

Zurich Group Personal Accident

Employee FAQs

GENERAL

Why do I need Group Personal Accident insurance if I already have health insurance?

Even when you have health insurance, you are likely to still have significant out-of-pocket expenses when an accident or injury occurs. It isn't unusual for deductibles and co-payments to total \$10,000, \$15,000 or more, especially with today's high-deductible insurance plans. Then there are the many costs that health insurance does not cover. So without Group Personal Accident insurance, you could have trouble paying your medical and other everyday bills if an accident or injury occurs.

What are typical medical and out-of-pocket costs after an accidental injury?

Just for a hospital stay alone, the average facility price now exceeds \$15,000.* In addition, you and your family may have expenses for ambulance transportation, meals, lodging, childcare, or necessary medical services not covered by health insurance. Some employees tend to underestimate these costs, and may not have the ready funds to cover all the expenses that come with accidental injury.

*Source: Health Care Cost Institute, Health Care Cost and Utilization Report: 2011 (2012)

What can I use the cash benefits for?

The cash benefits can be used for any purpose, to pay any provider. You can pay medical balances and deductibles that are your responsibility. You can pay for services that your health insurance does not cover. You can pay for all kinds of living expenses including transportation, lodging, food, parking, household services and more. The choice is totally up to you.

I've never had a serious accident, so why do I need accident insurance?

Accidents are the leading cause of death for Americans under age 45,*and every 10 minutes more than 700 American suffer an injury severe enough to seek medical help.** The larger your family — especially if you have young children — the more you may benefit from Group Personal Accident insurance.

*National Safety Council Injury Facts 2014 Edition

** Source: Health Care Cost Institute, Health Care Cost and Utilization Report: 2011 (2012)

How much does accident insurance cost?

In general, accident insurance policies are relatively inexpensive. You will likely find the cost to be less than you expect, as you may benefit from the group rates your employer has arranged. For many families, the weekly cost for this extra insurance protection can be less than the cost of a movie ticket.

INCONVENIENCE

Do I need more accident insurance protection than I currently have?

If you are like most Americans, you are probably short on insurance protection. Research shows that over half of America's workforce worries about having enough money to cover unexpected medical expenses. Two of five adults, or 75 million people, report they have problems paying their medical bills or are paying off medical debt.*

*Source: http://www.commonwealthfund.org/~media/files/publications/fund-report/2013/apr/1681_collins_insuring_future_biennial_survey_2012_final.pdf

If I have a high-deductible health plan, how does a Group Personal Accident insurance plan help me in emergencies?

Group Personal Accident insurance can help you pay for the additional costs not covered within your high-deductible. You could find that any initial premium cost savings from having a high deductible are cancelled out by the co-payments that will have to come from your pocket. A recent study shows that 49 percent of employees have less than \$1,000 to pay for unexpected out-of-pocket medical expenses, and over half of employees would have to borrow from their credit cards or retirement plans.*

*Source: http://www.ebri.org/pdf/surveys/rcs/2012/ebri_ib_03-2012_no369_rcs.pdf

Will it take a long time to receive the cash benefits from a Group Personal Accident insurance plan?

Not necessarily. Zurich is an accident specialist, with claims handlers dedicated to helping

individuals who need cash fast to pay for unexpected expenses that come with accidental injury. We know how to handle accident claims quickly and professionally, and aim to provide benefits to the insured or designee as quickly as possible.

LOST INCOME

What out-of-pocket expenses can I face when an accident occurs?

First and foremost, you could face deductibles and co-payments that are part of most conventional health insurance policies, and a very large part of today's high-deductible health plans. Beyond these substantial costs, a serious accident or injury can leave you with bills for living expenses such as transportation, lodging, parking, food and childcare ... bills for necessary medical services and equipment that insurance does not cover ... and bills for mortgage or rent payments, car payments and other expenses that do not stop while your regular income does.

Won't my savings be adequate to pay for expenses in a medical emergency?

We hope so. Unfortunately, employees occasionally find that their savings were not enough. A Harvard University study found illness or medical bills to be the cause of 62 percent of all personal bankruptcies, with the average out-of-pocket expenses for injuries that families could not pay totaling \$25,096.*

*Source: http://www.pnhp.org/new_bankruptcy_study/Bankruptcy-2009.pdf

If I have disability insurance, why would I also want Group Personal Accident insurance?

As good as your disability coverage may be, it may not cover enough of your expenses for enough time. Short-term policies generally stop paying benefits after only 13 or 26 weeks. Long-term policies generally provide just 60 percent of the income you've come to rely on. Your Group Personal Accident insurance benefits may help lessen the financial impact of an accident, often allowing you to take advantage of in-home assistance, child care, transportation and other costly yet beneficial services.

What is the average total cost of a serious accident?

According to the National Safety Council, the average cost of a disabling motor vehicle accident is \$78,900. Add in the lost quality of life, and the cost rises to \$230,000.* So it's no wonder that an estimated 1 in 3 Americans report having difficulty paying their medical bills.** Group Personal Accident insurance can help you or your designee cover a wide range of expenses that would otherwise have to be paid directly out-of-pocket.

*Source: National Safety Council Injury Facts 2014 Edition

**Source: Kaiser Family Foundation analysis of 2012 National Health Interview Survey 9NHIS) data

If an unexpected accident happens, how long is too long to be without an income?

For 68 percent of Americans, the answer is one week — that’s when they would find it “very difficult” or “somewhat difficult” to meet their current financial obligations.* Lost income can put a significant financial strain on virtually any household. Group Personal Accident insurance can help you meet your financial obligations.

*Source: Health Care Cost Institute, Health Care Cost and Utilization Report: 2011 (2012)

After an accident, which of my assets could be at risk if I don’t have a regular income coming in?

Unfortunately, many working Americans have no more than one month’s income — and often less — available as an emergency fund. Should a serious accident cause weeks or months of incapacity, it’s likely you could wind up maxing out your credit cards, depleting your retirement savings, exhausting your college education accounts, even losing the equity in your home. Group Personal Accident insurance can be the solution to helping you pay for some of your unexpected medical expenses that come with accidental injury.

What can I use my cash benefits for?

You have the complete freedom to use your cash benefits any way you wish. This means that in addition to medical expenses, deductibles and co-payments, you can pay for the out-of-pocket costs that could otherwise be crippling financially without a regular income coming in. These might include mortgage or rent, car and utility bills, childcare, household services, transportation, parking, meals, or any other expense that you and your family face as a result of an accident.

LONG TERM & ESTATE

Why is having AD&D protection just as important as having life insurance?

Accidents are the leading cause of death for Americans under age 45 — with the likelihood of a fatal accident happening every four minutes.* This makes it crucial that most Americans have the insurance protection their families need, and part of wise financial planning is to include accidental death protection benefits.

*Source: National Safety Council Injury Facts 2014 Edition

Can I be covered if I don’t qualify for life insurance?

Absolutely — in fact, this coverage for accidental death can supplement whatever insurance

you may already have or stand alone as valuable protection. Eighty six percent of consumers who want life insurance haven't bought it because they think it's too expensive, which is why Group Personal Accident insurance coverage underwritten by Zurich American Insurance Company can make good sense.

Do families really go bankrupt simply because of medical bills?

Yes they do, and not necessarily from carelessness. Seventy eight percent of all bankruptcy filers had some form of health insurance — just not enough.* Simply put, the cost of medical care for a sudden serious injury was far more than they ever thought possible, and far higher than they were able to save.

Source: <http://thinkprogress.org/health/2009/06/04/170805/78-percent-of-bankruptcy-filers-burdened-by-healthcare-expenses-had-health-insurance/>

Why do financial planning experts so often recommend having accident insurance?

It's the easy way for Americans to handle the medical and out-of-pocket costs that mount up after a serious injury. You or your designee can receive cash benefits directly from Zurich American Insurance Company.

What can the death benefits this insurance pays mean for my family?

While no amount of money can make up for the loss of life, the cash benefits payable to your designee can help make a difficult time more manageable. They are payable in addition to any life insurance you may have, and can make a difference to your family's well-being if you do not have or do not qualify for separate life insurance.

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