Why Employers Should Provide Hospital Indemnity Insurance

Recovering from a serious illness or accident is difficult enough without employees having to worry about the added financial stress of being in the hospital. Hospital Indemnity insurance offers flexible benefits to complement major medical plans including an HSA compatible version. Employers can make this type of benefit available without affecting the company’s bottom line.

Employees Need It.

This type of coverage pays a set amount—per day—if an insured is confined in a hospital. Even with the best primary insurance plan, out-of-pocket costs from a hospital stay can add up. Hospital Indemnity insurance benefits can help defray expenses that major medical insurance doesn’t cover, like deductibles, co-pays or co-insurance amounts. Benefits can also be used for non-medical expenses such as rent or mortgage, car payment, groceries, or child care. As medical costs escalate and employers continue to increase their employees’ share of these costs, hospital indemnity insurance provides an additional level of financial protection.

36 MILLION

Total admissions in all U.S. registered hospitals were over 36 million in 2011.

4.8 DAYS

Average length of a hospital stay in 2012.

53 PERCENT

Percentage of average charges for a hospitalization have risen in the past 10 years while the average length of stay declined.

72 PERCENT

Percentage of covered workers now facing a deductible with average deductibles doubling from 2007-2013.

According to 2012 NAIC Market Data, total earned hospital indemnity premium has grown by over 39 million since 2011.

THIS IS NOT MAJOR MEDICAL INSURANCE AND IS NOT A SUBSTITUTE FOR MAJOR MEDICAL INSURANCE. IT DOES NOT QUALIFY AS MINIMUM ESSENTIAL HEALTH COVERAGE UNDER THE FEDERAL AFFORDABLE CARE ACT.
According to the Eastbridge Annual Sales Survey, Voluntary Sales Growth for 2010 was 5.2 billion, 5.5 billion in 2011 and 6.03 billion in 2012.

LIMRA's 2012 Market Share Report show sales have increased 5% in 2012, 8% in 2011 and 3% in 2010.

Overall, Hospital Indemnity sales account for about 19% of total voluntary sales.

Total Voluntary Sales

LIMRA's 2012 Market Share Report show sales have increased 5% in 2012, 8% in 2011 and 3% in 2010.

Overall Voluntary Sales Growth

LIMRA's 2012 Market Share Report show sales have increased 5% in 2012, 8% in 2011 and 3% in 2010.

Additional products available through Transamerica Life Insurance Company

Universal Life • Whole Life • Basic and Supplemental Group Term Life • Dental • Vision • Legal • Cancer • Accident • Critical Illness

Short-Term Disability Income • Out-of-Pocket Medical Expense Indemnity • Hospital Indemnity • Identity Theft • Telehealth

For more information

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This is a brief summary of Hospital Select® II, Hospital Indemnity Insurance underwritten by Transamerica Life Insurance Company, Cedar Rapids, Iowa. Policy form series CPIH400. Forms and form numbers may vary, and this coverage may not be available in all jurisdictions. Limitations and exclusions apply. Refer to the policy, certificate and riders for complete details.