

# BENEFITS 101: WHAT IS CRITICAL ILLNESS INSURANCE?

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Want to attract and keep top talent? Your benefits package is crucial! Think beyond just health and retirement.

Fringe benefits like Critical Illness Insurance offer real, meaningful support, especially for employees and their families.

Critical illness insurance is known by many names: heart attack insurance, catastrophic illness insurance and sick insurance are just a few. No matter what it's called, it's designed to guard against the financial costs of a serious disease or condition.

As the average life expectancy in the United States continues to increase, insurance brokers are finding ways to make sure Americans can afford the privilege of getting older. Critical illness insurance was [developed in 1996](#), as people realized that surviving a heart attack or stroke could leave a patient with a mountain of medical bills.

Before you learn what critical illness insurance is, you should understand what it is not: medical insurance. This coverage is not meant to stand alone; it's meant to be supplementary to other forms of coverage.

Critical illness insurance is simple – it provides a lump sum payment when you have a verified diagnosis of a covered illness. Critical illness insurance is offered as a voluntary benefit by some employers to supplement your regular medical coverage. You can use the critical illness benefit to pay for treatment, recovery or transportation costs associated with your illness, but unlike your existing health insurance, you're not limited to medical costs. You can also use the money from a critical illness insurance policy to pay for a babysitter while you recover, utility bills, or however you see fit.

## Common Critical Illnesses Covered

1. Cancer
2. Heart Attack
3. Stroke
4. Kidney Failure
5. Major Organ Transplant

## Additional Illness and Conditions

Many policies also cover additional illnesses and conditions, such as Alzheimer's Disease, Multiple Sclerosis, and severe burns.

## Key Facts to Understand About Critical Illness Insurance:

- Critical illness insurance takes care of expenses that health insurance doesn't normally cover and helps you meet your out-of-pocket costs
- Critical illness insurance only pays for certain conditions – you still need to rely on traditional health coverage for other illnesses
- You'll receive just one large payment upon diagnosis, which may need to last for several years
- No networks, deductibles or co-payment
- Critical illness insurance does not cover pre-existing conditions
- Premiums become more expensive the older you are
- No restrictions on how you can use the funds, allowing you to choose what's best for you



While it may not cover every disease, a critical illness insurance policy safeguards against many common and financially disruptive conditions. This coverage shields you from the impact of serious illnesses and unforeseen medical procedures by providing financial support for various needs—making up for lost wages, funding additional time off work, covering medical expenses, and even supporting travel for treatment. This support allows you to focus on the most important during this challenging time - getting better.

