

Aflac Claims Workers' Compensation Claims Drop for Firms Offering Accident, Disability Insurance

A high percentage — 42 percent on average — of all companies providing access to voluntary accident and disability insurance report declines in their workers' compensation claims, according to the results of an online survey released by Aflac, a leading provider of voluntary accidental and disability insurance. About 14 to 15 percent of all employers reported declines of 50 percent or more. The percentage reporting workers' compensation claims reductions is higher for larger companies, according to the report.

The Aflac Workers' Compensation Report, an online survey conducted by Lieberman Research Worldwide on behalf of Aflac, asked 600 employers from small, medium and large U.S. companies if they provided employees with access to accident or disability insurance and, if so, whether they noted a corresponding decline in workers' compensation claims.

When responses were broken down by company size, the survey found that 55 percent of large companies that provide access to accident insurance experienced declines in workers' compensation claims, while 34 percent of small- and medium-sized companies each reported declines.

Small employers are defined as those with 3-99 employees; medium employers as those with 100-499 employees; and large employers as those with 500 or more employees. "For years, insurance agents and brokers have heard anecdotal rumors linking voluntary accident and disability insurance to reduced workers' compensation claims, and we learned the anecdotes are true based on our recent study results," said Tye Elliott, Aflac vice president of Core Broker Sales. "These findings confirm the correlation between accident and disability insurance and reduced workers' compensation claims. Employers can now weigh the potential positive financial effects of offering accident and disability insurance against the costs of workers' compensation claims.

Accident Insurance

In addition to asking employers if they could confirm declines in claims, the survey also inquired about the significance of those declines. According to Aflac, these are the responses of companies that provide access to voluntary *accident* insurance:

- 14 percent of all employers reported declines of 50 percent or more, while 17 percent reported declines of 25 to 49 percent.
- 12 percent of large-sized businesses reported reductions of 50 percent or more, while 29 percent reported declines of 25 to 49 percent.
- 13 percent of medium-sized businesses reported reductions of 50 percent or more, while 14 percent reported declines of 25 to 49 percent.
- 15 percent of small-sized businesses reported reductions of 50 percent or more, while 9 percent reported declines of 25 to 49 percent.

Disability Insurance

The findings were similar for companies that provide access to voluntary disability insurance — nearly half (47 percent) of large employers reported overall decreases in workers' compensation claims. In addition, 43 percent of small companies and 33 percent of medium companies reported declines.

Respondents were also asked if they could gauge the significance of the declines:

- 15 percent of all employers reported declines of 50 percent or more, and 15 percent reported declines of 25 to 49 percent.
- 11 percent of large employers reported declines of 50 percent or more, while 20 percent reported declines of 25 to 49 percent.
- 18 percent of medium employers reported declines of 50 percent or more, while 7 percent reported declines of 25 to 49 percent.
- 18 percent of small employers reported declines of 50 percent or more, while 17 percent reported declines of 25 to 49 percent.

According to Aflac's Elliott, the results "demonstrate that by making voluntary accident and disability insurance available to employees, companies can often decrease the frequency and expense of their workers' compensation claims."