

A group of four diverse business professionals (two men and two women) are smiling and standing in a modern office with large windows in the background. They are dressed in professional business attire. The man on the far left is wearing a dark suit and a pink shirt. The woman next to him is wearing a dark pinstriped suit and a white shirt. The man on the far right is wearing a dark suit and a light blue shirt. The woman next to him is wearing a grey suit and a pink shirt.

Are your employees being excluded?

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Help protect employees from critical coverage gaps
with a comprehensive AD&D policy



ZURICH®

One Saturday night, the VP of Human Resources for an electronics manufacturer received an urgent phone call about an employee traveling overseas. The company's chief procurement officer had been severely injured when a building collapsed during an earthquake in China. The employee was in a coma, and faced the prospect of losing his right arm. Beyond a concern for how the life insurance policy would respond to the claim, the VP faced the major and more immediate issue of attending to his critically injured employee. How would he obtain the appropriate emergency medical assistance and save the employee's life? Without access to a global travel assistance organization that could respond quickly and manage this emergency medical case, the VP had a complex and difficult situation to handle.

Today, it's not just the large multinationals that deploy employees across the country or world. The movement of goods and services within the global economy requires that small to large companies send employees of all levels to remote locations, often for weeks at a time. This travel means their physical well-being—and even their lives—can be at risk. The threats go beyond the more expected automobile or airplane crash. Political unrest can lead to acts of war or terrorist attacks. Natural disasters, industrial explosions, and other catastrophic events can occur anywhere in the world. Think of the recent incidents even in the more familiar turf—the terrorist bombs on the London tube, the kidnapping of business executives in Moscow and Mexico City, and the bomb scare on the cargo plane approaching JFK airport in New York.

The threats go beyond the more expected automobile or airplane crash. Political unrest can lead to acts of war or terrorist attacks. Natural disasters, industrial explosions, and other catastrophic events can occur anywhere in the world.

Unfortunately, some companies find out too late that their accidental death & dismemberment (AD&D) coverage, included in their group life policy, has certain exclusions, such as terrorism or acts of war. These exclusions can leave employees with critical coverage gaps for themselves and their families.

How do companies provide the complete coverage employees and their families need? Many are turning to accident specialists, who can provide policies with more benefit enhancements than a traditional group life policy—and for the same premium cost or even less. The benefits of these enhanced policies include:

- **Better employee engagement** – Even with today's economic challenges, finding and keeping good highly skilled employees is a priority. Providing a comprehensive AD&D policy that allows both spouse and children to be covered helps enrich the benefits offering to employees.
- **More financial stability** – Losses from AD&D are unpredictable. Unlike the mortality statistical tables that life insurance companies use, no actuarial tables exist for catastrophic events. Consider the effects of a terrorist attack with chemical or radiological weapons in a densely populated area. A huge number of accidental deaths from such a catastrophic event could have a devastating financial impact for both the life insurance company and its group client. The client's future premiums and the ability of a life company to pay claims could be impacted for years to come.
- **Diversified risk** – Although losses from war, terrorism or natural disasters may be infrequent, they have a high severity in terms of costs and an insurance carrier's asset base. An employer can avoid significant risk accumulations under

their benefits portfolio by shifting AD&D coverage to a separate policy from group life. Unbundling and spreading the high-risk exposures is a good risk management strategy.

Just as it is a good idea for a company to diversify its investment portfolio, employers should consider the same principal for their employee benefits portfolio.

- **Protection for self-funded group life programs** – A catastrophic event could be financially devastating to a company’s self-funded life/AD&D plan. By removing the AD&D risk from the self-funded plan and transferring to a separate policy, an employer can reduce the financial impact of a large loss-of-life event.

Finding the best AD&D solution for your company requires a thorough review of your employee risks and current coverage exclusions. To protect both your employees’ well-being and your bottom line, take the time to secure a comprehensive and customized AD&D plan that includes the enhancements you need. Coverage issues to discuss with your current or potential carrier include:

- Do you provide coverage for terrorist acts including chemical, biological or nuclear?
- Will my employees working abroad be covered for losses due to acts of war?
- Does your plan provide special coverage enhancements, beyond Death and Dismemberment? (These include benefits for paralysis, rehabilitation, coma, vehicle alteration & home modification, natural disaster, critical burn, etc.)
- Do you offer comprehensive travel assistance services on a fully insured basis?
- Do you have the ability to provide coverage for unique exposures that our employees might encounter, now and in the future?

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AD&D comprehensive coverage

Below are just a few of the coverage enhancements typically available through an AD&D policy:

- Carjacking benefit
- Critical burn benefit
- Education / Tuition (for children & spouse)
- Exposure and disappearance
- Felonious assault benefit
- Hijacking or skyjacking benefit
- Home alteration / vehicle modification benefit
- Natural disaster benefit
- Rehabilitation reimbursement
- Safety device benefit (seat belt, airbag, flotation device, helmet)
- Terrorism coverage
- Therapeutic counseling
- Travel assistance
 - Medical evacuation
 - Repatriation
- War risk coverage

Zurich offers customized catastrophic accident insurance products designed to help achieve positive outcomes by providing high-limit benefits and services to help protect employees and an organization's bottom line. Contact Zurich today to learn more about our Accident insurance products.

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