

FIXED INDEMNITY PLANS

Bringing Americans Financial Peace of Mind

Every American deserves access to affordable, comprehensive, high-quality coverage and care. But the costs associated with getting sick or recovering from an injury continue to escalate year after year Fixed indemnity health insurance provides Americans with additional financial protection by helping cover out-of-pocket costs for specified services and other expenses, during a time of serious illness, or following an injury.

What is fixed indemnity health insurance?

Fixed indemnity health insurance is not major medical insurance. Rather, it is a type of supplemental health insurance that substantially differs from major medical plans. Fixed indemnity plans pay a pre-determined, fixed amount directly to a patient based on a triggering medical event, such as a visit to the doctor or hospital stay. All supplemental products sold by AHIP members have been rigorously vetted and approved by the Departments of Insurance in the states where they are sold.

Because it is not a major medical insurance plan, fixed indemnity health insurance does not cover the 10 essential health benefits mandated by the ACA and is not subject to other ACA requirements, such as coverage of pre-existing conditions.

What do Americans think about their fixed indemnity coverage?

A 2022 [survey](#) found that 92% of people enrolled in a fixed indemnity plan are satisfied with their coverage. Furthermore, 90% of respondents said their supplemental plan helps pay for needed critical medical expenses and eases concerns about preserving financial security.



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How would the 2023 proposed rule impact the availability of fixed indemnity coverage?

On July 12, 2023, the Departments of Health and Human Services, Labor, and Treasury [proposed](#) to limit the availability and value of fixed indemnity coverage by restricting flexibility in benefit designs and requiring all benefits from fixed indemnity plans provided by or through an employer to be included in gross income and subject to income and payroll taxes.

These proposals would undermine the value and availability of fixed indemnity insurance, hurting the hardworking Americans who rely on fixed indemnity coverage to help with medical expenses and provide financial peace-of-mind.

Americans deserve the personal choice, control, and financial security that fixed indemnity health insurance offers. It's time to work together to protect fixed indemnity plans for the Americans who count on them.

ABOUT AHIP

AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.AHIP.org to learn how working together, we are Guiding Greater Health.