

Critical Illness Policies

Medical technology has advanced to a stage where people are surviving critical illnesses longer. However, due to a critical illness, an individual's personal finances can be drastically impacted.

Critical illness policies can help protect an individual's financial health in the face of a life-altering illness. Although medical insurance pays for hospital and other related expenses, many individuals' financial quality of life suffers.

Critical illness policies provide living benefits for critical illness survivors by paying a lump sum upon the diagnosis of a qualifying critical illness. This lump sum can be used to pay for private nursing costs, make upgrades to their homes, pay off a mortgage, pay for a child's education, or any other purpose.

Consider John and Mary's situation. John and Mary have three school aged children. John works full time as a teacher and Mary full time as a doctor. Because John's schedule was same as the children's he was able to care for them after school.

John was in a car accident that left his lower body paralyzed. While he was able to return to work, caring for the children after school was difficult. John and Mary were also faced with the fact that their old house was not handicapped accessible.

John and Mary were able to use the lump sum payment from their critical illness policy to hire afternoon help to care for the children and to assist with the purchase of a handicapped accessible house (instead of renovating their old house) to facilitate John's wheelchair.

Why is there a market for this type of insurance now? Consider these facts from the National Center for Health Statistics:

- Approximately, 1.5 million Americans suffer a heart attack each year. Of these, 1.1 million will survive at least three years.
- Over 40% of the population will develop breast, prostate, or some other form of cancer at some point in their lives.

- The probability of surviving a critical illness before age 65 is almost twice as great as dying.

To put it another way, according to the American Cancer Society and the American Heart Association, 4,000 people in the US suffer a heart attack every day, 3,000 more are diagnosed with life-threatening cancer and an additional 1,000 suffer a stroke. Yet, because of advances in medical science in recent years, along with improved lifestyles and increased health awareness, the chance of surviving a critical illness such as these are much greater than before.

Covered conditions usually include:

- Heart attack
- Stroke
- Life-threatening Cancer
- Coronary Artery Bypass Surgery
- Coronary Angioplasty
- Major Organ Transplant
- Alzheimer's
- Multiple Sclerosis
- Renal Failure
- Paralysis
- Blindness
- Deafness

First introduced in the United States as a rider to universal life insurance policies, there are now a number of difference critical illness products in the marketplace. To learn more about critical illness policies available in your area, contact a professional health insurance agent or advisor.