

What is Critical Illness Cover? And Why is it Important?



Newsletter

March 2010

What is Critical Illness Cover?

Critical illness is a policy that pays out a lump sum of money upon diagnosis of a defined critical illness* during the term of the policy. This money could be used to repay your mortgage/debts and provide a cushion to protect you from financial hardship at such a difficult time. Many people in the UK have life assurance, and therefore think that they are adequately protected against the unexpected, however only 7% of people hold adequate critical illness cover. Are you aware that every adult in the UK is 5 times more likely to suffer a serious disability than to die before the age of 60?

Many life-threatening illnesses can now be treated with such success that a man or woman with invasive cancer or a heart condition can still expect to survive and enjoy a good life span. However these illness's can still have a huge impact upon a families finances. For example it is likely that a person suffering an illness of this severity would be unable to work for some time, and would be attending numerous hospital appointments. In this scenario how long would your employer continue to pay sick pay or if you are self employed who would continue to keep the business going? During this time the mortgage and other bills would still need to be paid and financial hardship can take many years to recover from.

Don't forget it's not just the main earner that makes a contribution to a household. For example if a parent stayed at home to look after the children, in the event of severe illness they may be unable to contribute and therefore additional childcare costs may also be required.

Ideally you should hold policies that would repay your mortgage in full in the event of you suffering a defined critical illness, and would pay an additional amount of cover to provide for other costs. This would ensure that you would not have to pay your mortgage, and have some provision to cover your other expenditure.

As you can see from the above there are many ongoing considerations to take account of with regard to critical illness cover. Thankfully we are able to provide a full advice service and guide you through all the various options associated with critical illness cover, such as selecting the most suitable products to meet your needs, and choosing the correct level of cover. We can work with you to provide a solution to meet your needs as closely as possible and still remain in budget. You may already have policies in place that you think adequately cover you, why not review these with us to ensure they still meet your needs? Speak to us today to find out more.

** The definition of a critical illness varies between the many different providers, however all cover a standard 23, which include cancer (excluding less advanced cases), stroke (resulting in permanent symptoms), and heart attacks (of specified severity).*



Don't Forget, it's not just the main earner that makes a contribution to a household.

For further details or to arrange an interview please contact:

Mark Deane
01908 867577 / 07774 958001

markd@the-mortgagestore.co.uk
<http://www.the-mortgagestore.co.uk/>