

Voluntary Benefits Insights

Critical Illness Coverage: How to help employees understand the value of this voluntary benefit.

Joseph Quintana

"I don't need that."

"I'm healthy. That will never happen to me."

"My family is too young to need Critical Illness coverage."

Sometimes, helping employees see the need is half the battle. And part of making the sell for voluntary insurance benefits such as Critical Illness coverage is connecting the dots.

Most people think as long as they have coverage from a standard health insurance plan, they'll be covered if something major happens. But many people don't anticipate the other costs that may be coming their way. Let's examine some of the stats and realities of living with a serious diagnosis and how this form of voluntary coverage can help.

The financial toll that comes with critical illnesses

The following facts and insights about serious medical conditions such as cancer and heart attacks can be useful when communicating the value of Critical Illness coverage.

- ▶ One in five working-age Americans with health insurance had problems paying medical bills in the past year, according to a Kaiser Family Foundation/New York Times [survey](#).
- ▶ One in three people will get a cancer diagnosis in their lifetimes, according to the [American Cancer Society](#). Many may not have any risk factors.
- ▶ Cancer is the [fourth leading cause of death](#) for young adults between the ages of 20 and 39.
- ▶ Every 40 seconds, an American will have a heart attack, according to the American Heart Association.
- ▶ Heart attacks and coronary health disease are [two of the 10 most expensive diagnoses](#) a patient can get.
- ▶ In the first 2-3 months after a cancer diagnosis, patients face their [highest out-of-pocket costs](#), in part because they have to meet their deductible and out-of-pocket maximums. Factors like balance billing and out-of-network costs add more to the bill.
- ▶ [Indirect costs](#) from a serious condition can also strain family budgets. Special foods, lodging, child care, cosmetic items and time off work are just some not covered by traditional health insurance plans.
- ▶ After treatment, most patients will have a series of follow-up appointments to monitor their health and progress. When the calendar year changes, their out-of-pocket cycle begins all over again.



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How do voluntary benefits help in the workplace?

When an employee or a covered family member is faced with a serious condition, it can have a big impact on their lives as well as their productivity at work.

- ▶ Cancer and other critical-care conditions often entail taking time off. Unless that employee has strong support from family members and their community, ample savings and/or paid time off, juggling treatment with covering household expenses can become difficult.
- ▶ Add in doctor bills to cover deductibles, along with other indirect expenses like pharmaceuticals, fuel and parking, and expenses can start piling up.
- ▶ Physical recovery is tough enough. Add in financial recovery, which can take years, and they can return to work faced with a mountain of debt to pay off.

Healthy and financially secure employees will be more productive at work. Voluntary benefits coverage such as Critical Illness is one tool that can be a financial lifesaver for employees dealing with a serious diagnosis.

Critical Illness coverage from [Reliance Standard](#) can be made available to employees at no direct cost to the employer — with premiums 100 percent covered by employees — or as an employer-contributed benefit. After a diagnosis of a qualified condition, enrollees are paid a lump sum benefit. (To name a few of the most common: cancer, heart attack, stroke, paralysis, benign brain tumor or coma.) This money can be put to use wherever it's needed, whether it's a new vehicle, child care costs or mortgage payments.

When employees have a safety net with voluntary benefits like critical care coverage, a sick employee can put their energy into recovery — and avoid making tough choices between paying the mortgage and paying for medicine. Having this benefit can make your organization more attractive when it comes to attracting and retaining talent. When individuals have the financial tools to get through the toughest times, your organization will succeed as well.



About the author

Joseph Quintana, Regional Practice Leader, Voluntary Markets, has 27 years of sales and sales management success — as well as product and process expertise — in the Voluntary/ Worksite benefits marketplace. Prior to joining Reliance Standard in 2017, he was a regional practice leader with Guardian Life Insurance Company. Prior to that he spent 19 years, in escalating sales and sales management roles, with Colonial Life Insurance Company.

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