



Good news for brokers

Companies offering voluntary accident and disability insurance report reductions in workers' compensation claims

Brokers working to help new and prospective accounts understand the value of voluntary accident and disability insurance have a new tool in their arsenals: the results of an Aflac survey showing companies that make such coverage available to employees often experience fewer workers' compensation claims.

The effect of accident insurance on workers' compensation claims

Aflac's Impact of Voluntary Accident and Disability Insurance on Workers' Compensation Claims Report, based on a nationwide survey conducted in November 2013 by Lieberman Research Worldwide, revealed that 42 percent of all companies providing access to **voluntary accident insurance** experienced declines in their workers' compensation claims. When responses were broken down by company size, the survey found that 55 percent of large companies experienced declines in workers' compensation claims, while 34 percent of small and medium companies reported declines.¹



In addition to asking employers if they could confirm claims declines, the Aflac-sponsored survey also inquired about the significance of those declines.² Here's what they had to say:

- » 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 businesses reported reductions of 50 percent or more, while 29 percent reported declines of 25 to 49 percent.
- » 13 percent of medium businesses reported reductions of 50 percent or more, while 14 percent reported declines of 25 to 49 percent.
- » 15 percent of small businesses reported reductions of 50 percent or more, while 9 percent reported declines of 25 to 49 percent.

What about disability insurance?

The results were similar with respect to **voluntary disability insurance**, 42 percent of all companies reported decreases in workers' compensation claims. When broken down by company size, nearly 47 percent of large companies, 43 percent of small companies and 33 percent of medium companies reported declines. Again, participants were asked if they could gauge the significance of the declines:

- » 15 percent of all employers reported declines of 50 percent or more, while 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.

Sales opportunities for brokers; potential savings for employers

What do these findings mean for brokers? According to Tye Elliott, Aflac's vice president of Core Broker Sales, the results demonstrate that by making voluntary accident or disability insurance available to their workers, businesses can often decrease the frequency and expense of workers' compensation claims.

"We are very excited about the results of this Aflac survey, because it reveals a correlation between accident and disability insurance, and reduced workers' compensation claims," Elliott said. "In the past, we've heard anecdotal stories about the correlation, but have not had detailed results to support those tales.

"Now, as a result of our survey, we can wholeheartedly recommend that brokers stress the potential positive effects of accident and disability insurance on workers' comp claims when meeting with existing and prospective clients."

Opportunities for brokers to grow their businesses

There's even better news for brokers: As part of the Aflac survey employers were asked whether they currently make voluntary accident insurance available to their workers and 58 percent said they do not. When asked whether they currently make voluntary disability insurance available, 50 percent said no.

"The high percentage of companies that don't currently include accident or disability insurance among the benefits offered to employees reveals great opportunity for brokers," Elliott said. "We believe brokers who focus on these two products, armed with the results of our survey, will have great success in growing their businesses. That's especially important today, as changes to the way major medical insurance is purchased and delivered in our nation have many brokers looking for new sources of income."

¹ Aflac's "Impact of Voluntary Accident and Voluntary Disability Insurance on Workers' Compensation Claims Study" is based on a nationwide survey conducted in Nov. 2013 by Aflac and Lieberman Research Worldwide. Survey participants included a representative sample of 600 employers at small, medium and large U.S. companies. Small employers were defined as those with 3-99 employees. Medium employers were defined as those with 100-499 employees. Large employers were defined as those with 500 or more employees.

² 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.

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