Aflac Survey Finds Nearly Half of Companies Offering Accident, Disability Insurance Experience Reductions in Workers’ Compensation Claims

Companies of all sizes benefit by making voluntary plans available to employees

Columbus, GA — April 2, 2014 — A new survey released by Aflac (NYSE: AFL), the leading provider of voluntary insurance in the United States, found that 42 percent of all companies providing access to voluntary accident and disability insurance reported declines in their workers’ compensation claims.

The Aflac Workers’ Compensation Report, an online survey conducted by Lieberman Research Worldwide on behalf of Aflac, asked 600 employers from small, medium and large U.S. companies if they provided employees with access to accident or disability insurance and, if so, whether they noted a corresponding decline in workers’ compensation claims.

When responses were broken down by company size, the survey found that 55 percent of large companies that provide access to accident insurance experienced declines in workers’ compensation claims, while 34 percent of small- and medium-sized companies each reported declines. These findings are important considering workers’ compensation benefits paid to injured workers in 2011 rose, costing American employers $77.1 billion.1

“For years, insurance agents and brokers have heard anecdotal rumors linking voluntary accident and disability insurance to reduced workers’ compensation claims, and we learned the anecdotes are true based on our recent study results,” said Tye Elliott, Aflac vice president of Core Broker Sales. “These findings confirm the correlation between accident and disability insurance and reduced workers’ compensation claims. Employers can now weigh the potential positive financial effects of offering accident and disability insurance against the costs of workers’ compensation claims.”

Measuring the impact of voluntary accident and disability insurance on workers’ compensation claims

In addition to asking employers if they could confirm declines in claims, the survey also inquired about the significance of those declines.2 Here are the responses of companies that provide access to voluntary accident insurance:

- 14 percent of all employers reported declines of 50 percent or more, while 17 percent reported declines of 25 to 49 percent.
- 12 percent of large-sized businesses reported reductions of 50 percent or more, while 29 percent reported declines of 25 to 49 percent.
- 13 percent of medium-sized businesses reported reductions of 50 percent or more, while 14 percent reported declines of 25 to 49 percent.
- 15 percent of small-sized businesses reported reductions of 50 percent or more, while 9 percent reported declines of 25 to 49 percent.

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2 Critical Care and Recovery Quantitative Study LRW and Aflac, December 2013. Significant declines are defined as reductions in workers’ compensation claims of 50 to 74 percent; very significant declines are defined as reductions in workers’ compensation claims of 75 percent or greater. Moderate declines are defined as reductions in claims of 25 to 49 percent.
The findings were similar for companies that provide access to voluntary disability insurance — nearly half (47 percent) of large employers reported overall decreases in workers' compensation claims. In addition, 43 percent of small companies and 33 percent of medium companies reported declines. Respondents were also asked if they could gauge the significance of the declines:

- 15 percent of all employers reported declines of 50 percent or more, and 15 percent reported declines of 25 to 49 percent.
- 11 percent of large employers reported declines of 50 percent or more, while 20 percent reported declines of 25 to 49 percent.
- 18 percent of medium employers reported declines of 50 percent or more, while 7 percent reported declines of 25 to 49 percent.
- 18 percent of small employers reported declines of 50 percent or more, while 17 percent reported declines of 25 to 49 percent.

What do these findings mean for companies? According to Elliott, "The results demonstrate that by making voluntary accident and disability insurance available to employees, companies can often decrease the frequency and expense of their workers' compensation claims."

To learn more about voluntary accident and disability insurance, visit aflac.com or follow @aflac on Twitter.

About The Aflac Workers’ Compensation Report
The Aflac Workers’ Compensation Report reflects a survey conducted in Nov. 2013 by Aflac and Lieberman Research Worldwide. Survey participants included 600 employers at small, medium and large U.S. companies. Small employers are defined as those with 3-99 employees. Medium employers are defined as those with 100-499 employees. Large employers are defined as those with 500 or more employees.

About Lieberman Research Worldwide
Lieberman Research Worldwide (LRW) is one of the largest privately-held marketing research consultancies in the world known for its ability to turn insight into impact for its clients. LRW employs a unique “so what?” consulting model and leverages its industry-leading Marketing Science team and Pragmatic Brain Science Institute® to help clients on a range of business issues including product development, brand strategy and tracking, customer experience, market segmentation, pricing.

About Aflac
When a policyholder gets sick or hurt, Aflac pays cash benefits fast. For nearly six decades, Aflac insurance policies have given policyholders the opportunity to focus on recovery, not financial stress. In the United States, Aflac is the leading provider of voluntary insurance at the worksite. In Japan, Aflac is the number one life insurance company in terms of individual policies in force. Aflac individual and group insurance products help provide protection to more than 50 million people worldwide. For eight consecutive years, Aflac has been recognized by Ethisphere magazine as one of the World’s Most Ethical Companies. In 2014, FORTUNE magazine recognized Aflac as one of the 100 Best Companies to Work For in America for the 16th consecutive year. Also, in 2014, FORTUNE magazine included Aflac on its list of Most Admired Companies for the 13th time, ranking the company number one in the life and health insurance category. Aflac Incorporated is a Fortune 500 company listed on the New York Stock Exchange under the symbol AFL. To find out more about Aflac, visit aflac.com or espanol.aflac.com.

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