

# Benefits Insights



## The Benefits of Providing Accident Insurance

For a growing number of employers, voluntary accident insurance plans may play a part in rounding out employee benefits packages to help employees pay for unexpected costs. Accidents can happen to anyone—and the reality is that accidents do happen. In fact, more than 80 million people in the United States seek medical treatment for injuries each year.

This article provides an overview of accident insurance and reasons why many employers are offering this voluntary benefit to employees.

### What Is Accident Insurance?

Medical and disability insurance may not fully cover employees' unexpected medical care costs. Furthermore, the health insurance market has been shifting more responsibility to individuals through higher out-of-pocket costs. At the very least, employees will likely still owe a deductible and copays—and accident insurance is designed to help fill in those coverage gaps.

Accident insurance will deliver a payment to employees for various qualifying incidents, including the following:

- Injuries such as fractures, dislocations, burns, concussions, cuts and lacerations, eye injuries, coma, torn knee cartilage, broken teeth and paralysis
- Medical services and treatments such as ambulance services, emergency and nonemergency care, therapy, medical testing, inpatient and outpatient surgery, and blood and plasma transfusion
- Family lodging and travel needs related to an accident and follow-up care

However, accident insurance will likely not cover an accident or injury under the following circumstances:

- Acts of war—declared or undeclared—or active military duty
- Natural disasters
- Nonprescription use of controlled substances or consumption of alcohol
- Participation in illegal activities

### Why Offer Accident Insurance?

Accident insurance can help employers meet the needs of their workforce. This voluntary benefit appeals to a multigenerational workforce as an important supplement to employees' health plans. An increasing number of employees are interested in voluntary benefits like accident insurance, and, as a result, this pressure has raised expectations for employers' offerings.

### *Holistic Protection for Employees*

By offering accident insurance as a voluntary benefit, employers can help financially protect employees in case of an accidental injury. In addition to paying for medical services, payments from accident insurance can pay for out-of-pocket medical expenses and daily living expenses, and cover lost income from unpaid time off.

This benefit allows employees leverage to save some money when accidents occur. That is a perk that employees will use and value when the unexpected happens to them or their

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family. Employers are in a position to help offer a financial safety net for employees. Providing accident insurance can help ease employees' financial stress, which results in employees being less worried and, overall, more satisfied.

### *Easy Implementation*

Accident insurance often is not subject to the same legal and regulatory issues associated with other plans, which leads to easier implementation and upkeep. There are typically no fees or costs to employers to offer accident insurance plans to employees. Additionally, accident insurance is a good way to offer benefits that meet employees' evolving needs, while reducing the impact to their bottom line.

### **Summary**

In general, employee benefits are designed to provide perks and support to employees. If benefits are supporting employees, that's a win. Accident insurance can be a way for employers to differentiate themselves from competitors in today's talent market and support employees during challenging times.

Contact us today to find out if accident insurance is right for your organization.