Critical illness insurance helps employees concentrate on recovery

Aflac WorkForces Report

Advances in medicine mean people today live longer lives, even if they suffer from critical illnesses. Naturally, living longer with a critical illness may mean paying more treatment related costs – a possibility that has many Americans concerned. According to a Sun Life Financial study, many workers fear the financial impact of a critical illness even more than dying from one.[1]

WHAT IS CRITICAL ILLNESS INSURANCE?

As a benefits decision-maker, you understand the importance of critical illness coverage. And while most workers are well-versed about the need for major medical, home and vehicle insurance, many don't know that critical illness coverage exists. Voluntary critical illness insurance is a way for employees to help themselves stay ahead of the medical and out-of-pocket expenses that can accompany certain medical events. For example, **many lump-sum critical illness policies pay benefits when an individual experiences a covered event such as:**

- A heart attack
- A stroke
- A major human organ transplant
- End-stage renal failure
- A coma
- Paralysis

WHY CONSIDER CRITICAL ILLNESS INSURANCE?

Critical illness coverage helps provide protection from the financial impact of certain catastrophic health events. Receiving a lump-sum benefits payment can help policyholders worry less about how to pay illness-related expenses and concentrate more on recovery.

With new statistics and projections about the likelihood of suffering from a critical illness, there has never been a better time to offer voluntary insurance at the work site. As employers evaluate, choose and communicate their benefits offerings to employees, it is important they convey the potential financial impact of being diagnosed with a critical illness.

The 2017 Aflac WorkForces Report survey revealed that health care costs have a long-lasting effect on American workers' creditworthiness. Over half of participating employees said medical costs are affecting their credit scores, keeping them from paying other bills and thwarting their efforts to save for retirement or a rainy day. The survey revealed that 65 percent of American workers have less than $1,000 on hand to pay out-of-pocket expenses associated with an unexpected serious illness or accident. What's more, 53 percent would borrow from a 401(k) and/or use a credit card to cover out-of-pocket expenses if they or a family member experienced an unexpected serious illness or accident.[2]

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The Aflac report's findings are echoed by those of the Kaiser Family Foundation, which found that **one-quarter (26 percent) of U.S. adults ages 18-64 say they or someone in their household had problems paying or an inability to pay medical bills** in the past 12 months. The study also found that among all people with household medical bill problems, **more than 62 percent say the person who incurred the bills was covered by health insurance.**[3]