

PREMIUM REPORT



A MILLIMAN SUPPLEMENTAL & SPECIALTY RESEARCH SURVEY

# Accident Insurance 2024 Research Report

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# About the Premium Report

The primary source of information for this report comes from the Milliman 2024 Accident Indemnity (AI) and Accident Medical Expense (AME) product survey which focuses on the accident insurance market only. Survey responses from 35 carriers were collected through August 2024. We have also provided information from the Milliman 2024 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 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 across all respondents.

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.

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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 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 Weilant 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.



**Manish Mandelia**  
**Principal and Managing Director, Milliman Connect**

As a business-savvy technopreneur, Manish understands the top and bottom-line challenges faced by his customers and partners. He designs solutions that allow clients to transition smoothly, ensuring they can integrate new technologies without abandoning their existing investments. Before co-founding TrendzData, now Milliman Connect, Manish founded Harness Solutions, a technology consulting firm with a global client base across North America, Europe, and Asia.

# Outline

## EXECUTIVE SUMMARY

### MARKET OVERVIEW

- Anonymous Ranking of Carriers by 2023 Inforce and Sales

### SALES AND INFORCE

- Annualized Premium per Payor
  - By Market Type by Year 2019-2023
  - By Market\*
- Annual Sales
  - By Year 2021-2023\*
- Percent Breakdown of Sales
  - By Market Type by Year 2021-2023\*
  - By Employer Group Size by Year 2021-2023\*
  - By Distribution Channel\*
  - By Distribution Channel by Year 2021-2023\*
  - By Enrollment Method\*
- Accident Indemnity (AI) Takeover by Market
  - By Year 2021-2023
- Annual Inforce Premium
  - By Year 2021-2023\*

### PRODUCT PROFILE

- Common Metrics by Market
  - Age of Policyholders\*
  - Percent Male\*
- Product Development Plans\*
- Lapse Rates
  - Durational Lapse Rates by Year 2021-2023\*
  - Durational Lapse Rates by Market\*
  - AI Group Lapse Rates by Year 2021-2023
  - AI Worksite Individual Lapse Rates by Year 2021-2023
  - AI Non-worksite Individual Lapse Rates by Year 2021-2023

### OFFERINGS

- Re-heaping Commissions
  - By Year 2022-2024
- Custom Business
  - By Market
  - Group Custom Business by Year 2021-2023

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



## TARGET METRICS

- Profitability
  - Targeted Pre-tax Profitability by Market by Year 2021-2023\*
  - Target vs. Actual Profitability by Market\*
  - Better than Target Profitability by Year 2021-2023
- Participation
  - Average Participation Rate by Year 2020-2022\*
  - Target vs. Actual Participation Rate by Year 2021-2023
  - Target vs. Actual Participation Rate by Distribution Channel\*
- Loss Ratio
  - Average Target Loss Ratio by Market by Year 2021-2023
  - Target vs. Actual Loss Ratio by Year 2020-2023
  - Target vs. Actual Loss Ratio by Market\*
  - All Lower than Targeted Loss Ratio by Year 2020-2023

## COMMISSIONS AND TECH FEES

- Commission Breakdown
  - Commission Structure by Year 2021-2023\*
  - Commission Structures by Market\*
- Commission Rates
  - Usual Commission Rates by Year 2021-2023
  - Usual Level Commission Rates by Market\*
  - Overall Usual Commission Rates by Market
- High Commission Schedule Requests
- Technology Fees
  - Sales with Technology Fees by Year 2021-2023
- Technology Fees Structure
  - By Year 2021-2023
- Implementation Fees
  - Funding Methods

## ENROLLMENT

- Preferred Partners
  - Preferred Partners for Third-Party Enrollment Platforms/Benefit Administration Systems
    - By Year 2023-2024
- Technology and Decision Support Tools (DSTs)
  - Technology Impact on Enrollment
    - By Year 2023-2024
  - Use of DSTs
    - By Year 2023-2024

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

## OPERATIONS

- Claims
  - Average Claim Turnaround Time by Year 2021-2023
  - Expected Number of Paid Claims by Year 2020-2023
- Claim Payment Methods
- Claims Denial Rate and Reasoning
  - Claims Denial Rate by Year 2022-2023
  - Claims Denial Reasons
- Claims Payment Features
  - Pressure to Implement Claim Payment Features 2022
  - Claim Payment Features Sales
    - 2022-2023
  - Claim Payment Feature Challenges
    - By Year 2023-2024
- Premium Rate Adjustment
  - Premium Rate Adjustment for Payment Features
- Wellness Benefits
  - Claims Payment Features Offered for Wellness Benefits\*

## PERCEIVED RISKS AND COMPETITORS

- Risks
  - By Year 2022-2024
- Top Competitors
  - By Year 2023-2024

## AME BENEFITS

- Highest Maximum Benefit Offered by Market by Year 2020-2023
- Most Common Maximum Benefit by Market by Year 2020-2023
- Most Common Deductible by Market by Year 2020-2023

## SAMPLE PLAN DESIGN PREMIUMS

- Sample Plan Design Monthly Premiums
  - Employee Only
  - Employee and Spouse
  - Employee and Child(ren)
  - Employee and Family

## MARKET TOPICS

- Finalist Presentation
- Dedicated Personnel
- Strategies for Engagement and Enrollment

**\*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.

Aetna/ CVS Health

Aflac Group

Allstate Benefits

Allstate Health Solutions (National Health Insurance Company)

American Public Life Insurance Company

Assurity Life

Axis Group Benefits

BCS Insurance Company

Beam Benefits

Chubb/ Combined

Cigna Healthcare

Cigna Supplemental Benefits

CNO Financial

Companion Life Insurance Company

Dearborn Group

Golden Rule Insurance Company

Guardian Life Insurance

Illinois Mutual Life Insurance Company

Life Insurance Company of Alabama

MassMutual

Mutual of Omaha

Nationwide Insurance

New York Life – Group Benefit Solutions

Pan-American Life Insurance Group

Principal Financial Group

Prudential

Standard Insurance Company

Sun Life

Symetra

The Chesapeake Life Insurance Company

Trustmark

United Healthcare

Unum

US Able Life

Voya Financial



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 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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