



A MILLIMAN SUPPLEMENTAL & SPECIALTY RESEARCH SURVEY

Accident Insurance 2022 Premium Report Outline

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About the Premium Report

The primary source of information for this report comes from the Milliman 2022 Accident Indemnity (AI) and Accident Medical Expense (AME) product survey which focuses on the accident insurance market only. Survey responses from 39 carriers were collected through August 2022. We have also provided information from the Milliman 2022 State of the Market Survey within this report.

Aggregate and detailed data were collected, and, in some instances, carriers were unable to provide results at a granular level. Consequently, sometimes the detailed distribution of data represents a subset of the surveyed companies and does not reconcile 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 simple average 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. Further, most sections in the report provide data for AI and AME products separately.



New to the Premium Report this year is 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 by providing valuable market insights based on our research and experience.



BROKER COMMENTARY



CARRIER COMMENTARY



CONSULTANT COMMENTARY

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

Our Milliman Consultants



Michael Weiland FSA, MAAA
Principal and Consulting Actuary

Michael specializes in supplemental life and health products, including accident, critical illness, hospital indemnity, dental, vision, medigap, and short-term medical insurance. He has extensive experience in all aspects of the management of these products, including pricing and product development, market introduction strategies, contract development, rate filing, reserving, financial reporting, and experience analysis.



Nathaniel Sandrowicz FSA, MAAA
Consulting Actuary

Nate's primary area of concentration is in the supplemental health insurance market, specifically with accident products. He has assisted clients with product development, pricing, valuation, contract and application development, underwriting design, competitive analysis, market review, rate filings, and in-force maintenance. Nate also works with dental, vision, critical illness, hospital indemnity, limited benefit medical, Medicare supplement, short-term medical, and group term life products.



Christin Kuretich
Strategy Consultant

Christin works with carriers to design relevant and meaningful insurance products for today's climate. She helps support the product launch cycle at any stage: consumer research, ideation, and design; throughout the development, creation and launch phases; and even post-launch, focusing on sales effectiveness and messaging based on field and consumer feedback. She has extensive experience working with Brokers, Communications/ Enrollment Firms, Employers, and Employees.

Outline

EXECUTIVE SUMMARY

MARKET OVERVIEW

- Anonymous Ranking of Carriers by 2021 Inforce and Sales

SALES AND INFORCE

- Annualized Premium per Payor*
- Annual Sales*
 - By Year 2019-2021
- Percent Breakdown of Sales*
 - By Market Type by Year 2019-2021
 - By Employer Group Size by Year 2019-2021
 - By Distribution Channel
 - By Distribution Channel by Year 2019-2021
 - By Enrollment Method
- Accident Indemnity (AI) Takeover by Market Type
 - By Year 2019-2021
- Annual Inforce Premium*
 - By Year 2019-2021

PRODUCT PROFILE

- Common Metrics by Market*
 - Age of Policyholders
 - Percent Male
- Product Development Plans*
- Lapse Rates
 - Durational Lapse Rates by Year 2019-2021*
 - Lapse Rates by Market*
 - AI Group Lapse Rates by Year 2019-2021
 - AI Worksite Individual Lapse Rates by Year 2019-2021
 - AI Non-worksite Individual Lapse Rates by Year 2019-2021

OFFERINGS

- Reheaping Commissions
- Custom Business
 - By Market

***Data is provided for AI and AME products separately**

TARGET METRICS

- Profitability
 - Targeted Profitability by Market by Year 2019-2021*
 - Target vs. Actual Profitability by Market*
 - Better than Target Profitability by Year 2019-2021
- Participation
 - Average Participation Rate by Year 2019-2021*
 - Target vs. Actual Participation Rate by Year 2019-2021
 - Target vs. Actual Participation Rate by Distribution Channel*
- Loss Ratio
 - Average Target Loss Ratio by Market by Year 2019-2021
 - Target vs. Actual Loss Ratio by Year 2019-2021
 - Target vs. Actual Loss Ratio by Market*

COMMISSIONS AND TECH FEES

- Commission Breakdown
 - Commission Structure by Year 2019-2021*
 - Commission Structures by Market*
- Commission Rates
 - Usual Commission Rates by Year 2019-2021
 - Usual Commission Rates by Market*
- Sales with Technology Fees by Year 2019-2021
- Technology Fees Structure by Year 2019-2021

ENROLLMENT

- Preferred Partners for Third-Party Enrollment Platforms/Benefit Administration Systems

OPERATIONS

- Claims
 - Average Claim Turnaround Time by Year 2019-2021
 - Expected Number of Paid Claims by Year 2020-2021*
- Claims Payment Features
 - Pressure to Implement Features
 - Group Market Pressure to Implement Features
 - Worksite Individual Market Pressure to Implement Features
 - Claim Payment Feature Challenges
- Wellness Benefits
 - Offering Payment Features for Wellness Benefits*
- Premium Rate Adjustment
 - Premium Rate Adjustment for Payment Features*

***Data is provided for AI and AME products separately**

PERCEIVED RISKS AND COMPETITORS

- Risks
 - By Year 2020-2022
- Top Competitors
 - By Year 2021-2022*

AME BENEFITS

- Highest Maximum Benefit Offered by Year 2019-2021
- Most Common Maximum Benefit by Year 2019-2021
- Most Common Deductible by Year 2019-2021

MARKET TOPICS

- COVID-19 Pandemic
 - Impact on Product Development and Offerings
 - Impact on Loss Ratio
 - Next 12 Months
 - Market Pressures

***Data is provided for AI and AME products separately**

Participating Carriers

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

ALLSTATE BENEFITS

AMERICAN FIDELITY

**AMERICAN PUBLIC LIFE INSURANCE
COMPANY**

ANTHEM

ASSURITY LIFE

ATLANTIC AMERICAN

AXIS GROUP BENEFITS

BCS INSURANCE COMPANY

CHUBB/COMBINED INSURANCE COMPANY

CIGNA

CIGNA SUPPLEMENTAL BENEFITS

COMPANION LIFE INSURANCE COMPANY

DEARBORN GROUP

EQUITABLE

GOLDEN RULE INSURANCE COMPANY

GUARDIAN LIFE INSURANCE

**ILLINOIS MUTUAL LIFE INSURANCE
COMPANY**

LIFE INSURANCE COMPANY OF ALABAMA

LINCOLN

MASSMUTUAL

METLIFE

MUTUAL OF OMAHA

NATIONAL GENERAL INSURANCE COMPANY

**NATIONAL TEACHERS ASSOCIATES LIFE
INSURANCE COMPANY**

PAN-AMERICAN LIFE GROUP

PRUDENTIAL

RELIANCE STANDARD

SECURIAN FINANCIAL

STANDARD INSURANCE COMPANY

SUN LIFE

SYMETRA FINANCIAL CORPORATION

**THE CHESAPEAKE LIFE INSURANCE
COMPANY**

TRUSTMARK

UNITED COMMERCIAL TRAVELERS

UNITED HEALTHCARE

UNUM

USABLE LIFE

VOYA FINANCIAL

**WASHINGTON NATIONAL INSURANCE
COMPANY**



Milliman's research projects provide insight into the state of the supplemental 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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The authors would like to acknowledge the exceptional work of Elizabeth D'Amico, Research Analyst, in the creation of this report.

The data in this report has been summarized for distribution. Some of the data presented in this report has been aggregated at the total market level. In addition, not all data points collected from the surveys may be shown in this summary report. It is possible that different reviewers of the data could produce different conclusions, particularly for certain market segments, than those that may be drawn from this summary report. As such, readers of this report should be cautious when interpreting the data and making decisions regarding specific market segments.

In preparing this report, we relied upon data and other information provided by survey participants in the marketplace. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our report may likewise be inaccurate or incomplete. We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of this report.

The authors of this report are Consultants for Milliman and include members of the American Academy of Actuaries who meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

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