

Critical Illness Insurance Summary

Critical illness insurance is a simple insurance product that gives you a lump sum of money if you are diagnosed with one of a list of serious medical conditions – most commonly cancer, heart attack, or stroke.

It is an extremely important product to purchase, especially if you are young and/or have dependents. With advances in medicine, the chances of living are much higher than dying, especially if you are relatively young and healthy.

Life insurance won't help you pay for all the extra bills that can come from living with a serious illness.

One of the best things is that there are no rules about how you spend the money.

Different policy types include:

- Permanent coverage
- Term coverage
- Child policies
- Pay for a limited time (often 20 years) or pay for your lifetime
- Fully underwritten (cheaper for healthy people)
- Guaranteed policies (for less healthy people)

There are certain times when your policy won't pay out. These are some common ones:

- Early stage and most non-malignant cancers (May have a small payout.)
- Minor and unlisted conditions
- Diabetes isn't covered except Type 1 in a specific company's child policy.
- If you die within 30 days of diagnosis
- If you get diagnosed with cancer within the first 90 days of taking the policy

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The costs are very reasonable, especially if you are young. And some companies even offer the option to get your payments back if you don't use the policy or die before it pays out.

An example family with 2 adults and 2 kids, could get \$50,000 each of permanent coverage for about \$300 per month for 20 years.

This works out to about \$70,000 for \$200,000 of coverage.

When you are choosing between different companies there are various options that may be available to you. These include:

- Second payout for a different category of problem.
- Number of illnesses that are covered.
- Cancer reoccurrence coverage.
- Partial payments for early stage cancers.
- Automatic increases to coverage.
- Premiums guaranteed to not increase.
- Amount of underwriting required/ease of application process.
- Cancer within 90 days cancels the policy.
- Lifetime coverage or only to a specific age.

Critical illness insurance is an important pillar in a comprehensive insurance plan. The other policies you should consider are life insurance, and disability insurance.

- Obviously, life insurance only pays out if you die.
- Disability insurance will pay if something is preventing you from working.
- Critical illness insurance pays out for specific conditions, but is unrelated to your income or employment status.

If you want to talk more about your particular situation, please book an appointment. I'm licensed in Alberta only right now, so you must be a resident to purchase from me. However, we can do everything over the phone/Skype if this is more convenient for you.

Want even more information? Check out my whole list of FAQs.