

# CRITICAL ILLNESS

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I N S U R A N C E

Standard Life and Accident  
Insurance Company

# Critical Illnesses at a Glance

## The Need:

- Most insurance plans do not cover 100% of all expenses incurred.
- Worry about finances can hinder recovery.<sup>5</sup>

## A Harvard Study<sup>2</sup> on medical bills and personal bankruptcy notes that:

- **62%** of all personal bankruptcies filed in the United States in 2007 were due to illness and medical bills.<sup>2</sup>
- **78%** of the families involved had medical insurance at the start of their illness.<sup>2</sup>
- The families with private insurance reported average, out-of-pocket medical bills of **\$17, 749**.<sup>7</sup>
- For most families, a shortfall of just under **\$18,000**<sup>7</sup> forced them into bankruptcy.

## What's So Great About Critical Illness Insurance?

- Pays a cash lump sum upon diagnosis of a critical illness
- Pays in addition to any other insurance you may have
- Benefits can be used to pay:
  - Coinsurance and deductibles from other insurance plans
  - Necessities like mortgage, rent, car payments
  - Specialist fees and experimental treatment
  - Day-to-day living expenses like additional childcare
  - Special equipment
  - Home modifications necessary for recovery
  - Treatment-related travel expenses like parking, food, gas, hotel stays and pet boarding
  - And the list goes on and on

# Critical Illnesses at a Glance

## Benefits:

Category 1	Category 2	Category 3
<ul style="list-style-type: none"><li>■ Invasive Cancer (100%)</li><li>■ Invasive Cancer - diagnosis prior to 90 days of in force coverage (10%)*</li><li>■ Cancer In Situ (25%)</li><li>■ Cancer In Situ - diagnosis prior to 90 days of in force coverage (2.5%)*</li></ul>	<ul style="list-style-type: none"><li>■ Heart Attack (100%)</li><li>■ Heart Transplant (100%)</li><li>■ Stroke (100%)</li><li>■ Angioplasty (25%)</li><li>■ Aortic Surgery (25%)</li><li>■ Coronary Artery Bypass Surgery (25%)</li><li>■ Heart Valve Replacement/Repair Surgery (25%)</li></ul>	<ul style="list-style-type: none"><li>■ Coma (100%)</li><li>■ End-Stage Renal Failure (100%)</li><li>■ Major Organ Transplant, other than heart (100%)</li><li>■ Paralysis (100%)</li></ul>

Benefit Amounts are \$5,000 to \$50,000 for ages up to 64.

Contact your insurance professional for benefit amounts for ages 65 - 74.

*\*No additional benefits will be paid if diagnosis or treatment in first 90 days (30 days for Employer Group).*

## What Makes Us Unique:

### ■ Multiple Benefit Feature

A maximum of 100% of the benefit applied for is paid in each category (other than Category 1 in the first 90 days) for a total of **up to three (3) times** the policy benefit amount as long as the illnesses are diagnosed at least 180 days apart.<sup>8</sup> If you become ill and the first benefit paid under a category does not equal 100% of the benefit amount you selected, you are then eligible for subsequent benefit payments for covered illnesses in the same category until you reach 100% of your selected benefit amount.

### ■ Recurrence Benefit

If you become ill and are paid full benefits for a Category 2 or 3 Critical Illness, you can receive an additional 25% payment of the benefit amount you selected if you have a recurrence. This is available for up to 2 recurrences as long as you have not exceeded your maximum benefit amount and the occurrences are more than 18 months apart.

### ■ Additional Benefit

If you are paid benefits for the first occurrence of a specified covered Critical Illness more than 90 days after your policy is issued, we will pay an additional cash lump sum, equal to 6 months of premium, to help cover premium payments or other expenses.

### ■ Optional Mortgage Protection Rider

If you are totally disabled for more than 30 days, for each 30 day period you continue to be totally disabled, we will pay the monthly Mortgage Protection Benefit up to the maximum rider benefit you selected.

# “Critical Illnesses happen more often

## In the United States:

- About Every 34 Seconds *Someone Suffers a Heart Attack.*<sup>1</sup>
- Every 40 Seconds *Someone Suffers a Stroke.*<sup>1</sup>
- Over a lifetime, *Nearly 50% of Men Will be Diagnosed with Some Form of Cancer.*<sup>2</sup>
- The lifetime cancer risk for women *is More Than 1-in-3.*<sup>3</sup>

The good news is that today more people than ever can **survive** a critical illness thanks to new developments in both medical science and technology.

### Statistics show:

- The survival rate for kidney failure ***is 60% to 90%.***<sup>4</sup>
- 86% of hospitalized heart attack patients survive  
***- the percentage is higher for those with their first heart attack.***<sup>5</sup>
- 80% of stroke patients ***survive the initial event.***<sup>5</sup>
- The survival rate for a major organ transplant, including the heart, lungs, liver, and kidneys, ***ranges from 50% to 90%, depending upon the organ transplanted.***<sup>6</sup>

Although improved medical treatment and survival rates are a good thing, **that's only half the story.** Even if you have primary health insurance, there are many expenses that may not be covered.

### Here are some things you should consider:

- Can I afford my deductible and coinsurance payments?
- Can I afford an unpaid leave of absence from work?
- Does my current insurance cover fees for specialists and experimental treatment?
- How would I pay my mortgage, rent or car payment if I could not work for a period of time?

# than you think.”

## So how does this work?

Let’s look at a couple of examples of the Standard Life and Accident Insurance Company Critical Illness Insurance in action.\*



At age 35, **Marvin Lee** purchased a Critical Illness plan with a **\$20,000 Initial Benefit Amount**.

At age 38 Marvin suffered a heart attack and was immediately paid a lump sum of **\$20,000.00**

Under the **Additional Benefit** of the policy, because he had an illness that was payable at 100% of the benefit amount, Marvin *also received* a lump sum equal to 6 months of premium to help with premium payments or other expenses: **6 x \$7.80 = \$46.80**

**For a total of \$20,046.80**

Twenty months later, Marvin suffered a second heart attack. Under the **Recurrence Benefit** feature, he was paid an additional **25%** of his **Initial Benefit amount**. **\$5,000.00**

These benefits were paid in addition to any payments by Marvin’s primary health insurance plan. While it is unfortunate that Marvin suffered these health problems, because he was prepared with Critical Illness Insurance, Marvin was able to relax knowing that he had cash on hand to cover his unpaid time off work, his deductibles, copayments and other living expenses.

**During his illness, Marvin received benefit payments totalling: \$25,046.80**



**Ina Allen**, a 50 year old, purchased a Critical Illness plan with a **\$15,000 Initial Benefit Amount** and a **\$1,000 Mortgage Protection Benefit**.

Sometime later, Ina needed a liver transplant. Upon diagnosis, she immediately received a lump sum benefit payment of **\$15,000.00**  
*plus* a lump sum equal to 6 months of premium: **6 x \$24.95 = \$149.70**

Seven months after the liver transplant, Ina suffered complications and had a stroke. Because of the **Multiple Benefit** feature of the policy, she then received another lump sum benefit payment of **\$15,000.00**  
*plus another* lump sum equal to 6 months of premium: **6 x \$24.95 = \$149.70**  
which she used to pay for in-home care as well as to cover unpaid leave from work and other expenses.

Ina was completely disabled for 4 months following her stroke. But, because she had also purchased a **Mortgage Protection Rider**, she did not need to worry about losing her home. After the initial 30 days of being totally disabled, each month, Ina received her **monthly benefit of \$1,000** for each 30-day period she was completely disabled. Ina received **3 x \$1,000 = \$3,000.00** which she used to pay her mortgage.

**Ina received Critical Illness benefit payments totalling: \$33,299.40**

\*Examples are for illustrative purposes only. These are not actual policyholders.

# “...because you’re going to live.”

## Did You Know?

A person’s emotional state can play an important role in their recovery from a serious illness. A critical illness affects more than just the body. In fact, critical illness insurance was originally developed by a world renowned heart surgeon, Dr. Marius Barnard, after he realized that the recovery of many of his patients was being hindered by the emotional strain of struggling to pay medical bills. According to Dr. Barnard, you need critical illness insurance *“Not because you’re going to die, but because you’re going to live.”*<sup>5</sup>

## What is the price of peace of mind?

What price would you put on peace of mind? When facing a critical illness, peace of mind can be a simple matter of cold, hard cash at just the right time. For just a few dollars a week or the price of your favorite daily latte, you can purchase a plan that will give you the advantage of options and flexibility when you need it most. Having a plan in place that pays you a lump sum of cash, rather than borrowing or dipping into your personal savings, and the ability to spend the money at your own discretion could be worth its weight in gold.

Dr. David Himmelstein, Harvard associate professor of medicine and lead author of the study on personal bankruptcy, sums it up best, *“Unless you’re Bill Gates, you’re just one serious illness away from bankruptcy. Most of the medically bankrupt were average Americans who happened to get sick.”*<sup>5</sup>

<sup>1</sup> Heart Disease and Stroke Statistics, 2010 Update At-A-Glance, American Heart Association

<sup>2</sup> Clinical Research Study. Harvard U. 16 Mar. 2011. [hp.org/new\\_bankruptcy\\_study/Bankruptcy-2009.pdf](http://hp.org/new_bankruptcy_study/Bankruptcy-2009.pdf)

<sup>3</sup> American Cancer Society, Cancer Facts and Figures 2010

<sup>4</sup> The Merck Manuals Online Medical Library, Acute Kidney Failure, 16 Feb. 2011, [www.merckmanuals.com](http://www.merckmanuals.com)

<sup>5</sup> Essential Benefits, “Why do I need critical illness insurance?” 2 Feb. 2011, [www.essentialbenefits.ca](http://www.essentialbenefits.ca)

<sup>6</sup> FAQs.org, Health, “Organ Transplantation” 16 Feb. 2011, [www.faqs.org/health/topics](http://www.faqs.org/health/topics)

<sup>7</sup> Bloomberg Businessweek “Study Links Medical Costs and Personal Bankruptcy.”

4 Jun. 2009. Web. 3 Mar. 2011, [www.businessweek.com](http://www.businessweek.com)

<sup>8</sup> Benefits will not be paid for critical illnesses in more than a single category during any 180 day period.

**THIS POLICY PROVIDES LIMITED BENEFITS. Policy Form Series SLA-CI11/SLA-CI11-GEP and Mortgage Protection Benefit Rider SLA-CIMP11/SLA-CIMPGE is not available in all states and benefits may vary. The policy has specific terms and conditions relating to coverage, including limitations and exclusions. For costs and complete details of the coverage, please call or write the company or your insurance professional.**



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