

## Critical illness cover vs Medical insurance

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In an ideal world, where everyone is healthy and no one is susceptible to any illness, critical illness cover wouldn't be a necessity. However, the sad reality is that global critical illness statistics are depicting startling numbers and an increased 'per individual' risk of being diagnosed with a critical illness at some point in your lifetime. We are increasingly seeing that it's no longer about 'if' you will get a critical illness, but 'when' you will get a critical illness. As a result, **not having suitable critical illness protection in place can leave people feeling very vulnerable** regarding their financial commitments at a time when their main focus should be on their recuperation and long term physical and mental wellbeing.

Unfortunately, critical illness cover is often misunderstood as providing protection similar to medical health cover or medical insurance. This misconception has resulted in many people opting to stick with their company's medical insurance scheme provided, and not explore or understand the need for critical illness cover and the additional benefits and security that this product can provide. This was further highlighted through a recent survey conducted by Friends Provident International in the UAE, where we asked approximately 750 of our existing customers (who had no critical illness policy with us), why they didn't feel the need to opt for critical illness cover. Almost 30% of them believed that their medical insurance was sufficient to look after their requirements (medical and financial) should they be diagnosed with a critical illness or disability. In our opinion this **misconception is one of the major reasons why there isn't sufficient critical illness cover taken up in this region**. Under a critical illness policy a lump sum payment is made direct to the customer on diagnosis of one of the specified illnesses/disabilities covered under the policy. The funds can be used to supplement gaps in cover under medical insurance and the customer can also use the claim proceeds to help cover the cost of daily living and ongoing financial commitments enabling them to focus on their immediate treatments and long term recovery.

Historically, a critical illness policy would only cover a small number of catastrophic medical emergencies such as cardiac arrest, stroke and cancer. Today, policies offer more extensive coverage across a range of critical illnesses and disabilities that vary in severity. Our CI and disability benefit cover provides adult protection against 35 different types of critical illnesses including cancer, heart attacks and permanent disability. It also provides protection against 26 different types of illnesses and disabilities under the Children's Critical Illness and Disability Benefit.

The types of Critical Illness policies available in this market are undoubtedly among the best in terms of coverage and keeping the customers interests' at heart. Friends Provident International is seen as one of the best provider of this type of product in the market with generous non-medical limits



enabling customers to obtain large sums of protection without having to undergo any medical examinations. *We are proud to have received recognition for our International Protector Middle East (IPME) term assurance plan, at the International Adviser Global Financial Services Awards 2019.*

For example, our critical illness cover offers all policy holders free coverage for their children and includes future children as well.

While there are a lot of possibilities to innovate in the critical illness cover space, there is a serious priority need for increasing customer awareness. The insurance companies along with their IFAs should work towards educating customers on this gap in protection cover. There is a lot that we're doing on an ongoing basis to make the customer aware. One of our main focus areas is to highlight and explain the misunderstanding between medical insurance cover and critical illness whilst also driving home the importance of critical illness cover to the UAE market. Therefore, apart from conducting training workshops for advisers, we also publish thought leadership and run regular health and well being workshops across the region to help build awareness for people to understand the need for critical illness cover.

Today we are witnessing how critical illness cover is becoming of utmost importance.

**Life changes . Be prepared . Be protected**

All information contained in this article is correct at the time of publication.

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