

Know the difference: Accident, hospital indemnity and critical illness insurance



For the 61% of employees who rank health benefits as one of the top three factors they consider in a job search,¹ supplemental insurance benefits are an affordable way for employers to expand coverage beyond health insurance to help employees pay for unexpected medical expenses.

But health care coverage beyond basic health insurance can get confusing. And two-thirds of employees want their employers to help them better understand their benefits² — that's where you can assist them by having a general understanding of the various types of coverages. Here's what everyone should know about three popular supplemental insurance plans: accident insurance, hospital indemnity insurance and critical illness insurance.

Accident insurance

Accident insurance provides benefits for covered accidental injuries to help with out-of-pocket expenses incurred. Policyholders receive payments directly (unless otherwise assigned) and can use the payments however they need to. They might use their benefits to help cover their health insurance deductibles or copayments, or even everyday necessities such as rent or groceries. Accident insurance can essentially help cover surprise expenses policyholders may face if injured.

Hospital indemnity insurance

Similar to accident insurance, hospital indemnity insurance pays benefits directly to policyholders (unless otherwise assigned) to help cover unexpected costs. Unlike accident insurance, hospital indemnity insurance pays benefits for covered hospitalizations due to illness and injury. Hospital indemnity insurance can be used to help pay for expenses health insurance doesn't cover, such as copayments and deductibles, and other life expenses that could crop up if an employee is hospitalized.

Critical illness insurance

Like accident and hospital indemnity insurance, critical illness insurance can help cover unexpected medical and nonmedical costs related to a serious health event. In this case, critical illness insurance pays benefits if a policyholder is diagnosed with a critical illness, such as cancer, a stroke or a heart attack. While critical illness insurance doesn't cover every health problem, it offers benefits for many serious illnesses that usually have high costs associated with them, helping to provide financial protection at a crucial time. Critical illness insurance can help cover expenses health insurance doesn't, and can even be used to help pay for alternative therapies that insurance doesn't cover.

¹ Aflac WorkForces Report. "Workplace Benefits Trends, Executive Summary." Published September 2020. [Accessed 2.4.2021](#).

² Voya. "Voya Survey Finds One-Third of American Workers Don't Understand the Benefits They Selected During Open Enrollment." Published 1.29.2021. [Accessed 2.28.2022](#).

Which kind of supplemental insurance is best?

While the qualifying condition varies, accident insurance, hospital indemnity insurance and critical illness insurance all help provide financial protection to assist with medical bills and related expenses. It's impossible to know what unexpected medical needs your employees will have, but by offering supplemental benefits, you can allow employees to choose the protection that best suits them. You can also help them make the best choice by offering them access to an insurance professional who can answer their questions and help them understand the finer details of their policies.

Supplemental benefits can be offered at no direct cost to the employer, allowing employees to choose and pay for the protection they want to apply for. Or you can offer to pay premiums for basic plans for your employees and allow them to apply for more protection if they wish. Either way, an employer-offered plan gives employees the chance to obtain affordable coverage that could help protect them from a financial emergency down the road.

Ready to offer Aflac coverage to your employees? Contact your Aflac benefits advisor or visit [Aflac.com/business](https://www.aflac.com/business).

Accident: In Idaho, Policies A36100ID–A36400ID, & A3630FID. In Oklahoma, Policies A361000K– A364000K, & A3630F0K. In Virginia, Policies A36100VA – A36400VA, & A3630FVA.
Hospital: In Idaho, Policies A-45100-ID–A-45300-ID. Policies B40100ID & B4010HID. In Oklahoma, Policies A491000K–A494000K & A4910H0K. In Virginia, Policies A49100VAR–A49400VAR & A4910HVAR. Critical Illness: In Idaho, Policies A73100ID & A7310HID. In Oklahoma, Policies B711000K & B7110H0K. Policies A731000K & A7310H0K. In Virginia, Policy A73100VA. Policies A71100VA & A71200VA.

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WWWHQ | 1932 Wynnton Road | Columbus, GA 31999