

## Critical Illness Cover

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Critical illness cover, also known as critical illness insurance, is a long-term insurance policy to cover specific serious illnesses listed within a policy. Should the worst happen, it gives a tax-free 'lump sum' – a one-off payment, to help pay for your mortgage or rent, debts, or pay for alterations to your home such as wheelchair access should you need it, but it's your choice how you spend it.

### What is critical illness cover?

Critical illness insurance will pay out if you get one of the specific medical conditions or injuries listed in the policy. But be aware that not all conditions are covered and policy will also state how serious the condition must be.

Examples of critical illnesses that might be covered include:

- Heart attack
- Stroke
- Certain types and stages of cancer
- Conditions such as multiple sclerosis

Most policies will also consider permanent disabilities as a result of injury or illness. It only pays out once and then the policy ends. Some policies will make a smaller payment for less severe conditions, or if one of your children has one of the specified conditions.

### What isn't covered?

Some serious illnesses might not be covered, for example, some cancers and conditions not listed in the policy.

You probably won't be covered for health problems you knew you had before you took out the insurance, and this type of insurance does not pay out if you die.

What's covered and what's not, will be set out in the policy details so make sure you're fully aware of them and that they cover your needs.

### Do you need it?

State benefits might not be enough to replace your income if something goes wrong. If you're eligible, welfare benefits range from around £70 a week to just over £100 a week, depending on your circumstances (i.e. whether or not you have children, a certain level of savings, or if your partner works).

Critical illness cover could be considered if:

- You don't have savings to tide you over if become seriously ill or disabled
- You don't have an employee benefits package to cover a longer time off work due to sickness

### Who doesn't need it?

You might not need it if:

- You have enough savings to fall back on and can adequately cover expenses such as bills, loans, medical costs or a mortgage
- You have a partner who can cover living costs and any shared commitments, like a mortgage