

PREMIUM REPORT

A MILLIMAN SUPPLEMENTAL & SPECIALTY RESEARCH SURVEY

Hospital Indemnity 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 Hospital Indemnity (HI) product survey which focuses on the hospital indemnity insurance market only. Survey responses were collected from 36 carriers through August 2024. We have also provided information from the Milliman 2024 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 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.

This Premium Report includes commentary from brokers and carriers on important topics collected from focus groups and surveys, 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.



BROKER COMMENTARY



CARRIER COMMENTARY



CONSULTANT COMMENTARY

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
Principal and 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.



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

- Target Annualized Premium per Payor
 - By Market Type
- Annual Sales
 - By Year 2021-2023
- Percent Breakdown of Sales
 - By Market Type by Year 2020-2023
 - By Employer Group Size by Year 2021-2023
 - By Distribution Channel
 - By Distribution Channel by Year 2020-2023
 - By Enrollment Method by Year 2020-2023
 - By Rate Guarantee Period by Year 2021-2023
 - By Offering Type by Year 2020-2023
 - By Funding Method by Year 2020-2023
- Annual Inforce Premium
 - By Year 2021-2023

PRODUCT PROFILE

- Experience Rating
 - By Year 2021-2023
- Pre-Existing Condition Waiver
 - Group Sales by New Business Type by Year 2021-2023
 - Worksite Individual Sales by New Business Type by Year 2021-2023
- Product Development Plans
 - By Year 2022-2024
- Lapse Rates
 - Durational Lapse Rates by Year 2021-2023
 - Lapse Rates by Market Type
 - Group Lapse Rates by Year 2021-2023
 - Worksite Individual Lapse Rates by Year 2021-2023
 - Non-worksite Individual Lapse Rates by Year 2021-2023

OFFERINGS

- Quotes (Offerings)
 - Pressure to Include Factors in Quotes (Offerings)
 - Moderate/High Pressure to Include Factors in Quotes (Offerings) by Year 2021-2023
- Custom Business
 - By Market

- By Employer Group Size
- By Employer Group Size by Year 2022-2023

TARGET METRICS

- Profitability
 - Targeted Profitability by Market by Year 2021- 2023
 - Target vs. Actual Profitability by Market
 - Better than Target Profitability by Year 2021-2023
- Participation
 - Target Participation Rate by Year 2021-2023
 - Target Participation Rate by Distribution Channel by Year 2021-2023
 - 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 2021-2023
 - Target vs. Actual Loss Ratio by Market
 - Lower than Target Loss Ratio by Year 2021-2023
- Target Markets
 - By Employer Group Size by Market Type

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 Commission Rates by Market
- High Commission Schedule Requests
- Sales with Technology Fees
 - By Year 2019-2023
 - By Employer Group Size 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

OPERATIONS

- Claims
 - Expected number of paid claims

- Average Claim Turnaround Time by Year 2020-2023
- Claim Payment Methods
- Claims Payment Features
 - Pressure to Implement Claim Payment Features 2022
 - Percentage of Sales Including Claims Payment Features by Year 2022-2023
 - Percentage of Sales Including Claims Payment Features by Year 2020, 2021, & 2023
 - Percentage of Group Sales Including Claims Payment Features by Year 2020, 2021, & 2023
 - Claim Payment Feature Challenges by Year 2022-2024
- Additional Considerations
 - Premium Rate Adjustment for Payment Features by Year 2021-2024
 - Claim Payment Features for Wellness Benefits

PERCEIVED RISKS AND COMPETITORS

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

PREGNANCY

- Pregnancy Coverage
 - Percent of Sales by Year 2021-2023
- Pregnancy and Well Baby
 - Percent of Sales with Well Baby Care Paid as Additional Confinement Benefit by Year 2021-2023

OBSERVATION BENEFITS

- Observation Benefits
 - By Year 2022-2024
- Time Period Requirements
 - Minimum Time Period Requirements
 - Maximum Time Period Requirements
- HSA Compliant
 - By Year 2022-2024

SAMPLE PLAN DESIGN PREMIUMS

- Employee Only
- Employee and Spouse
- Employee and Child(ren)
- Employee and Family

MARKET TOPICS

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

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 FIDELITY

AMERICAN PUBLIC LIFE INSURANCE COMPANY

ASSURITY LIFE

AXIS GROUP BENEFITS

BCS INSURANCE COMPANY

BEAM BENEFITS

CHUBB/COMBINED

CIGNA HEALTHCARE

CIGNA SUPPLEMENTAL BENEFIT

CNO FINANCIAL

COMPANION LIFE

DEARBORN GROUP

GOLDEN RULE INSURANCE COMPANY

GUARDIAN

LIFE INSURANCE COMPANY OF ALABAMA

MUTUAL OF OMAHA

NATIONWIDE INSURANCE

NEW YORK LIFE - GROUP BENEFIT SOLUTIONS

PAN-AMERICAN LIFE GROUP

PRINCIPAL FINANCIAL GROUP

PRUDENTIAL

STANDARD INSURANCE COMPANY

STATE FARM

SUN LIFE

SYMETRA

THE CHESAPEAKE LIFE INSURANCE COMPANY

TRUSTMARK

UNITED HEALTHCARE

UNUM

USABLE LIFE

VOYA FINANCIAL

WELLABE



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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