Lower your operational costs

Companies offering voluntary accident and disability insurance report reductions in workers’ compensation claims and absenteeism

Anecdotal evidence has long suggested that companies offering voluntary accident and disability insurance policies experience lower workers’ compensation claims. A new Aflac survey of 945 benefits decision-makers confirms that making such coverage available to employees is a smart move for protecting your bottom line.

The effect of voluntary accident insurance on workers’ compensation claims

Aflac’s “Impact of Voluntary Accident Insurance and Voluntary Disability Insurance on Workers’ Compensation Claims and Worker Absenteeism Study,” based on a nationwide survey conducted in July 2014 by Research Now and Aflac, revealed that 40 percent of all companies providing access to voluntary accident insurance experienced declines in their workers’ compensation claims. When responses were broken down by company size, the survey found that 50 percent of large companies, 38 percent of medium companies and 36 percent of small companies reported declines; see Figure 1.

In addition to asking employers if they could confirm claims declines, the survey inquired about the significance of those declines. Figure 2 outlines what they had to say:

» 47 percent of all employers reported declines of 50 percent or more, while 37 percent reported declines of 25 to 49 percent.

» 50 percent of large employers reported declines of 50 percent or more, while 38 percent reported declines of 25 to 49 percent.

40% of all companies providing access to voluntary accident insurance experienced declines in their workers’ compensation claims.
45 percent of medium employers reported declines of 50 percent or more, while 30 percent reported declines of 25 to 49 percent.

45 percent of small employers reported declines of 50 percent or more, while 39 percent reported declines of 25 to 49 percent.

The effect of voluntary accident insurance on absenteeism

Thirty-one percent of survey participants indicated they experienced a decline in worker absenteeism once their company began offering voluntary accident insurance. When responses were broken down by company size, 43 percent of large companies, 24 percent of medium companies and 27 percent of small companies reported declines. Figure 2 also shows how participants gauged the significance of the declines:

52 percent of all employers reported declines of 50 percent or more, while 28 percent reported declines of 25 to 49 percent.

48 percent of large employers reported declines of 50 percent or more, while 33 percent reported declines of 25 to 49 percent.

50 percent of medium employers reported declines of 50 percent or more, while 25 percent reported declines of 25 to 49 percent.

57 percent of small employers reported declines of 50 percent or more, while 25 percent reported declines of 25 to 49 percent.

The effect of voluntary disability insurance on workers’ compensation claims

Workers’ compensation results for voluntary disability insurance were similar to those for voluntary accident insurance: 36 percent of all companies reported decreases in workers’ compensation claims. When broken down by company size, 46 percent of large companies, 28 percent of medium companies and 34 percent of small companies reported declines; see Figure 3. Participants gauged the significance of the declines in Figure 4:

39 percent of all employers reported declines of 50 percent or more, while 40 percent reported declines of 25 to 49 percent.

40 percent of large employers reported declines of 50 percent or more, while 44 percent reported declines of 25 to 49 percent.

31 percent of medium employers reported declines of 50 percent or more, while 34 percent reported declines of 25 to 49 percent.

39 percent of small employers reported declines of 50 percent or more, while 29 percent reported declines of 25 to 49 percent.
The effect of voluntary disability insurance on absenteeism

Thirty percent of survey participants indicated they experienced a decline in worker absenteeism once their company began offering voluntary disability insurance. When responses were broken down by company size, 43 percent of large companies, 22 percent of medium companies and 26 percent of small companies reported declines. See Figure 4 for how participants gauged the significance of the declines:

- **47 percent of all employers** reported declines of 50 percent or more, while 29 percent reported declines of 25 to 49 percent.
- **50 percent of large employers** reported declines of 50 percent or more, while 28 percent reported declines of 25 to 49 percent.
- **35 percent of medium employers** reported declines of 50 percent or more, and 35 percent reported declines of 25 to 49 percent.
- **48 percent of small employers** reported declines of 50 percent or more, while 27 percent reported declines of 25 to 49 percent.

Potential savings for employers

What do these findings mean for employers? In short, savings. By making voluntary accident or voluntary disability insurance available to your workers, you could significantly decrease the frequency and expense of workers’ compensation claims and absenteeism.

Figure 1: Percent of companies offering voluntary accident insurance that experienced declines in their workers’ compensation claims, by company size.
**Figure 2:**

Reported levels of decline for companies offering voluntary accident insurance

<table>
<thead>
<tr>
<th>Rate of decline</th>
<th>Overall</th>
<th>Large company</th>
<th>Medium company</th>
<th>Small company</th>
<th>Overall</th>
<th>Large company</th>
<th>Medium company</th>
<th>Small company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very significant</td>
<td>19%</td>
<td>20%</td>
<td>19%</td>
<td>17%</td>
<td>21%</td>
<td>17%</td>
<td>14%</td>
<td>28%</td>
</tr>
<tr>
<td>Significant</td>
<td>28%</td>
<td>30%</td>
<td>26%</td>
<td>28%</td>
<td>31%</td>
<td>31%</td>
<td>36%</td>
<td>29%</td>
</tr>
<tr>
<td>Moderate</td>
<td>37%</td>
<td>38%</td>
<td>30%</td>
<td>39%</td>
<td>28%</td>
<td>33%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Low</td>
<td>13%</td>
<td>11%</td>
<td>19%</td>
<td>11%</td>
<td>18%</td>
<td>17%</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>Not sure</td>
<td>4%</td>
<td>1%</td>
<td>5%</td>
<td>5%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Levels of significance**
- Very significant: 75%+
- Significant: 50-74%
- Moderate: 25-49%
- Low: <25%

**Figure 3:**

Percent of companies offering voluntary disability insurance that experienced declines in their workers’ compensation claims, by company size.

![Bar chart showing the percent of decline in workers’ compensation claims by company size and significance level.](image)

**Figure 4:**

Reported levels of decline for companies offering voluntary accident insurance

<table>
<thead>
<tr>
<th>Rate of decline</th>
<th>Overall</th>
<th>Large company</th>
<th>Medium company</th>
<th>Small company</th>
<th>Overall</th>
<th>Large company</th>
<th>Medium company</th>
<th>Small company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very significant</td>
<td>16%</td>
<td>10%</td>
<td>11%</td>
<td>21%</td>
<td>15%</td>
<td>12%</td>
<td>9%</td>
<td>20%</td>
</tr>
<tr>
<td>Significant</td>
<td>23%</td>
<td>30%</td>
<td>20%</td>
<td>18%</td>
<td>32%</td>
<td>38%</td>
<td>26%</td>
<td>28%</td>
</tr>
<tr>
<td>Moderate</td>
<td>40%</td>
<td>44%</td>
<td>34%</td>
<td>29%</td>
<td>29%</td>
<td>28%</td>
<td>35%</td>
<td>27%</td>
</tr>
<tr>
<td>Low</td>
<td>18%</td>
<td>15%</td>
<td>30%</td>
<td>16%</td>
<td>22%</td>
<td>20%</td>
<td>26%</td>
<td>22%</td>
</tr>
<tr>
<td>Not sure</td>
<td>4%</td>
<td>1%</td>
<td>5%</td>
<td>6%</td>
<td>2%</td>
<td>1%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

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Sources:

1 Aflac’s “Impact of Voluntary Accident Insurance and Voluntary Disability Insurance on Workers’ Compensation Claims and Worker Absenteeism Study” is based on a nationwide survey conducted in July 2014 by Research Now and Aflac. Survey participants included a representative sample of 945 employers at small, medium and large U.S. companies. Small employers were defined as those with three-99 employees. Medium employers were defined as those with 100-499 employees. Large employers were defined as those with 500 or more employees.

2 Significant declines are defined as reductions in workers’ compensation claims of 50 to 74 percent; very significant declines are defined as reductions in workers’ compensation claims of 75 percent or greater. Moderate declines are defined as reductions in claims of 25 to 49 percent.

This article is for informational purposes only and is not intended to be a solicitation.