



What's Trending in Supplemental Health?

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Getting to Know You



What are Supplemental Benefits?

- Not major medical insurance
- Can fill the gaps
- Can provide cash benefits
- Available through an employer (worksite) or directly from an insurer



SUPPLEMENTAL

What are Supplemental Benefits?



What are Supplemental Benefits?



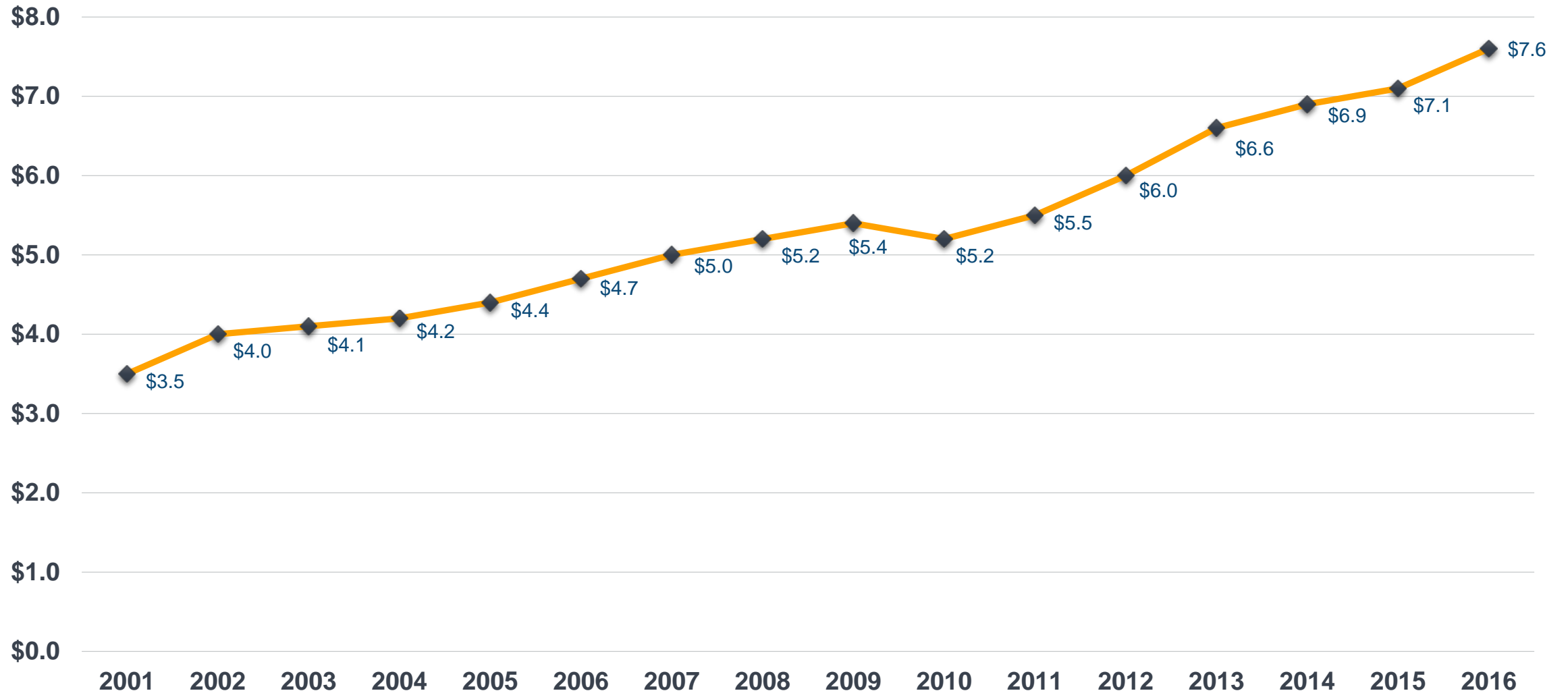
Worksite Characteristics

- Sold at the worksite
- Implied employer endorsement
- Overwhelming majority is employee paid through payroll deduction
- Can be filed on an individual or group basis



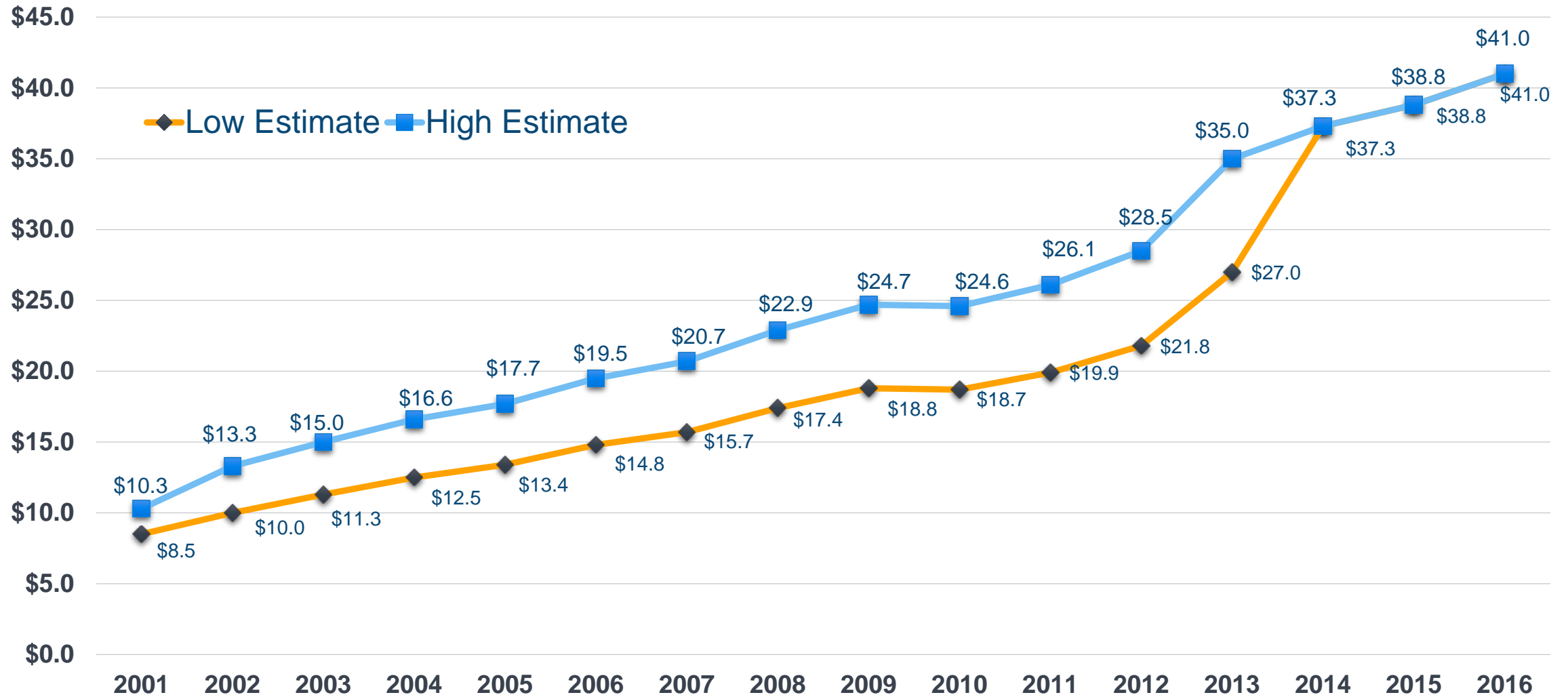
VOLUNTARY BENEFITS

Worksite New Business Annualized Premium (in \$ billions)



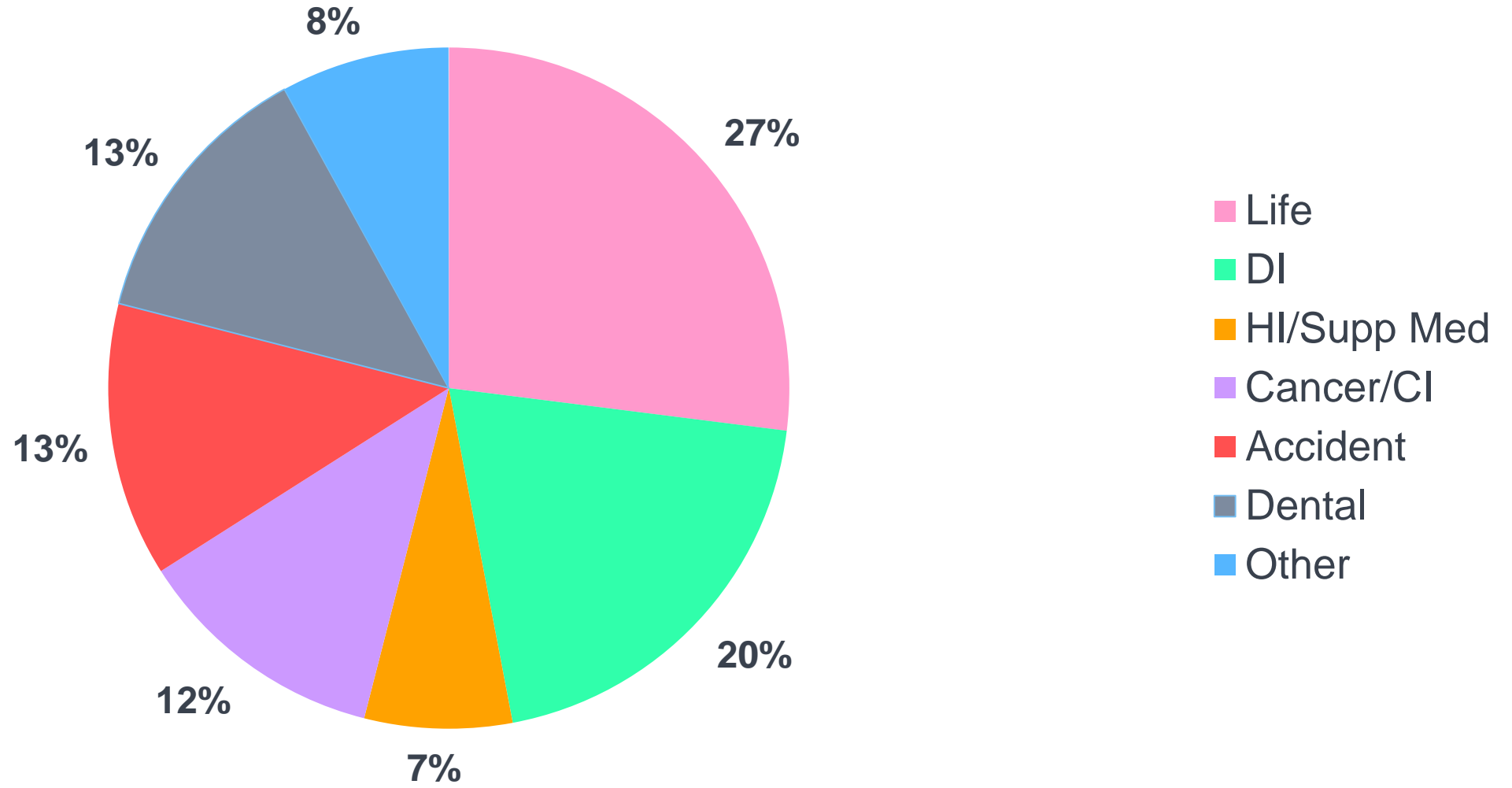
Source: Eastbridge Consulting

Worksite In Force Premium (in \$ billions)



Source: Eastbridge Consulting

Worksite Mix of Sales by Product Line



Source: Eastbridge Consulting

Accident Insurance



Accident Insurance

- Benefits payable for a covered accident
- No illnesses are covered
- May pay indemnity benefits or for actual costs incurred



Accident Insurance

- Guaranteed issue
 - “Actively at Work” matters
- Hazardous avocations may be excluded
 - Parachuting
- Certain industries may be “decline to quote”
 - Professional athletes
- 24-Hour coverage vs. off-the-job only coverage



Critical Illness Insurance



Critical Illness Insurance

- Lump sum benefit upon diagnosis of a covered condition
- Severity matters



Critical Illness Insurance

- Guaranteed issue vs. simplified issue
 - “Actively at Work” matters
- Selection of benefit triggers
 - Simple
 - Objective
 - Competitive
- What’s in the definition?

Get
Active

The text "Get Active" is written in a casual, handwritten style. "Get" is in blue and "Active" is in red. A thick, blue brushstroke underline is positioned below the word "Active".

Hospital Indemnity Insurance



Hospital Indemnity Insurance

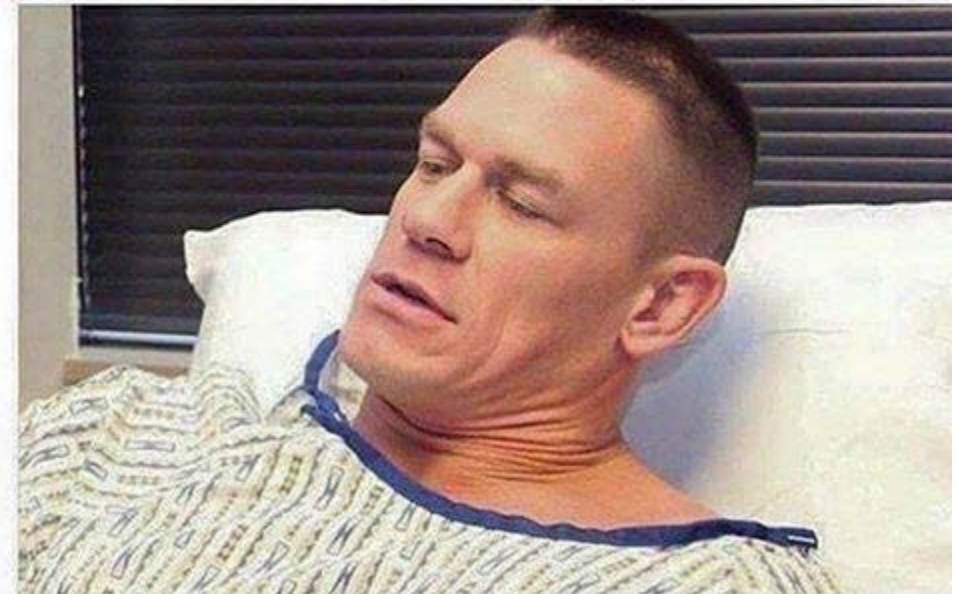
- Provides a benefit per defined period of time (e.g. per day)
- Base benefit requires hospitalization
- Indemnity benefit, not expense reimbursement

John Cena wakes up in a hospital

JC - "Where am I?"

Nurse - "ICU"

JC- "No you can't"



Hospital Indemnity Insurance

- Guaranteed issue vs. simplified issue
 - “Actively at Work” matters
- Maternity Coverage
- Drug and Alcohol Coverage
- Mental/Nervous Coverage





What's happening?

- Reduced underwriting
- Waiver of product features
- Need what you don't have



What's happening at the federal level?

- Executive order on 10/12





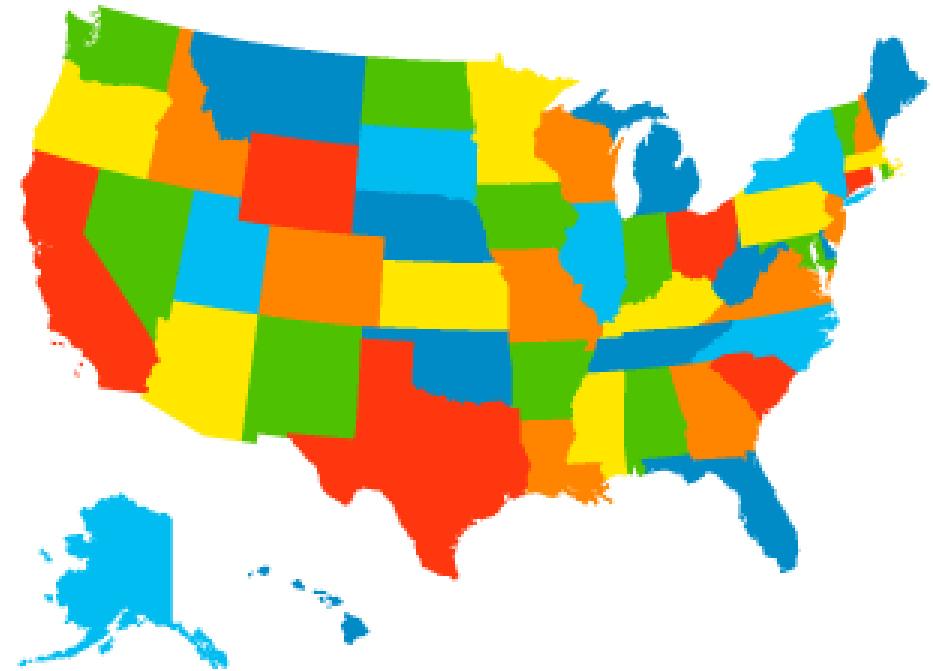
What's happening at the state level?

- Common areas of concern
 - Non-Health Benefits
 - Wellness Benefits, especially on Accident
 - Excessive Benefits
 - Certain Product Features



What happening at the state level?

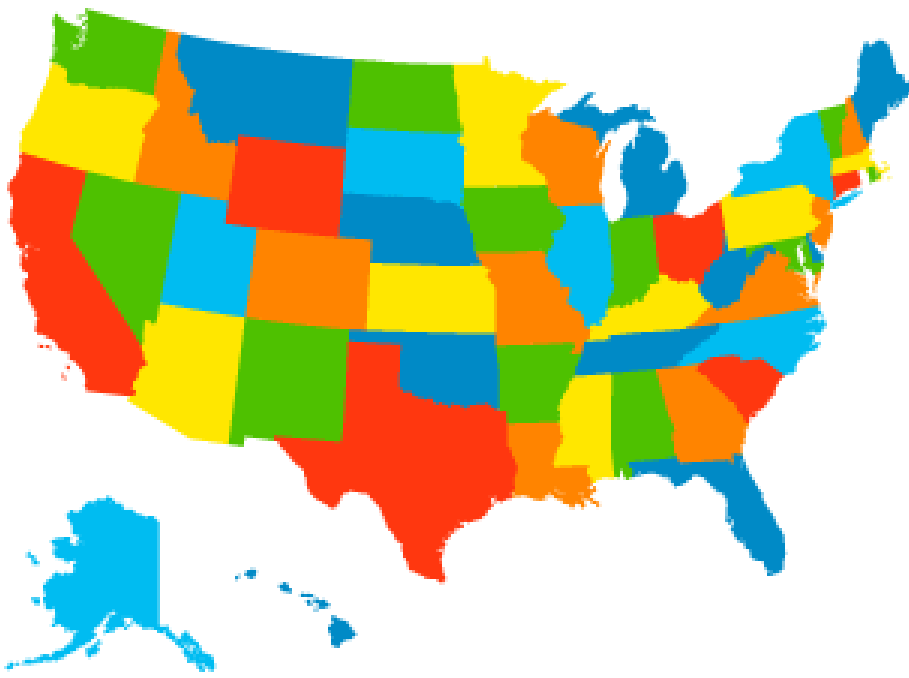
- Additional State Requirements
 - Average annual premium
 - Detailed expenses
 - Retention breakdown
 - Durational loss ratios
 - Distribution assumptions
 - Sample calculation of active life reserves

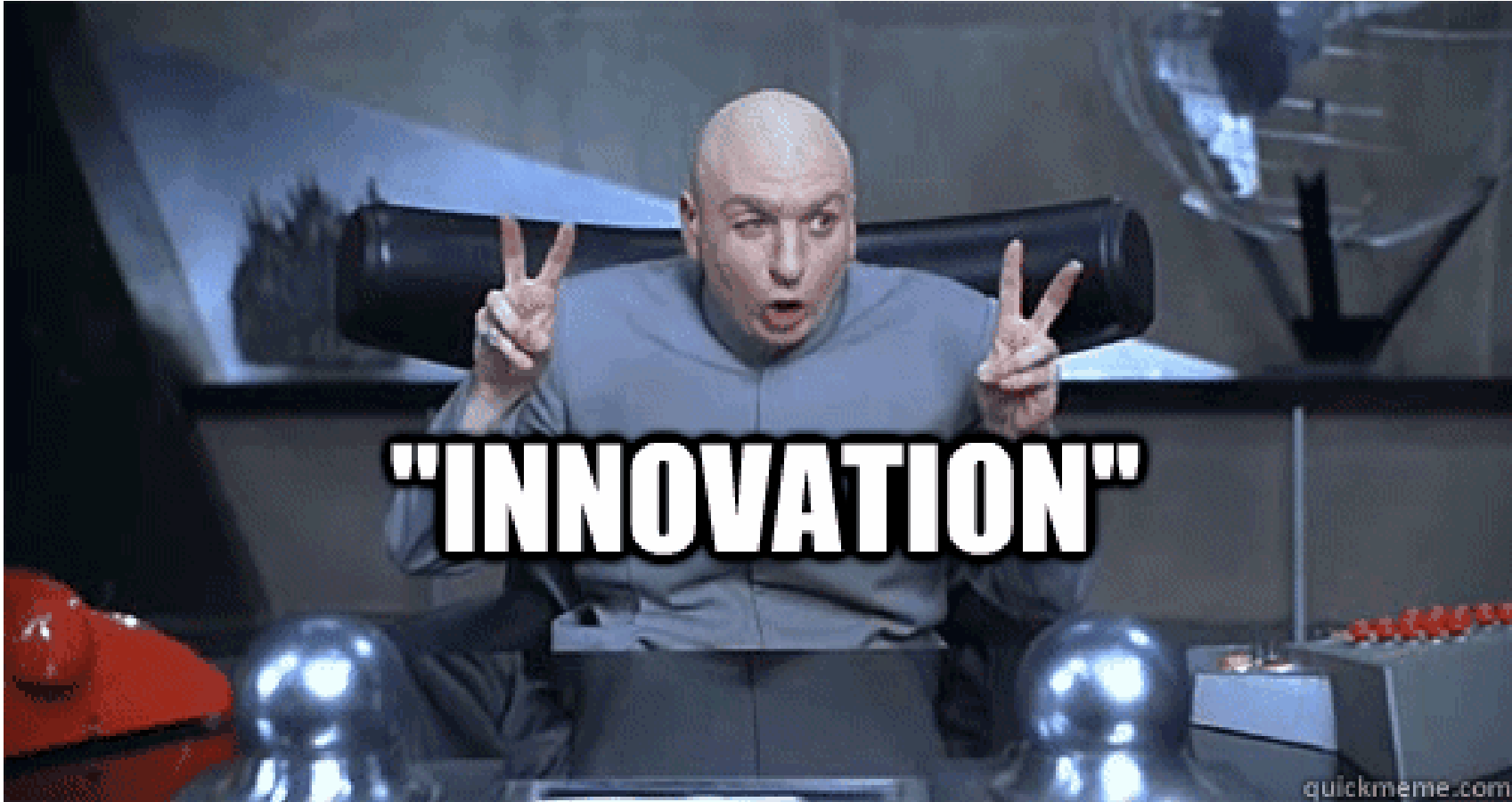




What happening at the state level?

- Missouri
- New Mexico
- Florida
- Colorado
- Georgia
- New York







Product Innovation

- Flexibility
- Increase in employer paid
- Added benefits
- Combo products
- HSA compatibility



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*Exciting
times
ahead!*



Thank you

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