the case of the car accident victim with broken legs above, they would likely be required to submit evidence only for the fractures and for their hospital stay to be reimbursed.

Benefits to the employer

A more robust benefits package ▯” Offering accident insurance paid for by employees allows you to provide a more robust benefits package that can improve employees' satisfaction with their jobs.

A smoother transition to high-deductible health plans ▯” Employers replacing traditional medical insurance with an HDHP may find the transition more readily accepted by employees if it is accompanied by an offer of a voluntary accident insurance plan.

Potential for improved productivity ▯” Employees under financial pressure may be less productive than those who are not, and knowing they have accident insurance can put their fears to rest.

Low cost and administrative burden ▯” Most employers offer accident insurance that is paid for by the employee, meaning there is little or no cost to the organization.

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