

# Fixed-payment benefits plans annual report

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[www.insurance.wa.gov](http://www.insurance.wa.gov)

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# Executive summary

In 2007, the Washington state Legislature modified the definition of “health plan” in [RCW 48.43.005](#) to exclude fixed-payment insurance plans that offer as a stand-alone benefit. Under [RCW 48.43.650](#), the Office of the Insurance Commissioner (OIC) must collect and report information about fixed-payment insurance on June 1st of each year.

The law exempts these products from complying with many mandated benefit requirements that apply to comprehensive medical insurance. Because this coverage is not comprehensive health insurance and the benefit amounts may be less than the cost of care, insurers must provide a disclosure form to help consumers understand that the coverage will not pay the entire cost of most medical expenses or hospital care. The companies must use a standard disclosure form, which they must file with the OIC for approval.

Fixed-payment insurance policies pay a specific amount to people who receive certain types of medical care or services. Fixed-payment plans make these payments regardless of the actual number of charges. For example, a plan might pay \$200 a day for each day that a consumer is in the hospital. Insurers sell these policies to individuals and to employer groups.

Group fixed-payment policies allow employees to buy coverage through their employers. Under a typical benefit design, there is a set dollar amount for a doctor visit—such as \$25 per visit—or a daily benefit amount for a hospital stay—such as \$200 per day. There is also a low calendar-year maximum. These payments usually cover only a fraction of the actual cost of medical services.

Proponents of the 2007 change testified that employers wanted to provide this limited coverage to their low-wage and seasonal employees to provide employees an option for some coverage. Opponents expressed concern that some employers would replace comprehensive medical coverage with these very limited plans, resulting in enrollees incurring uncovered medical costs or deferring treatment.

Since 2009, the OIC has conducted an annual survey of the insurers that offer fixed-payment insurance policies and has reported its findings to the Legislature. The enclosed report for June 1, 2024, is a result of the survey that the OIC sent to companies in January 2024. The companies reported data for the 2023 calendar year. In this report, we compare the 2023 data with data we collected in 2017 through 2022.

# Annual report

## Survey

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Each January, the OIC requires companies to complete a survey and submit data about their fixed-payment insurance policies. The survey questions are:

- Did you write fixed-payment policies in Washington State in 2023?
- Number of new fixed-payment policies issued in 2023 – group.
- Number of new fixed-payment policies issued in 2023 – individual.
- Number of new fixed-payment policy group enrollees in 2023.
- Number of new individual fixed-payment policy enrollees in 2023.
- Total number of enrollees on all fixed-payment policies as of December 31, 2023.
- Total number of existing fixed-payment policies in force as of December 31, 2023.
- Number of complaints from consumers that the Washington state Office of the Insurance Commissioner forwarded to the company regarding fixed-payment policies in 2023.

## Data summary

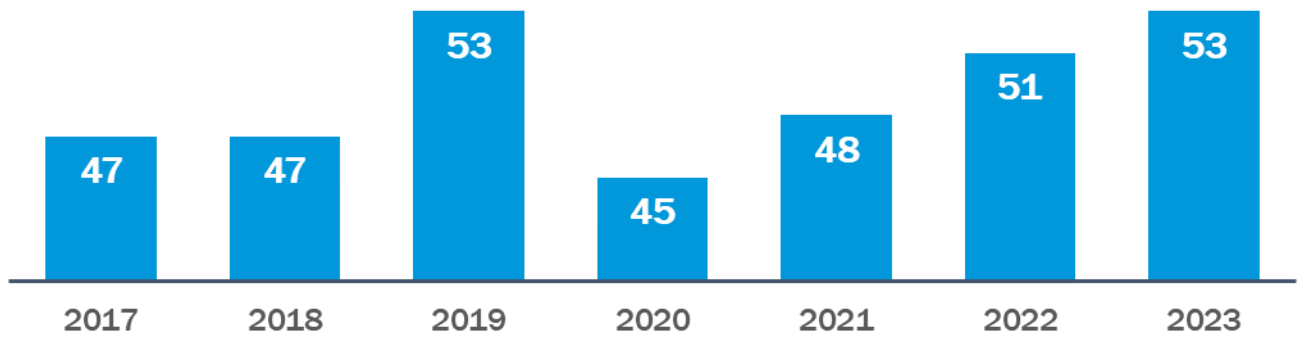
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RCW 48.43.005 defines fixed-payment policies as specified disease or illness-triggered fixed-payment insurance, hospital confinement fixed-payment insurance, or other fixed-payment insurance offered as an independent, non-coordinated benefit. The benefits pay a fixed dollar amount to the insured person regardless of the actual amount of medical costs.

In 2023, we saw a slight increase in the numbers of companies writing fixed-payment policies. Fifty-three companies reported they sold fixed-payment policies to consumers as compared to 51 in 2022.

In 2023, companies recorded 32 complaints as compared to 39 complaints in 2022.

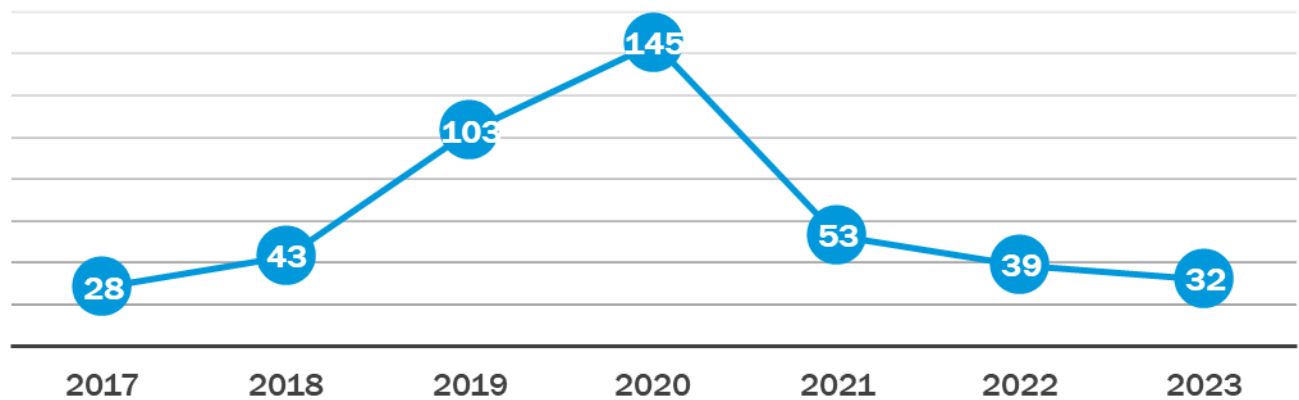
## Number of Companies that Wrote Fixed Payment Policies in WA



**Figure 1:** The total number of companies that wrote fixed-payment policies in WA increased slightly in 2023 from 51 to 53 (3.92% increase).

**Source:** Company responses to the OIC survey for 2023, 2022, 2021, 2020, 2019, 2018 and 2017 benefit years. Data is reported based on benefit year, not survey year.

## Number of Consumer Fixed Payment Plan Complaints with the OIC



**Figure 2:** Companies reported a total of 32 consumer complaints in 2023. Compared to the 2022 count, the 2023 total shows a 18% decrease (change of 7 complaints).

**Source:** Company responses to the OIC survey for 2023, 2022, 2021, 2020, 2019, 2018 and 2017 benefit years. Data is reported based on benefit year, not survey year.

## Group market

The 2024 survey responses indicate that 30 companies issued new group policies with 33,994 new group policies, encompassing 72,973 new group enrollees. This is more total new group policies and group enrollees than compared to 2022 (see Table 1 below).

Year	Number of companies that issued new group policies	Number of new group policies	Number of new group enrollees
2017	22	9,667	35,529
2018	23	10,193	31,585
2019	24	23,916	57,728
2020	20	10,175	22,901
2021	27	47,799	79,328
2022	28	16,477	67,403
2023	30	33,994	72,973

**Table 1:** Total number of companies that issued new group fixed payment policies, the number of new group policies, and the number of new group enrollees per year.

**Source:** Company responses to the OIC survey for 2023, 2022, 2021, 2020, 2019, 2018 and 2017 benefit years. Data is reported based on benefit year, not survey year.

- The top 10 companies in the group market with a total of 59,912 new enrollees (82% of all new group enrollees):
  - Life Insurance Company of North America: 24,615
  - American Heritage Life Insurance Company: 8,622
  - Unum Life Insurance Company of America: 5,381
  - Unum Insurance Company: 5,217
  - Continental American Insurance Company: 3,239
  - Colonial Life & Accident Insurance Company: 2,939
  - AAA Life Insurance Company: 2,833
  - Standard Insurance Company: 2,423
  - Symetra Life Insurance Company: 2,364
  - The Prudential Insurance Company of America: 2,150
  
- Five companies reported fewer than 1,000, but more than 200 new enrollees:
  - United of Omaha Life Insurance Company: 567
  - Guardian Life Insurance Company of America: 559
  - Reliastar Life Insurance Company: 372
  - Hartford Life and Accident Insurance Company: 228
  - Aetna Life Insurance Company: 216
  
- Ten companies reported between 1 and 200 new group enrollees, for a combined total of 750 enrollees (1.03% of all new group enrollees).
- Out of the 53 companies that did write fixed-payment policies in WA in 2023, 30 wrote group fixed-payment policies.

## Individual market

The market for fixed-payment insurance coverage does not meet the definition of a comprehensive health plan or the requirements under the [Affordable Care Act \(ACA\) \(Pub. L. No. 111-148 \(2010\)\)](#) and does not meet the ACA's requirement to purchase minimum essential coverage. The table below details changes in the number of new individual policies and enrollees from 2017 through 2023.

Year	Number of companies that issued new individual policies	Number of new individual policies	Number of new individual enrollees
2017	32	46,198	76,670
2018	31	44,375	71,304
2019	35	47,673	74,387
2020	31	29,505	43,607
2021	30	35,814	54,218
2022	31	29,110	47,552
2023	31	28,937	41,799

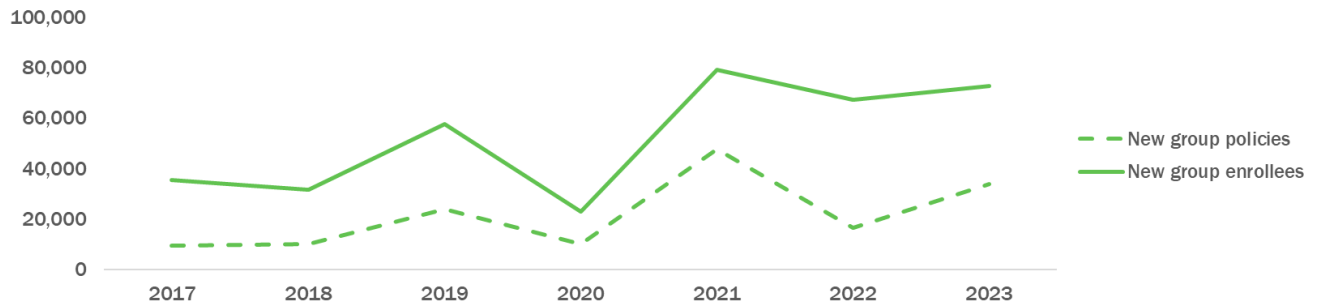
**Table 2:** Total number of companies that issued new individual fixed payment policies, the number of new individual policies, and the number of new individual enrollees per year.

**Source:** Company responses to the OIC survey for 2023, 2022, 2021, 2020, 2019, 2018 and 2017 benefit years. Data is reported based on benefit year, not survey year.

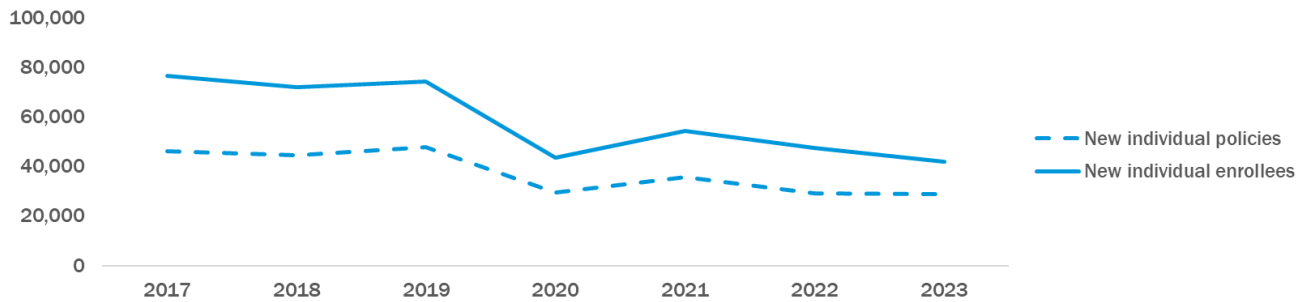
- In 2023, 31 companies sold 28,937 individual fixed-payment policies. In 2022, 31 companies sold a total of 29,110 individual policies (a decrease of 0.6% individual policies sold from 2022 to 2023).
- In 2023, 10 companies issued 89.5% of all new individual policies sold in Washington state, covering 37,475 individual enrollees.
- One company, American Family Life Assurance Company of Columbus dominated the individual market in Washington state, with 11,201 new policies (38.7% of all new individual policies), and 20,371 new individual enrollees (48.7% of all new individual enrollees). This is an increase from 2022, when the company reported 18,322 new individual enrollees.

The number of companies that are actively selling new individual fixed-payment policies remained the same as last year at 31. Sixteen companies reported decreases in new individual enrollees.

### New Group Policies and Enrollees



### New Individual Policies and Enrollees



**Figure 3:** The number of new group policies and enrollees has seen a general increase since 2017. The number of new individual policies and enrollees has seen a slight decrease over the reporting period.

**Source:** Company responses to the OIC survey for 2023, 2022, 2021, 2020, 2019, 2018 and 2017 benefit years. Data is reported based on benefit year, not survey year.

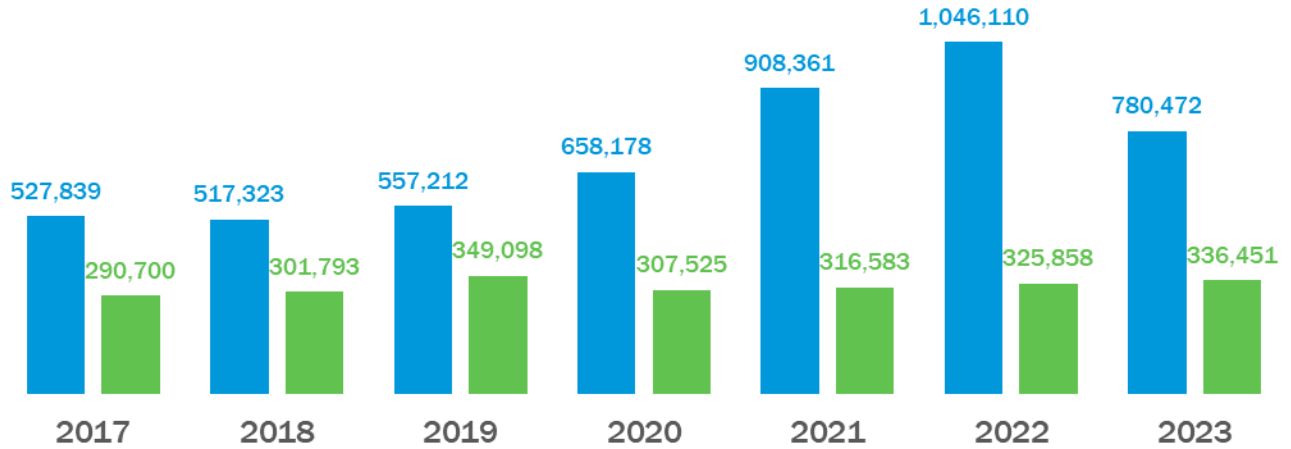
## Total number of policies and enrollees

In addition to new individual and group policy and enrollment data, the OIC receives the total number of new and existing policies and enrollees from each submitter. In 2023, there were 780,472 fixed payment plan enrollees and 336,451 policies.

- The total number of new and existing fixed payment policy enrollees decreased from 1,046,110 in 2022 to 780,472 in 2023. This represents a 25.4% decrease.
- The total number of new and existing fixed payment policies increased from 325,858 in 2022 to 336,451 in 2023. This represents a 3.3% increase.



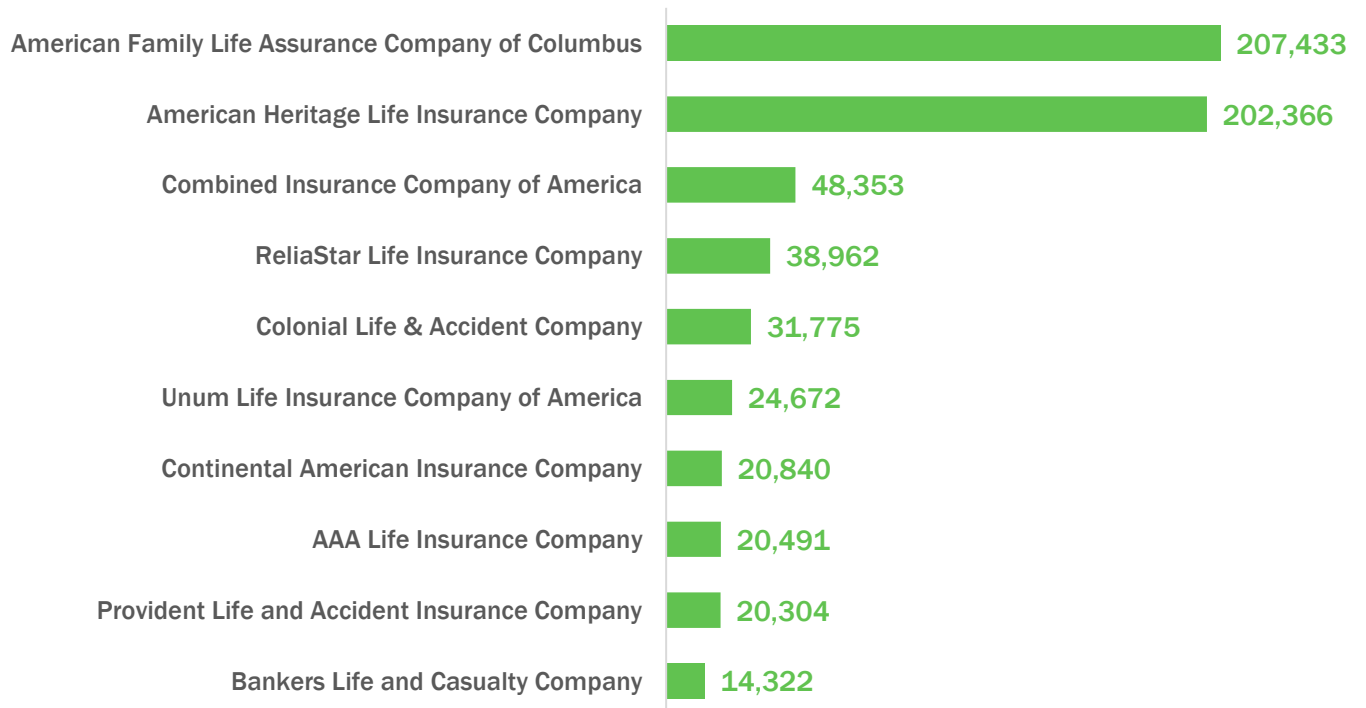
## Total Number of New and Existing Fixed Payment Enrollees and Policies



**Figure 4:** Companies reported a total of 780,472 enrolled members and 336,451 policies. Compared to the 2022 cumulative totals, the 2023 cumulative enrollment totals show a 25.4% decrease (265,638 total enrollees) in overall enrollment, and a 3.3% increase in the number of policies (an increase of 10,593 policies).

**Source:** Company responses to the OIC survey for 2023, 2022, 2021, 2020, 2019, 2018 and 2017 benefit years. Data is reported based on benefit year, not survey year.

## Top 10 Companies by Total Fixed Payment Enrollment in WA, 2023



**Figure 5:** The American Family Life Assurance Company of Columbus reported the highest fixed payment enrollment in WA for 2023, with 207,433 enrollees. The top 10 companies listed in this figure account for 80.6% of all fixed payment policy enrollment in 2022.

**Source:** Company responses to the OIC survey for 2023, 2022, 2021, 2020, 2019, 2018 and 2017 benefit years. Data is reported based on benefit year, not survey year.

## **Fixed-payment policy complaints**

Across all 53 companies that wrote fixed-payment policies in 2023, there were 32 recorded complaints from consumers reported to the Washington state Office of the Insurance Commissioner. This is a reduction from previous years, with 39 complaints in 2022 and 53 complaints in 2021. The complaints reported in 2023 were all from 11 companies, with the top 3 accounting for 59.4% of all complaints.

## **Results comparison**

The 2023 survey data show that the number of new individual enrollees has decreased by 12.1% from last year, while the number of new individual policies has decreased by 0.6% from last year. Although the data indicates that the individual market is still adding policies and enrollees annually, the rate at which new policies are being written is decreasing.

In the group market, there was larger growth in the number of policies and enrollees. The number of group policies increased by 106.3% and the number of enrollees increased by 8.3% from 2022 to 2023.

The fixed payment market continued to grow in 2023. Both the group and individual markets saw growth, but the number new individual enrollees and policies has decreased since 2017. Over the past six years, the total number of policies remained steady between 290,000 and 350,000, while the total number enrollees increased from 517,323 in 2018 to 780,472 in 2023. In the group market, there continues to be a higher number of enrollees per policy when compared to the individual market, where a policy generally has a single individual, their spouses, and their dependents. Despite an increase in enrollees, the number of complaints decreased, with only 32 reported in 2023.

# Appendix A

## Sales of new group policies and group enrollees by company

Company	2020 group policies	2020 group enrollment	2021 group policies	2021 group enrollment	2022 group policies	2022 group enrollment	2023 group policies	2023 group enrollment
Federal Ins Co	2	135	5	128	1	79	0	0
Ace Prop & Cas Ins Co	0	0	0	0	0	0	824	15
Beazley Ins Co Inc	0	0	3	41	1	9	2	145
BCS Insurance Company	5	238	2	10	1	1	0	0
Aetna Life Ins Co	0	0	1	48	0	0	1	216
American Family Life Assur Co of Col	0	0	0	0	64	117	808	1322
American Fidelity Assur Co	18	141	30	125	4	97	8	82
American Heritage Life Ins Co	0	0	967	7969	1427	8622	7419	14885
Principal Life Ins Co	52	734	86	909	98	1455	86	45
Trustmark Ins Co	2	4	16	23	41	53	53	79
Colonial Life & Accident Ins Co	2232	2232	2911	2911	2939	2939	3488	3488
Combined Ins Co of Amer	68	65	35757	35764	885	888	1717	1719
Unum Life Ins Co of Amer	7417	7417	7230	7230	5381	5381	7398	7398
Guardian Life Ins Co of Amer	34	1142	25	438	30	1729	12	559
Life Ins Co of N Amer	7	4263	12	7785	5	24615	0	0
Lincoln Natl Life Ins Co	2	104	2	376	7	559	30	3550
Reliastar Life Ins Co	0	0	0	0	1	38	1	372
Cigna Health and Life Insurance Co	0	0	0	0	0	0	23	4494

Unum Ins Co	0	0	308	308	5217	5217	8318	8318
Provident Life & Cas Ins Co	0	0	0	0	0	0	3488	3488
Prudential Ins Co of Amer	0	0	2	82	6	2150	7	7149
Symetra Life Ins Co	6	577	7	3429	5	2364	12	3796
Standard Ins Co	14	594	10	2735	14	2423	14	2326
United Of Omaha Life Ins Co	20	596	20	892	10	450	16	567
Washington National Insurance Company	0	0	0	0	1	1	3	3
Hartford Life & Accident Ins Co	0	0	0	0	0	0	11	228
Assurity Life Ins Co	121	153	167	224	112	160	101	157
Continental Amer Ins Co	29	1526	31	3967	68	3239	57	2302
AAA Life Insurance Company	0	2052	0	2245	0	2833	0	3346
LifeSecure Ins Co	0	0	1	1	0	0	0	0
Companion Life Ins Co	0	102	0	19	0	0	0	0
United States Branch of the Sun Life Assurance Company of Canada	8	580	20	1275	15	1455	18	2700
Transamerica Life Ins Co	138	246	186	388	123	325	73	174
Securian Life Ins Co	0	0	0	6	0	68	0	22
LifeMap	0	0	0	0	21	136	6	28

## Sales of new individual policies and individual enrollees by company

Company	2020 individual policies	2020 individual enrollment	2021 individual policies	2021 individual enrollment	2022 individual policies	2022 individual enrollment	2023 individual policies	2023 individual enrollment
Federal Ins Co	1	45	3	36	0	0	0	0
Great Northern Ins Co	0	0	0	0	0	2	0	0
State Farm Mut Auto Ins Co	309	355	241	271	253	304	910	1007
Medico Ins Co	593	593	394	395	352	358	503	504
United Transportation Union Ins Assn	4	14	126	166	11	15	62	70
American Family Life Assur Co of Col	12276	22602	10239	18215	10256	18322	11201	20371
American Fidelity Assur Co	130	130	122	221	143	143	107	107
American Gen Life Ins Co	26	26	0	0	0	0	0	0
American Heritage Life Ins Co	0	0	95	44	50	28	40	46
American Income Life Ins Co	521	785	422	584	318	455	472	637
Bankers Fidelity Life Ins Co	0	0	0	0	1	1	5	5
Bankers Life & Cas Co	455	455	8121	8121	432	432	481	467
Trustmark Ins Co	108	182	16	21	142	232	49	86
Chesapeake Life Ins Co	3871	5145	4140	5418	5223	6927	1967	2650
Colonial Life & Accident Ins Co	6955	6955	7364	7364	7248	7248	7557	7557
Combined Ins Co of Amer	387	577	713	894	480	662	477	705
Guarantee Trust Life Ins Co	232	232	425	425	318	318	354	354
Guardian Life Ins Co of Amer	6	7	6	9	7	13	0	0
Illinois Mut Life Ins Co	2	2	4	4	3	3	0	0
Liberty National Life Insurance Company	1	1	0	0	0	0	0	0
Loyal Amer Life Ins Co	132	186	199	241	129	151	114	132
Minnesota Life Ins Co	3	3	9	9	7	7	4	4
Philadelphia American Life Insurance Company	0	0	0	0	0	0	531	597
Provident Life & Accident Ins Co	921	1979	612	8618	429	7617	49	714
Continental Life Insurance Company of Brentwood TN	83	83	255	255	313	313	497	497

Sentinel Security Life Insurance Company	2	2	0	0	0	0	0	0
Washington National Insurance Company	204	205	188	191	432	434	124	129
The Western and Southern Life Insurance Company	0	0	0	0	0	0	2	0
Mutual Of Omaha Ins Co	680	774	681	745	661	730	482	542
Assurity Life Ins Co	9	17	8	11	16	23	8	10
LifeSecure Ins Co	486	585	213	263	226	318	195	259
Family Heritage Life Ins Co of Amer	576	1085	610	1003	603	1042	1439	2468
National Health Insurance Company	48	62	40	46	15	20	49	61
Transamerica Life Ins Co	89	125	58	84	55	7	53	74
Globe Life & Accident Ins Co	394	394	407	407	252	252	171	171
Tier One Ins Co	0	0	80	119	446	741	839	1282
United Amer Ins Co	1	1	23	38	37	67	35	58
Securian Life Ins Co	0	0	0	0	252	369	160	235

## Cumulative total of existing policies and enrollees by company

Company name	Did you write fixed-payment policies in WA in 2023?	2023 total enrollment	2023 total existing policies
AAA Life Insurance Company	Y	20491	1
ACE Property and Casualty Insurance Company	Y	824	1152
Aetna Life Insurance Company	Y	330	2
American Family Life Assurance Company of Columbus	Y	207433	101399
American Fidelity Assurance Company	Y	7084	3025
American Heritage Life Insurance Company	Y	202366	50358
American Income Life Insurance Company	Y	8508	8274
Assurity Life Insurance Company	Y	379	252
BCS Insurance Company	Y	716	31
Bankers Fidelity Life Insurance Company	Y	259	259
Bankers Life and Casualty Company	Y	14322	13762
Beazley Insurance Company, Inc.	Y	142	4
Cigna Health and Life Insurance Company (CHLIC)	Y	4494	23
Colonial Life & Accident Company	Y	31775	31663
Combined Insurance Company of America	Y	48353	44602
Continental American Insurance Company	Y	20840	109
Continental Life Insurance Company of Brentwood, Tennessee	Y	803	803
Family Heritage Life Insurance Company of America	Y	12489	5928
Globe Life and Accident Insurance Company	Y	3802	3802
Guarantee Trust Life Insurance Company	Y	1749	1749
Guardian Life Insurance Company of America	Y	5623	135
Hartford Life and Accident Insurance Company	Y	2218	59
Illinois Mutual Life Insurance Company	Y	27	25
LifeMap	Y	870	50
LifeSecure Insurance Company	Y	486	349
Loyal American Life Insurance Company	Y	113	82
Medico Insurance Company	Y	2244	2240
Minnesota Life Insurance Company	Y	16	16
Mutual of Omaha Insurance Company	Y	3224	2833
National Health Insurance Company	Y	702	503
Philadelphia American Life Insurance Company	Y	334	287
Principal Life Insurance Company	Y	7320	396
Provident Life and Accident Insurance Company	Y	20304	7049
Provident Life and Casualty Insurance Company	Y	3488	0
ReliaStar Life Insurance Company	Y	38962	85

Securian Life Insurance Company	Y	928	388
Standard Insurance Company	Y	6447	74
State Farm Mutual Automobile Insurance Company	Y	7185	6178
Symetra Life Insurance Company	Y	11603	30
The Chesapeake Life Insurance Company	Y	8468	6402
The Lincoln National Life Insurance Company	Y	5210	42
The Prudential Insurance Company of America	Y	8016	13
The Western and Southern Life Insurance Company	Y	27	32
Tier One Insurance Company	Y	1510	957
Transamerica Life Insurance Company	Y	2611	1187
Trustmark Insurance Company	Y	573	373
United American Insurance Company	Y	463	267
United State Branch of the Sun Life Assurance Company of Canada	Y	6940	58
United Transportation Union Insurance Association	Y	777	323
United of Omaha Life Insurance Company	Y	3258	73
Unum Insurance Company	Y	8318	8318
Unum Life Insurance Company of America	Y	24672	24672
Washington National Insurance Company	Y	4372	3941