

Cut health care spending, not coverage

Combine accident and critical illness insurance with a high deductible health plan



Employer strategies

41% of employers expect to increase medical cost-sharing for health insurance in 2011 — including higher deductibles and copays.¹

65% of employers are using or considering voluntary benefits to offset employee out-of-pocket costs.²

Combining voluntary benefits with high deductible health plans (HDHP) is an effective way for employers to provide employees more coverage options while reining in rising health care costs.

These charts show how employers can offer valuable accident and critical illness benefit options along with an HDHP and still save money in the long run.³

PPO family medical plan average annual premium:			
Current premium	Contribution		Total
	Employer	\$10,249	= \$13,719
	Worker	\$3,470	

HDHP family medical plan average annual premium: [*]		
Future premium with voluntary	Contribution	
	Employer	\$8,411
	Worker	\$2,672
Total	\$11,083	

Voluntary coverage average annual premium:				
Accident	Critical illness	Contribution	Total	
n/a	n/a	\$8,411	= \$11,811	
\$349*	\$379*	\$3,400		

*Average cost; Unum internal data, 2010. See reverse for plan design details. Spouse coverage available for both accident and critical illness plans.

Why accident and critical illness?

These plans offer significant benefits — often higher than a rich PPO may offer. Consider these examples:

- The average lump sum payout for a covered critical illness is **\$15,000**.
- Critical illness includes a **wellness benefit** that can encourage health screenings and provide early detection of potentially serious health issues.
- Accident insurance can **pay for itself** with a single trip to the emergency room.

These plans go hand-in-hand with HDHPs because they can help offset the high out-of-pocket expense employees can face with a high deductible plan. And that's important today, when 78% of American workers say they live paycheck to paycheck.⁴ They would likely have to borrow funds or use credit cards to pay their medical debt.

Calculate the savings:

Current annual health care premium: \$ _____

Annual HDHP premium: \$ _____

+ Accident \$ _____

+ Critical illness \$ _____

Total new plan cost: \$ _____

Savings: \$ _____



Reducing employee financial vulnerability

Employee annual out-of-pocket exposure:		
	PPO	HDHP
Deductible**	\$1,488	\$3,626
Out-of-pocket maximum†	\$2,976	\$7,252

*Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2009, Exhibit 7.11.

†Based on Unum review of industry practices, two times the annual deductible.

Here are examples of how critical illness and accident benefits work:

Health event	Critical illness	Accident benefits
	An employee is diagnosed with cancer and requires surgery and chemotherapy.	An employee falls down the stairs, tearing a knee ligament and breaking a toe.
Out-of-pocket costs not covered by medical	\$17,000 for copays, deductible and chemo drugs not covered by insurance.*	\$1,200 in deductibles and copays not covered by insurance.
Benefit payment	\$15,000 critical illness lump sum payment**	\$900 accident payment total† <ul style="list-style-type: none"> \$150 ER treatment \$100 appliance (knee brace) \$100 fractured toe \$400 ligament tear with surgical repair \$150 for six PT visits
Annual premium††	\$379	\$349

For illustrative purposes only.

*A new trend in cancer treatment is replacing infusion chemotherapy with pill forms of the drugs. As a result, many patients pay as much as \$5,000 or more per month out of pocket. Source: The New York Times, "Insurance Lags as Cancer Care Comes in a Pill," By Andrew Pollack, April 14, 2009.

**The average benefit payout for this plan. Actual amount depends on benefit amount chosen by employee.

†Benefit amounts may vary by state.

††Unum internal data, 2010, for illustrative purposes. CI rate: Age 40-49, with Additional Specified Critical Illness Benefit Rider and Health Screening Benefit Rider, non-tobacco. Accident rate: One-parent family base rate, non-occupational plan.

A win-win solution

Accident and critical illness can be a highly effective remedy against the rising cost of health care, and when offered by Unum, include effective education on how these benefits work together with a health care plan.

MORE

This winning combination is a solution everyone can appreciate. To get started, call your Unum representative today.

1 PriceWaterhouseCoopers LLP (PwC) Health Research Institute, "Behind the Numbers," June 2010.

2 AON Consulting, "2009 Benefits and Talent Survey: Focused on Recovery." 2009. Survey of 1,300 employers.

3 The Kaiser Family Foundation and Health Research & Educational Trust, "Employer Health Benefits, 2009 Annual Survey," September, 2009.

4 CareerBuilder.com, "More Than Half of Workers Will Use Their Tax Return to Pay Off Bills, Finds New CareerBuilder Survey: Nearly Eight-in-Ten Workers Report They Live Paycheck to Paycheck," April 7, 2010.

This accident policy provides ACCIDENT insurance only. It does NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. The expected benefit ratio for this policy is 50%. This ratio is the portion of future premiums which the company expects to return as benefits, when averaged over all people with this policy.

IMPORTANT NOTICE — THIS POLICY DOES NOT PROVIDE COVERAGE FOR SICKNESS.

The specified disease policy provides limited benefit health insurance only. It does NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. The expected benefit ratio for this policy is 60%. This ratio is the portion of future premiums which the company expects to return as benefits, when averaged over all people with this policy.

THESE ARE LIMITED POLICIES

The policies, their names or their provisions may vary or be unavailable in some states. The policies have exclusions and limitations which may affect any benefits payable. See the actual policy or your Unum representative for specific provisions and details of availability.

Accident and critical illness insurance are underwritten by: Provident Life and Accident Insurance Company, Chattanooga, TN

In New York, specified disease insurance is offered. Accident and specified disease insurance are underwritten by: First Unum Life Insurance Company, New York, NY

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