

Insurance for Critical Times

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Consider for a moment the following statistics:

Every 21 seconds, someone in the U.S. is diagnosed with cancer.¹

Every 25 seconds, someone in the U.S. will have a coronary event, and about every minute someone will die from one.²

Every 40 seconds, someone in the U.S. suffers a stroke.²

All of us know someone who has been touched by a critical illness, whether a family member, friend, neighbor or business associate. It's not just the "big 3"—heart attack, cancer or stroke—but also Alzheimer's disease, renal failure, major organ transplant or loss of limbs. Due to advances in medical science, we are surviving these illnesses much more often. Many of these diseases were untreatable and considered terminal illnesses 40 years ago.

With survival comes an economic reality: **"the cost of survival."** Recovery from a heart attack, stroke or cancer can create financial hardship that many times can lead to financial ruin. In addition, the stress and strain of worrying about mortgage payments, uncovered medical expenses and putting food on the table inhibits recovery and may even lead to death.

This phenomenon led Dr. Marius Barnard, a famous heart surgeon from South Africa and the creator of Critical Illness insurance (CI), to say, "As a medical doctor, I can repair a man physically, but only an insurance policy can repair a patient's finances." This was his motivation to go to the insurance industry in his home country and help introduce the first CI policy, which was issued in 1983. In his words, **"A Critical Illness policy is needed not because a patient is going to die, but because he is going to live."**

Since that first policy, the concept has spread around the world and has been available in the U.S. since the mid-1990s. So how does it work? The genius is in its simplicity: Upon first diagnosis of a covered condition, a lump-sum benefit payment is sent to the policy owner. At diagnosis, the claimant can receive a check for \$25,000, \$50,000 or \$100,000, even up to as much as \$500,000, depending on the face amount of the benefit applied for. There are no waiting periods, no elimination periods, and no conditions placed on the use of the money. The policy's benefit can be used for mortgage payments, deductibles on hospital plans, travel for treatment or just to get away and relax. It is all about **reducing or eliminating financial stress during the recovery period.** The biggest benefit of owning a CI policy is "peace of mind"—a covered individual knows he or she won't be financially devastated if struck with a covered critical condition.

The benefits from a CI policy are paid in addition to any other insurance payments a critically ill person may receive, whether from a disability income policy, a worker's compensation claim or a health insurance plan. No receipts need to be presented, only a doctor's statement verifying first diagnosis of a covered disease or procedure. Lives can unravel quickly when a serious illness strikes. Benefits from a CI policy help provide financial assurance that affected individuals need to physically recover.

Without a CI policy, there is also another reality that a cancer patient or heart attack victim faces: A reality I have personally witnessed and you may have seen as well. Can you remember a time when a friend or co-worker was forced to return to work before he or she had a chance to fully recover, or regain the strength to work full time? CI insurance was developed **so people who survive a critical condition can afford to recover with dignity.**

From an agent's point of view, everyone is a candidate for CI coverage, but it matters how the problem is approached. For distributors new to CI insurance, a learning curve exists. However, once the product is understood, the agent is in a better position to educate their prospects and clients on its benefits.

The opportunities for selling CI insurance are growing daily. For example, I suggest agents use CI to help their clients fill some gaps in coverage due to increasing deductibles on major medical policies, mortgage protection needs and necessary supplements to disability income coverage. However, the fundamental need behind the purchase of every CI policy is still about helping with the costs of recovery and survival. Take the next step: Learn more then start discussing CI insurance with your clients, prospects, friends and neighbors.

In your discussions, share the good news—generally your client's chances of surviving a critical illness today are better than ever. Thanks to the advances in medical diagnostics and aggressive treatments, conditions like cancer, heart attacks, serious burns, strokes and Alzheimer's disease are often manageable and survivable.

However, few of us are prepared for the **financial realities of recovery**. Typical major medical insurance doesn't come close to covering all the expenses. Remember that a CI policy can help offset a client's lost income, including that of his or her spouse who needs to take time off to provide care. CI insurance also can provide funds to a seriously ill client who needs to pay the mortgage and other living expenses. Ask your prospective clients: What would happen if you couldn't return to your present job and salary because you were diagnosed with a critical illness?

As an agent, you have a very compelling story to tell. The solution to this important need Dr. Marius Barnard uncovered four decades ago is now in your hands...Critical Illness insurance. Come to know it, understand it and offer it to your clients. They'll thank you for it. Wouldn't it be nice if you could put a \$100,000 check in the "get well" card you would send to your client? Now you can! Consider their CI insurance purchase your "gift."

In closing, based on the statistics written earlier, consider this: In the seven or so minutes it took you to read this, 20 people in the U.S. were diagnosed with cancer; 17 people had a coronary event; seven died; and 11 had strokes. Is there a need for Critical Illness insurance? You bet there is!

¹ Cancer Facts and Figures, American Cancer Society, 2010

² Heart Disease and Stroke Statistics – 2010 Update, American Heart Association H612-1012. For agent use only. Not for use with consumers.