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Critical Illness INSURANCE

I know a lot of people who have purchased critical illness insurance. Can you provide me with some insight into how it works and what it might cost?

HISTORY OF CRITICAL ILLNESS INSURANCE

A world renowned heart surgeon in South Africa, Dr. Marius Barnard, noticed that although many of his patients were able to *physically* recover from critical illnesses, their bank accounts never returned to normal! Financial stress often worked against full recovery and, in most cases, left patients struggling to pay bills as they tried to rebuild their lives. Working with an insurance company, Dr. Barnard helped to create the world's first critical illness policy.

STATISTICS

The statistics for you contracting a critical illness or condition are staggering. Here are just a few:

MEN

- One in 2.4 men will develop cancer
- One in two men will develop heart disease
- One in 2.7 women will develop cancer
- One in three women will develop heart disease
- One in nine women will develop breast cancer

HOW IT WORKS

When most people have to take time off work to recover from an illness or condition, they are forced to drain their retirement savings, rely on family members, or take out a bank loan (which may be difficult if you are unable to work). A critical illness insurance policy can pay you a lump sum benefit and help speed your recovery by alleviating your financial worries.

For example, a \$100,000 critical illness insurance policy will pay you a lump sum of \$100,000—tax free—should you be diagnosed with a covered condition. You are entitled to collect the entire benefit even if you make a full recovery. That is the point of the insurance!

WHAT THE MONEY CAN BE USED FOR

There is absolutely no restriction on what you use the money for. My clients that were fortunate enough to have a policy used the money to:

- Jump the waiting list in Canada and pay for specialized treatment in the U.S.
- Replace lost income
- Pay down a mortgage or other debts
- Help a business stay afloat during recovery
- Take a vacation

The key is that your financial stress will be eliminated so you can concentrate on a full and healthy recovery.

COVERED CONDITIONS

The most common claims made on critical illness insurance policies shouldn't be surprising: cancer, heart attacks and strokes. Most policies cover these illnesses, as well as the following:

- Alzheimer's Disease
- Aortic surgery
- Benign brain tumour
- Blindness
- Coma
- Deafness
- Heart valve replacement
- Kidney failure
- Loss of limbs
- Loss of speech
- Major organ transplant
- Motor neuron disease

COST

Premiums are based on your age, sex, smoking status, overall health and the amount of coverage purchased.

HOW DOES THIS DIFFER FROM DISABILITY INSURANCE?

Many people have disability insurance, either through their employer or through their own policy. Disability insurance will pay you a *monthly* benefit while you are unable to work. Once you are deemed able to return to work by the insurance company, the benefit stops. Critical illness insurance, on the other hand, will pay you a large lump sum benefit, regardless of whether you are considered able to work or not.

RECEIVE YOUR MONEY BACK

Many policies provide the option of receiving 100 per cent of your paid premiums back if you cancel the policy down the road and no claims have been made—which is an outstanding option!

I have seen firsthand the enormous financial relief this insurance provides people, enabling them to concentrate solely on making a full recovery, and I highly recommend that everyone take a look at this type of insurance protection.

As always, please feel free to email me at jswanson@bmf.ca for a quote and answers to any questions you may have.