

# The growing need for hospital indemnity insurance



Even with health insurance, a hospital stay can be extremely expensive. In fact, medical bills are the number one cause of personal bankruptcy in the United States.<sup>1</sup> Hospital indemnity insurance can help add a layer of financial protection to your employees' savings. This welcomed workplace benefit helps reimburse for out-of-pocket costs, paid directly to the employee. It's protection that can help workers stay focused on their health, rather than stressing over bills.

## Coverage that's there when it's needed most



There are more than **36 million** overnight hospital stays per year<sup>2</sup>

Average out-of-pocket costs for the **top 5** reasons for hospital stays:<sup>3</sup>



**1** Heart disease (\$24,400)



**2** Surgery complications (\$17,700)



**3** Childbirth (\$16,800)



**4** Pneumonia (\$10,500)



**5** Depressive disorders (\$5,400)

## Unexpected bills from hospital stays can cause financial stress



**3 in 5** workers can't cover a **\$3,000** medical expense<sup>4</sup>

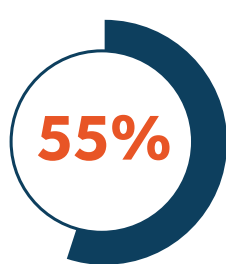


**Medical debt** is now the **single largest contributor** to personal debt in the U.S.<sup>5</sup>

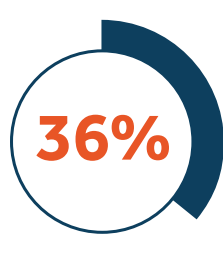


**62%** of bankruptcies are related to medical bills<sup>6</sup>

## Hospital indemnity is in-demand by employees



of employees said they want supplemental health insurance benefits like hospital indemnity<sup>7</sup>



Ownership of hospital indemnity insurance increased from 2019 to 2021<sup>8</sup>



employers agree that supplemental health benefits help them meet employees' need for greater financial security<sup>9</sup>

## Extending coverage with hospital indemnity insurance

Hospital indemnity insurance is one of the fastest growing and most sought-out employee benefits. And there's a good reason. While basic medical insurance could cover some expenses, hospital indemnity insurance can help with the rest, allowing employees to feel more financially protected. Policyholders are reimbursed for much more than just their hospital bill.

Hospital indemnity can help pay for things like:



**Child care**



**Prescription drugs**



**Home health care and more!**

## How hospital indemnity improves employees financial wellness

Let's take a look at an example of hospital indemnity in action<sup>10</sup>

**Meet Carol.**

**Carol goes to the ER and is admitted for emergency surgery.**

**Carol now owes \$3,815 in out-of-pocket expenses after what was covered by medical insurance.**

**Covered (with supplemental health) out-of-pocket expenses**

<b>Impatient surgery benefit: \$2,000</b>	<b>Hospital admission: \$1,000</b>	<b>Diagnostic exam (CT): \$250</b>
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**With supplemental health**

Fortunately, Carol has hospital indemnity insurance, leaving her responsible for only \$565. Now she's able to pay rent and other bills she incurred.

**Without supplemental health**

Without hospital indemnity coverage, Carol is left with \$3,815 in out-of-pocket expenses.

**Learn more about our group coverage options here**  
[guardianlife.com/hospital-indemnity-insurance/group](https://guardianlife.com/hospital-indemnity-insurance/group).

<sup>1</sup> The Balance, 2022 <https://www.thebalance.com/medical-bankruptcy-statistics-4154729#:~:text=Medical%20bills%20are%20reported%20to,affected%20by%20their%20medical%20expenses>

<sup>2</sup> Statista, 2019 <https://www.statista.com/statistics/459744/total-outpatient-visit-numbers-in-the-us/>

<sup>3</sup> 2020, American Hospital Association (AHA) Annual Survey <https://www.aha.org/statistics/fast-facts-us-hospitals>

<sup>4</sup> Top reasons for hospital stays, HCUP <https://www.hcup-us.ahrq.gov/reports/statbriefs/sb277-Top-Reasons-Hospital-Stays-2018.pdf>

<sup>5</sup> Society of Critical Care Medicine. Accessed June 3, 2019 <http://www.sccm.org/Communications/Pages/CriticalCareStats.aspx>

<sup>6</sup> Guardian's 4th Annual Workplace Benefits Study, 2016 <https://www.guardianlife.com/benefits-administration/study/benefits-in-the-workplace>

<sup>7</sup> <https://www.fiercehealthcare.com/payer/nationwide-out-pocket-spending-grew-10-to-1-650-per-person-2021-expect-to-continue-through>

<sup>8</sup> Medical Bankruptcy: Still Common Despite the Affordable Care Act, American Journal of Public Health (AJPH), March 2019. <https://www.pnhp.org/docs/AJPHBankruptcy2019.pdf>

<sup>9</sup> 2020 Benefits Optimization Report, Guardian Life Insurance Company of America, 2020 <https://www.guardianlife.com/business/voluntary-benefits>

<sup>10</sup> Hypothetical example for illustrative purposes only

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