



Introduces
Our New Partnership With



**If you would like details on how to get an
Aflac Representative to visit your office,**

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**For a brief overview of program details,
please see the following pages.**

Creative Risk Management



Clients turn to you for new, creative solutions to their ongoing risk management challenges. Leverage voluntary benefits as a strategy to help them control costs and reduce workers' compensation claims and help you differentiate your business.

Control Costs

Workers' comp coverage, although mandatory in most states, adds yet another pressure point for clients continually looking for ways to control rising costs. The more awareness they have around how workers' comp utilization may increase as employees' out-of-pocket major medical plan costs, such as deductibles and co-pays, increase the more open they may be to discussing voluntary and benefits plan redesign as cost control solutions.

Whether your clients fully fund the coverage or offer employee-paid options as part of an overall benefits package, adding the appropriate mix of voluntary to core offerings is a simple way to more effectively manage risk transfer from rate-variable workers' comp coverage to rate-stable voluntary products. For employees, the added voluntary benefits limit their out-of-pocket financial exposure. And for your clients, they can help lower bottom line expenses without sacrificing employee access to financial protection against unexpected accidents or illnesses.

Reduce workers' compensation claims

A robust national employer study commissioned by Aflac in 2014 supported similar 2013 findings, validating historically anecdotal claims that providing access to voluntary accident and disability insurance results in declines in the number of workers' comp claims. The 2014 survey found that:¹

- 40% of companies providing access to voluntary accident insurance reported declines in their workers' comp claims.
- 36% of companies providing access to voluntary disability insurance reported declines in their workers' comp claims.

Offering voluntary accident and disability insurance continues to gain traction as an effective way to help decrease the frequency and expense of workers' comp claims.

LEVERAGE

voluntary benefits as a risk management strategy to help:

- Control client costs
- Reduce workers' compensation claims
- Differentiate your business

40%

of companies providing access to voluntary accident insurance reported declines in their workers' comp claims.

36%

of companies providing access to voluntary disability insurance reported declines in their workers' comp claims.

Differentiate your business

Whether your focus has traditionally been on the medical or property/casualty side of the client conversation, understanding the mutual impacts puts you in a unique position to:

- Bring awareness and build credibility with clients for recommending solutions that consider a “big picture” view of their challenges.
- Facilitate collaboration between the medical and property/casualty sides or seize opportunities when your firm offers full-service solutions.
- Create a new revenue stream by meeting a specific market need.

Creative risk management in action

As your clients incorporate voluntary benefits as a risk management strategy, proper execution through employee access and education is key. The better employees understand how the benefits work, what cash benefits amounts are paid directly to them and how to access the benefits when needed, the better the outcomes will be for both clients and employees.

Work with your Aflac broker sales professional to customize client risk management strategies with voluntary benefits today.



Sources

¹ Aflac's "Impact of Voluntary Accident Insurance and Voluntary Disability Insurance on Workers' Compensation Claims and Worker Absenteeism Study" is based on a nationwide survey conducted in July 2014 by Research Now and Aflac. Survey participants included a representative sample of 945 employers at small, medium and large U.S. companies. Small employers were defined as those with three-99 employees. Medium employers were defined as those with 100-499 employees. Large employers were defined as those with 500 or more employees.

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Unconventional Risk Management

Voluntary, non-occupational accident insurance plans are gaining traction with brokers and clients that are looking for creative, unconventional ways to solve ongoing risk management challenges.

When combined with a strong employee education plan to promote workplace safety and proper benefits usage, voluntary benefits can be an effective strategy to help control costs and reduce losses related to workers' compensation claims and utilization.

Voluntary Benefits as a Risk Management Strategy

Control costs | Reduce losses | Protect employees financially

58%

of employers say their workers' comp premiums increased within the last three years.ⁱ

20%

of employers who know how workers' comp premiums have changed say their e-mod factor has increased.ⁱⁱ

Cost Control and Loss Reduction

More than half of employers (58%) say their workers' comp premiums increased within the last three years.ⁱ And of those who know how workers' comp premiums have changed, 20% say their e-mod factor has increased.ⁱⁱ Voluntary non-occ accident plans create a more comprehensive benefits package and can help employers:

- Reduce frequent, small losses based on decreased workers' comp claims and lead to sustained savings over time.
- More effectively manage risk transfer from rate variable workers' comp coverage to rate stable voluntary products.
- Reduce the frequency and expense of workers' comp claims because employees who may have previously been tempted to file injuries sustained off-the-job have been given access to additional financial support to help them through treatment and recovery.
- Offer employees' coverage that pays them cash benefits directly (unless otherwise assigned) following a covered accident.

65%

of people have less than \$1,000 to pay out-of-pocket expenses associated with an unexpected illness or accident.ⁱⁱⁱ

78%

of people who file bankruptcy for medical reasons had health insurance.^{iv}

Employee Engagement

A strong, year-round employee engagement and education plan is a must for a risk management strategy to be successful, particularly as employees' out-of-pocket responsibility for their health coverage and care grows and core medical plans become more complex. Given that 65% of people have less than \$1,000 to pay out-of-pocket expenses associated with an unexpected serious illness or accident,ⁱⁱⁱ and 78% percent of people who file bankruptcy for medical reasons had health coverage,^{iv} odds are companies have a considerable population of financially fragile employees who need ongoing opportunities to learn about:

- The importance of practicing workplace safety.
- How to use – and not use – workers' comp, along with education on how abuse can have negative trickle-down effects, such as higher insurance premiums, reduced benefits and fewer pay increases or bonuses because employers must find ways to recoup losses from the increased expenses.
- The ways all of their plans work together to keep them as physically and financially whole as possible.

You understand your clients' unique needs and consider the big picture view of their challenges. Let Aflac help you create their custom risk management strategies today.



Sources

ⁱThe 2016 Aflac WorkForces Report is the sixth annual Aflac study examining benefits trends and attitudes. The study, conducted by Lightspeed/GMI on behalf of Aflac, captures responses from 1,500 employers and 5,000 employees across the U.S. To learn more, visit AflacWorkForcesReport.com.

ⁱⁱIbid

ⁱⁱⁱIbid

^{iv}Kaiser Family Foundation and Health Research & Educational Trust. Employer Health Benefits 2014 Annual Survey: High Deductible Health Plans with Savings Options. <http://files.kff.org/attachment/ehbs-2014-section-eight-high-deductible-health-plans-with-savings-option-section-eight-high-deductible-health-plans-with-savings-option>. Accessed August 15, 2016.

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