



Recovering from a Health Crisis

How Critical Illness Insurance can help protect your assets and income

The chances of surviving a critical illness have improved over the past few decades.

According to the Heart and Stroke Foundation¹ and the National Cancer Institute of Canada²:

Three major causes of death – heart attack, stroke and cancer if detected early – and treated immediately...

now have a much higher rate of survival



More than
80%
of **heart attack**
patients admitted to
hospital survive.

85%
of **stroke**
victims survive
the initial event.

75% of men &
77% of women
who develop
cancer survive.

However, while surviving a critical illness is extremely good news, it can also be costly. For example, patients may be unable to return to work for an extended period of time. Some of the other **challenges** they may face:



Liquidating assets to pay for expensive medical treatment and drugs not covered by provincial health insurance



Retraining for another type of job



Travelling to specialized facilities for treatment



Hiring help for housework and childcare



Making modifications to their homes to accommodate disabilities, as well as nursing services at home

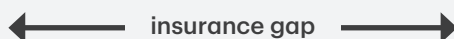
How critical illness insurance differs from disability and life insurance



Life Insurance

Typically the insurance benefit is only paid out upon death.

Critical Illness Insurance



Critical illness typically pays out a tax-free lump sum payment within 30 days of a diagnosis of a critical illness that is covered (and you survive the waiting period).

Disability Insurance

Disability insurance, pays out a monthly benefit, which is typically a portion of the policyholder's income, after the specified waiting period (e.g., 90 days).

Critical illness insurance can ease the burden of families facing the emotional turmoil of a frightening diagnosis. The lump sum benefit can be used to cover regular monthly expenses as well as additional costs involved with recovery.

Many critical illness insurance policies **pay a lump sum tax-free benefit if you survive 30 days after being diagnosed.**

Basic policies usually include protection for heart attacks, strokes and cancer. You may choose to pay more for a policy that covers additional diagnoses, such as, acquired brain injury, coma, dementia, kidney failure, multiple sclerosis, Parkinson's, and paralysis. Depending

on the insurance provider, you may also add a feature known as 'Loss of Independent Existence', which provides a tax-free lump sum benefit when an individual is unable to perform two of six daily living activities for a continuous period of at least 90 days with no reasonable chance of recovery. Some Critical illness policies also offer conversion options to long-term care coverage.

Critical illness insurance can be structured as a stand-alone policy or as a rider attached to a life insurance contract. Some policies offer a refund of premiums rider if you die or the policy matures before any benefit has been paid. Critical illness insurance can also supplement other types of insurance you may already have such as disability insurance.

The Fine Print

Since there is no "standard" policy, read the fine print carefully before considering a critical illness insurance provider. A **licensed advisor can provide advice.** Insist on clear medical definitions and closely examine any exclusions. A medical examination for critical illness insurance is generally more detailed than one for life insurance. The state of your health may affect your ability to obtain coverage, as well as the policy cost. Insurers will consider if you have a high-risk family history, or a history of alcohol abuse, illegal drug use, obesity or smoking.



How Much Is Enough?

To determine how much coverage should be purchased **consider consulting a licensed insurance advisor to help determine everyday expenses and potential medical expenses for the desirable coverage time period.**





Concluding Thoughts

As part of your overall wealth plan consider consulting a licensed insurance advisor who can assess your individual needs and help you determine adequate health insurance coverage in the event that you're faced with a critical illness.



¹<https://www.heartandstroke.ca/-/media/pdf-files/canada/stroke-report/strokereport2017en.ashx?rev=48bbc6fe37d84c618687e259acc69920&hash=DOA63FF63FA50E3B82BB6E74C3D25FEB>

²<https://www.cancer.ca/-/media/cancer.ca/CW/cancer%20information/cancer%20101/Canadian%20cancer%20statistics/Canadian-Cancer-Statistics-2019-EN.pdf?la=en>

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