

## Benefit Fact Sheet

### What is it?

Employer paid Business Travel Accident (BTA) insurance that provides [Accidental Death and Dismemberment \(AD&D\)](#) coverage while employees are traveling on company business. Plan designs can include protection for "business only" or "business and pleasure," expanding coverage to include both occupational and non-occupational losses.

### Why offer it?

- Financial security for employees and their families while traveling for business.
- Insures against job-related risks while performing a required business activity. The maximum worker's compensation death benefit in California is \$160,000. Many employers deem this benefit to be inadequate.
- Demonstrates employer concern for employees.
- BTA coverage can be purchased for relatively little premium.
- Employers that have extensive exposure to risk (e.g., bank tellers, retail employees, etc.) can purchase optional BTA riders that cover specific risks such as felonious assault or bomb scares.

### What types of employers offer it?

All types of employers offer BTA coverage. Most commonly offered by companies where employees travel frequently or there is an unusual risk exposure.

### What size employers offer it?

Employers of all sizes offer BTA coverage. Typically, coverage is offered to groups of 100 or more employees.

### What are the critical underwriting or participation requirements?

- Employer location and industry.
- Travel exposure (travel to war-risk areas or in non-commercial aircraft are common exclusions).
- Plan design: benefit can be based on salary or issued at a flat dollar amount

### What's new in this area?

- Enhanced products may be available to cover other travel-related risks (e.g., loss of luggage or travel documents, medical insurance and evacuation services, and worldwide travel assistance).

### How much does it cost?

- Premium cost is usually quoted as an annual flat rate, and is dependent on the volume of travel the company participates in and the plan design.
- BTA carriers will require employers to submit a travel audit for the year and an additional payment may be necessary based on the risk.
- Premium discounts are available for pre-paid contracts.
- Rate guarantees will commonly be issued for two or three years to avoid cost increases.

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### Informational link(s)

- [Business Travel Accident Plans](#) (CIGNA)

### Pros and cons

#### Pros

- BTA policies provide an additional benefit above and beyond other life insurance or AD&D coverage.
- Relatively easy to implement and administer.
- Benefit enhancement at minimal cost.

#### Cons

- Administration requires periodic travel audits and/or estimates of travel days.

### Notes

- Aggregate limits may apply for multiple claims resulting from one accident.
- BTA benefits are paid based on the severity of the accident, illness or injury. Full benefits for loss of life. Partial or full benefits for loss of limb, sight, or hearing, depending on the benefit schedule.
- Additional risks such as felonious assault, 24 hour coverage, and war risk or terrorism may be covered via policy riders.

This Fact Sheet is designed to provide a general overview of the benefit program, service, or regulatory act it describes. The information included in this document is not a substitute for legal or professional opinion relative to a plan sponsor's particular fact pattern. Your ArlenGroup consultant can answer more specific questions relative to its application for your organization. A menu of additional topics is available online at: [www.arlengroup.com/facts](http://www.arlengroup.com/facts).