

Voluntary

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INSURANCE TRENDS

Upward trajectory

LIMRA report shows three years of double-digit growth for life combination products

BY CHRIS MCMAHON

Life combination products grew 56% in 2011, according to LIMRA's "2011 Individual Life Combination Products Annual Review." This was the third consecutive year of double-digit growth.

"With so much uncertainty in the stand-alone long-term care insurance market, consumers under 50 — looking for a way to cover a portion of long-term care costs — are turning to acceleration combination products as an affordable alternative," said Elaine Tumicki, corporate VP and director, LIMRA product research.

Total new premium for life com-

bination products was \$2.2 billion in 2011, representing 13% of total individual life insurance new premium. More than 72,000 combination policies were sold in 2011, comprising 16% of all long-term care insurance policies and contracts sold in 2011.

All life combination product lines grew in 2011, LIMRA said. Universal life combination products grew most aggressively, increasing 67% in premium compared with 2010. Whole life premium grew 16%, and variable combination premium grew 17 percent compared with 2010.

Linked benefit products, which are mostly single premium and all-in-one packaged products, grew 66% in policy count and captured 29% of the market in 2011, compared with 21% market share in 2010.

According to LIMRA, "Acceleration policies, which provide LTC benefits up to the amount of the life death benefit and are more commonly riders that can be attached to many of the products in a carrier's life product portfolio, grew 29%, attaining 71% of market share by policy count."

LIMRA's study also found that consumers under age 59 held more than half of the in-force policies in 2011, and similar to long-term care insurance, more life combination policies are insuring women; almost six-in-10 policies in force now provide coverage to women. ■

Chris McMahon is the senior editor at Insurance Networking News, a SourceMedia publication.

Critical illness tops list of new benefits

Critical illness insurance and cancer insurance are the top two voluntary benefits employers say they may offer in the future, according to a recent survey conducted by EBN, in partnership with Unum.

Voluntary benefits remain a solid fixture on the employee benefit landscape, with 80% of survey respondents offering some form of voluntary benefits.

Accidental death and dismemberment insurance is the most prevalent benefit, offered by 79% of employers surveyed, while concierge services is the least prevalent, with only 3% of employers offering it.

Among those employers who don't offer voluntary benefits, the most common reason cited was a perceived lack of interest on the part of employees, or a simple philosophical preference for offering fully paid benefits.

Cost shifting also emerged as a theme of the survey, with 30% of employers predicting they will increasingly transfer more of the cost of benefits to employees. The majority (61%), however, reported plans to continue to fund employee benefits over the next three to five years at the same level as they do today.

The survey draws upon the responses of 771 HR/benefits decision makers employed at organizations with 10 or more employees.

In a different survey from Eastbridge, meanwhile, carriers and brokers report optimism about growth in new voluntary groups this year, with 88% expecting to acquire more new groups in 2012. ■