

A MILLIMAN SUPPLEMENTAL & SPECIALTY RESEARCH SURVEY

Hospital Indemnity Insurance 2023 Premium Report Outline

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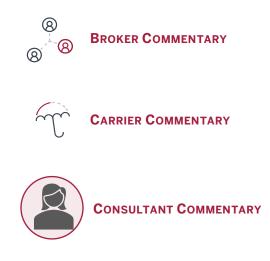
About the Premium Report

The primary source of information for this report comes from the Milliman 2023 Hospital Indemnity (HI) product survey which focuses on the hospital indemnity insurance market only. Survey responses were collected from 35 carriers through August 2023. We have also provided information from the Milliman 2023 State of the Market Survey within this report.

Aggregate and detailed data was collected, and, in some instances, carriers were unable to provide results at a granular level. As a result, sometimes the detailed distribution of data represents a subset of the surveyed companies and does not reconcile to aggregate survey results. Additionally, in some instances, carriers could not provide data or chose not to provide certain information for confidentiality purposes. In these situations, we did not populate certain figures in the report. We have aggregated some of the data in this report at the total market level.

Please note that unless otherwise indicated, survey results are shown using a <u>simple</u> <u>average</u> of responses for each survey question, not weighted by respondent sales or inforce premium. Therefore, unless noted, each carrier response is weighted equally to create the averages presented in this report.

This Premium Report includes commentary from brokers and carriers on important topics collected from several focus groups, in addition to our consultant commentary. The icons shown on the right notate places in the Premium Report where broker, carrier, or consultant commentary is included. We go beyond reporting participant responses, providing valuable market insights based on our research and experience.



Please note that the contents of the Premium Report described in this outline are subject to change.

Our Milliman Consultants



Ashlee Borcan FSA, MAAA Principal and Consulting Actuary

Ashlee's primary area of concentration is in the supplemental health insurance market. She has been responsible for the product development, pricing, valuation, and maintenance of an assortment of individual and group products, such as critical illness, accident, cancer, hospital indemnity, and Medicare Supplement. Ashlee is recognized as a leader of industry research in the cancer arena, having worked closely to develop new cancer industry experience.



Jennifer Howard FSA, MAAA Consulting Actuary

Jennifer's primary area of concentration is in the supplemental health insurance market, specifically critical illness and hospital indemnity products. She has extensive experience with these product lines, and has assisted clients with product development, contract and application development, underwriting design, competitive analysis, market review, rate filings, and in-force maintenance. She also assists carriers with case-specific underwriting of these products.



Taylor McKinnon, JD

Principal and Compliance Consultant

Taylor provides comprehensive compliance support for insurance clients with an emphasis on supplemental insurance product development and design, including group, blanket, and individual accident, hospital indemnity, and critical illness products. He assists clients with a wide variety of accident and health insurance compliance issues, such as taxation of benefits, federal regulations, HSA compliance, and state legislative and regulatory changes.

Outline

EXECUTIVE SUMMARY

MARKET OVERVIEW

• Anonymous Ranking of Carriers by 2022 Inforce and Sales

SALES AND INFORCE

- Target Annualized Premium per Payor
- Annual Sales
 - By Year 2020-2022
- Percent Breakdown of Sales
 - By Market Type by Year 2020-2022
 - By Employer Group Size by Year 2020-2022
 - By Distribution Channel
 - By Distribution Channel by Year 2020-2022
 - By Enrollment Method by Year 2020-2022
 - By Rate Guarantee Period by Year 2020-2022
 - By Offering Type by Year 2020-2022
 - By Funding Method by Year 2020-2022
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 - By Year 2020-2022

PRODUCT PROFILE

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- Experience Rating
 - By Year 2020-2022
 - Pre-Existing Condition Waiver
 - Group Sales by New Business Type by Year 2020-2022
 - Worksite Individual Sales by New Business Type by Year 2020-2022
- Product Development Plans
 - By Year 2020-2022
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 - Durational Lapse Rates by Year 2020-2022
 - Lapse Rates by Market
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 - Non-worksite Individual Lapse Rates by Year 2020-2022

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 - Pressure to Include Factors in Quotes (Offerings)
 - Moderate/High Pressure to Include Factors in Quotes (Offerings) by Year 2021-2022
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- Preferred Partners
 - Preferred Partners for Third-Party Enrollment Platforms/Benefit Administration Systems by Year 2022-2023
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- Pregnancy Coverage
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OBSERVATION BENEFITS

- Observation Benefits
 - By Year 2020-2022
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 - By Year 2020-2022
- HSA Compliant
 - By Year 2020-2022

MARKET TOPICS

- Filing States
 - Five Most Difficult Filing States
- Employee Communication
- Enrollment Product Placement

Participating Carriers

We would like to thank the following carriers for their participation in this survey.

Allstate Benefits	MANHATTANLIFE
ALLSTATE HEALTH SOLUTIONS (NATIONAL	MetLife
HEALTH INSURANCE COMPANY)	MUTUAL OF OMAHA
AMERICAN FIDELITY	NATIONWIDE INSURANCE
American Public Life Insurance Company	PAN-AMERICAN LIFE INSURANCE GROUP
ASSURITY LIFE	PRUDENTIAL
AXIS GROUP BENEFITS	RELIANCE STANDARD
BCS INSURANCE COMPANY	SECURIAN FINANCIAL
CHUBB/COMBINED	STATE FARM
Cigna	SUN LIFE
CIGNA SUPPLEMENTAL BENEFITS	Symetra
(INDIVIDUAL NON-WORKSITE THROUGH	THE CHESAPEAKE LIFE INSURANCE
LOYAL AMERICAN LIFE INSURANCE	COMPANY
COMPANY)	TRUSTMARK
COMPANION LIFE INSURANCE COMPANY	UNITED HEALTHCARE
CVS HEALTH	USABLE LIFE
GOLDEN RULE INSURANCE COMPANY	Voya Financial
GUARDIAN LIFE INSURANCE	WASHINGTON NATIONAL INSURANCE Company
HORACE MANN	
LIFE INSURANCE COMPANY OF ALABAMA	Wellabe
LINCOLN	

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Milliman's research projects provide insight into the state of the supplemental insurance market. Each market report explores both sales and actuarial components of their respective markets, presenting data on sales & inforce, buyer profile, product features, underwriting, pricing & profitability, risks, and administrative systems & technology. We examine this data, where appropriate, via segmentations (e.g., group, worksite individual, and non-worksite individual). Additionally, we synthesize this data to provide a high-level analysis of key market trends coupled with commentary from experienced Milliman consultants.

If you are interested in learning more detailed information about the supplemental product market, please contact us about our flexible engagement options.

Milliman is among the world's largest providers of actuarial and related products and services. The firm has consulting practices in life insurance and financial services, property & casualty insurance, healthcare, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe.

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