

Critical Illness

Critical illness insurance provides additional coverage for medical emergencies like heart attack, stroke, or cancer. Because these emergencies or illnesses often incur greater than average medical costs, these policies pay out cash to help cover those overruns where traditional health insurance may fall short. These policies come at a relatively low cost. However, the instances that they will cover are generally limited to a few illnesses or emergencies.

Critical illness insurance can pay for costs not covered by traditional insurance. The money can also be used for non-medical costs related to the illness, including transportation, child care, etc. Typically, the insured will receive a lump sum to cover those costs. Coverage limits vary – you could be eligible for a few thousand dollars all the way up to \$100,000, depending on your policy. Policy pricing is impacted by a number of factors, including the amount and extent of coverage, the sex, age, and health of the insured, and family medical history.

Part of what makes these policies appealing is that they generally don't cost a lot, which looks like a bargain compared to the cost of a typical, low-deductible health insurance policy. ***Even with excellent medical insurance, just one critical illness can be a tremendous financial burden.***