

# **2025 NASBI SUPPLEMENTAL BENEFITS FORUM**



**ACCIDENT • CRITICAL ILLNESS  
HOSPITAL INDEMNITY • LIFE INSURANCE  
SHORT-TERM DISABILITY**

**[WWW.NASBI.ORG](http://WWW.NASBI.ORG)**

# Saddling Up For Change: Regulatory Outlook & Insights Under the New Administration



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**NASBI**

National Association for  
Supplemental Benefit Insurance



## Cat Herding

Ain't a feelin' like it in the world.





# Lingering Effects of the Tri-Agency Rule

- Filing Issues
  - Notice Requirement (despite federal court ruling)
  - Per Service Prohibition on Group
  - Group Marketing Material Filings Open Cans of Worms
- Wellness Benefits
- Federal Advice and Turnover



# Other State Actions and Issues

- Loss Ratios
- Extraterritorial Requirements
- Limits on numbers of Specified Diseases
- Agent/Broker Oversight



# Federal Actions and Consequences

- Non-enforcement
  - MHPEA
  - STLDI Rule
- OBBBA Budget Cuts and Impact on State Budgets
  - Premium Taxes Are Prime Targets
- Deregulation



# Deregulation and Regulatory Relief

- “The 10 for 1 Rule”
- Where are the Opportunities?
  - Clean Up Subregulatory Guidance from the ACA
  - Expand Useful Safe Harbors
  - Leverage Existing Private Sector Solutions
  - Eliminate Anachronistic Barriers to Innovation
  - Support State Regulators in Timely Consumer Protection Updates and Speed-to-Market
- Encourage Federal/State Cooperation to Protect Consumers
- Get Help From Congress



# The VESBPA

- Stresses that **States Regulate Insurance** Standards, Disclosures, and Marketing Practices
- Uses a “Rule of Construction” to Solidify Definitions
- Harmonization of Group and Individual
- Definition of “health event”
  - Allows “per service” and “per time period”
  - Allows preventive and wellness benefits
- Confirms current tax treatment





## How to Lasso a Cat

- Supplemental Benefits Help With Cost Sharing and Medical Debt
- Financial Protection, Not Major Medical
- Extremely High Satisfaction
- Important to Critical Workforces
- Fast-Growing Popularity with Employers
- Premium From Industry Drives the Economy





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## Lassos and Saddle Soap



As too many Americans know, unexpected medical costs due to a serious illness or medical issue can take a severe toll on their finances even when they have major medical coverage. Supplemental benefits are one way that life insurers provide financial security when life takes an unexpected turn. While no one can predict what the future will hold, life insurers make sure everyone can prepare for it.

### WHAT ARE SUPPLEMENTAL BENEFITS PRODUCTS?

Supplemental benefits are insurance policies that provide financial protection against expenses associated with accidents or illnesses not covered by major medical insurance. The benefits are usually paid directly to the policyholder and can be used for any purpose, usually to pay for the unexpected household and out-of-pocket expenses.

Supplemental benefits are not a form of major medical coverage. They cannot pay benefits on an expense-incurred basis or vary benefits based on other insurance coverage that the person might have. These are among the features that differentiate supplemental products from major medical coverage.

### TYPES OF SUPPLEMENTAL BENEFITS PRODUCTS:

-  **Accident-only:** Provides financial protection in the event of an accident that results in injuries requiring hospitalization or treatment. Depending on the product, benefits are paid as a lump-sum or a fixed amount. These benefits supplement major medical coverage to help pay for unexpected out-of-pocket costs, such as high deductibles for an emergency room visit or ongoing hospital care.
-  **Critical Illness:** Benefits are paid in a lump sum when one is diagnosed with a major illness (e.g., cancer, stroke, MS, ALS, etc.).
-  **Specified Disease:** Supplements an existing medical insurance plan to help cover costs if an individual is diagnosed with a specified medical condition. For example, individuals can buy out a policy if they have a family history of breast cancer or heart disease to help pay for costs in the unfortunate event of diagnosis.
-  **Hospital Indemnity or Other Fixed Indemnity:** Supplements existing primary medical coverage by providing a policyholder in the event of hospital admission or need for outpatient or provider office-visit care.

...now, unexpected medical costs due to...  
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## QUESTIONS?

