



The Popularity and Appeal of Voluntary Accident Insurance: Understanding Buying Profiles

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Accident insurance has emerged as a highly sought-after voluntary benefit among employees, with 49% of surveyed employees considering it a must-have benefit and 38% indicating would be nice to have, according to MetLife's 21st Annual U.S. Employee Benefit Trends Study [1]. Employers have taken notice of this trend, especially in firms with 1,000 to 2,499 employees, where accident insurance is most frequently offered, as reported by Eastbridge Consulting Group's Large Case Market Report [2]. In this article, we will delve into the reasons behind the popularity of accident insurance and explore different buying profiles among individuals.

Protecting Against the Unforeseen

Accidents can strike at any time, bringing about physical, emotional, and financial hardships for individuals and their families. To mitigate these risks, voluntary accident insurance has become a popular choice, providing an additional layer of financial protection.

Coverage Options and Benefits

Accident insurance plans offer various levels of coverage, including but not limited to emergency room and doctor visits, hospitalization benefits, fractures and dislocations, increased benefits for organized sports, and AD&D (Accidental Death and Dismemberment) benefits. Unique to healthcare client's, accident plans can include increased benefits for what is often called domestic utilization or home host claims. In this case, if care is provided by a client's healthcare facility the employee enjoys a higher benefit, typically 25% more than if they sought care outside of a client's facility.

87%

Percentage of employees that indicate they must have or would be nice to have accident insurance.¹



Demographics and Buying Patterns

Within the book of business of EOI Service Company, accident insurance boasts the highest average participation rate of any voluntary benefit offered, reaching 33%. The appeal of accident insurance extends to different demographic groups, each with distinct motivations and considerations.

Young Adults:

Young adults, often on tight budgets, typically opt for High Deductible Health Plans, leaving them financially exposed to significant out-of-pocket expenses in case of unforeseen accidents. This demographic group, characterized by their high activity levels, finds accident insurance particularly appealing due to its affordability and benefits that cover fractures, dislocations, emergency room visits, and injuries sustained in organized sports.

Married with Children:

Married individuals, especially those with children, recognize the increased responsibilities and obligations towards their families. With dependents relying on their income, married individuals are more likely to consider voluntary accident insurance as a means of safeguarding against potential income loss resulting from accidents. Moreover, shared financial burdens like mortgages, loans, and other obligations make accident insurance an attractive option to protect their assets and ensure their dependents don't bear additional financial strain.

Age:

Age plays a crucial role in the interest and likelihood of purchasing voluntary accident insurance. Younger individuals in their prime working years often have higher personal and professional commitments. They prioritize protecting their income and financial stability, particularly if they are the primary earners in their households. On the other hand, individuals approaching retirement age may view voluntary accident insurance as crucial, given their transition to a fixed income. The potential loss of income due to an accident can significantly impact retirement plans, making accident insurance a vital choice to maintain financial security and independence.



Voluntary accident insurance offers valuable protection for individuals across marital statuses and age groups. Whether married or single, young or nearing retirement, financial security is a universal need. Electing accident insurance provides peace of mind, offering income protection and relieving financial burdens associated with accidents.

While accident insurance is already a popular plan, participation levels can be further increased through appropriate plan designs, competitive price points, and effective communication strategies. Employees need to understand the importance of accident insurance alongside their medical plans, and employers should emphasize the reasonable cost and personal need fulfillment aspects when promoting voluntary benefits [2].

By prioritizing the unique demographics and preferences of employees, companies can ensure their voluntary accident insurance plans meet the diverse needs of their workforce, ultimately fostering a sense of security and well-being.

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[1] MetLife's 21st Annual U.S. Employee Benefit Trends Study

[2] Eastbridge Consulting Group's Large Case Market Report [pg. 8, 21]

