

# **MetLife Study Finds Lost Income from Major Accidents and Critical Illness Averaged \$26,900 and \$50,600 Respectively**

NEW YORK, Feb 06, 2014 (BUSINESS WIRE) -- MetLife, a leading provider of employee benefits, today announced the release of new research exploring the growing need and popularity of supplemental health solutions. Findings are highlighted in MetLife's white paper, *Accident and Critical Illness Insurance Are Surprisingly Good for Business!*, which examines the financial risks associated with accidents and critical illnesses and how employers can effectively leverage voluntary insurance solutions to not only provide added financial protection to employees, but to address their own business challenges. The paper can be downloaded at [metlife.com/cwb](http://metlife.com/cwb).

## **The Financial Impact of Accidents and Critical Illnesses**

The white paper is based on two studies: the MetLife Accident and Critical Illness Impact Study and the MetLife Accident and Critical Illness IQ Study, both conducted in late 2013. The Impact Study reveals the significant financial impacts accidents and critical illnesses can have on families. The study finds that out-of-pocket costs associated with an unexpected health issue can be as high as \$4,112 for an accident and \$14,444 for a critical illness. Moreover, lost income from accidents and critical illnesses can be as much as \$26,900 and \$50,600 respectively, putting a significant burden on a household. This is especially concerning since one in four surveyed employees admit they do not know where the money would come from should they face a health issue such as critical illness.

“According to the MetLife Accident and Critical Illness IQ Study employees significantly underestimate the costs associated with an accident or critical illness, especially lost income. This disconnect may leave employees financially vulnerable should they face an unexpected health issue,” says Meredith Ryan-Reid, vice president, Accident & Health/Worksite Benefits for MetLife. “Further, the shift toward increased employee responsibility for

health care costs through consumer-directed and high deductible health care plans is leaving employees more exposed than ever to these financial risks. Even with medical and disability coverage, there are gaps in these coverages that could leave employees unprepared.”

## **Supplemental Health Solutions**

Supplemental health products, such as accident and critical illness insurance, can help fill in the gaps, which may include lost income and out-of-pocket medical and non-medical expenses such as co-pays, transportation to treatment centers, and childcare. Accident and critical illness benefits are paid regardless of what is covered by medical insurance or other coverages and payments are made directly to employees to spend as they choose.

A cost-effective way for employers to offer added protection employees need and want, these products also have the potential to boost benefits satisfaction, loyalty and retention. According to the IQ Study, nearly six out of ten employees reported they would feel positive about their employers if they offered accident and/or critical illness insurance.

Yet, employees may be confused about supplemental health products and may not understand how they work. The IQ Study reveals that employees seriously underestimate the scope, flexibility and ease of use of these products. For example, 85% and 83% of respondents do not know everything covered by accident and critical illness coverage, respectively.

“Employees are concerned about the potential for an accident or illness. Our study found that 60% worried about the financial impact of a critical illness on their families,” notes Ryan-Reid. “Despite this concern, our study found that employees may not even be aware of potential solutions—half of the worried respondents (51%) are unaware of the potential solution provided by critical illness insurance.”

## **Employers Taking Action**

To effectively implement a robust supplemental health benefits strategy, employers must take actions beyond simply adding these products to the enrollment ballot. Employers must be proactive in communicating to employees about these benefits to develop awareness and value; workers

must recognize the advantages of these offerings before they open their wallets. And, of course, the products offered must fit into a broader healthcare strategy. The white paper provides important findings that every employer should know to implement, communicate, and maximize enrollment in voluntary accident and critical illness insurance benefits.

## **Research Methodology**

In August and September of 2013, MetLife sponsored two online surveys, conducted by GfK, to measure the awareness of accident and critical illness insurance and the financial impact that an accident or a critical illness can have on a typical U.S. household. The first survey, the MetLife Accident and Critical Illness IQ Study, featured interviews with 1,000 respondents, ages 25-55, including 441 people who work full-time. The second survey, the MetLife Accident and Critical Illness Impact Study, featured interviews with 2,017 respondents (1,017 critical illness and 1,000 accident), ages 25 or older who were affected by an accident or critical illness between six months and five years prior to the survey. A key requirement to participate in the study was that the individual for whom the survey questions were intended had health insurance at the time of diagnosis.