



Positioning CI for children and young adults

Path to Success

Expert advice on navigating CI sales

For advisor use only



Children's critical illness insurance:

No one wants to think of their child having a significant illness, but most parents understand the tremendous strain it would put on their family. When presenting critical illness for a child to parents, you should not focus on the incidence of illness but instead on the impact, both financial and emotional, that a critical illness diagnosis could have on the family. For example, many parents are likely to seek out alternative care options for their child versus for themselves, regardless of the financial costs, as long as their child gets the best treatment option available. Critical illness insurance funds can have huge benefits for parents both for alternative medical expenses and beyond, including:

- Offsetting the lost income as parents step away from work during their child's recovery
- Flying in friends and family for support during treatment and recovery
- Getting a hotel beside the hospital rather than driving back and forth on treatment days
- Retrofitting their home to make it as comfortable as possible during the treatment and recovery period
- Taking a well-deserved family dream holiday, post recovery, to celebrate their recovery

Many parents respond more favorably if the critical illness insurance coverage is positioned as setting up their children for the future. Critical illness insurance can be challenging to qualify for later in life, and the premiums that a child can lock in for many years or even their entire life are significantly lower as a child than what they would pay if they attempted to purchase the coverage as an adult. With this approach, the value is locking in the insurance at a significantly lower premium now for protection in case a major illness occurs sometime in the child's life. Often parents respond more favorably to this positioning versus focusing on how the insurance payout on diagnosis would be a positive financial outcome.



To position critical illness insurance coverage for a child, you might say:

Although no one likes to think about their child having a significant illness, it is not hard to see the impact it would have on you and the family. Every parent I know says two things about what they would do if their child were sick. One, they say they would spare no expense to make sure that the child got whatever care is needed and two, they would want to spend every minute possible with their sick child until they recovered. This medical care and time away from work can have significant financial consequences.

Thankfully, we have a product that puts a lump-sum tax-free benefit into your household not only for these purposes but for any use that you think would help best in getting your child through to a full recovery. People in this situation have used the money, including:

- **Flying in friends and family for emotional support**
- **Getting a hotel beside the hospital rather than having a long, two-way commute especially in the winter**
- **Ordering in more dinners, so that is one less thing to worry about**
- **Taking a well-deserved dream family vacation to celebrate getting through to full recovery**



Insurability/pricing focus

Sometimes, you may come across clients who think they have time to consider coverage for the child. After all, their child is still young. However, it's important to reinforce with your clients that putting coverage in place today, when their child is young, sets them up for guaranteed, inexpensive coverage for their adult years.

For adults, critical illness is difficult to qualify for, and the premium an adult pays is significantly higher than the premium you can lock your child/children in for today. Many parents put this coverage in place to set their children up for the future and view the actual coverage in the interim to be secondary, downside protection that they hope never pays dividends.

For example, we can cover _____ (child's name) with coverage for life at a guaranteed premium for life for just \$___ per month.

Or

For example, we can cover _____ (child's name) with coverage for life at a guaranteed premium for life for just \$___ per month, or you could pay \$___ per month and any time after 20 years, you could cancel the coverage, and you or _____(child name) would receive 100% of all the premiums you paid. A true win-win, coverage against the unthinkable and a full return of everything you paid if _____(child's name) remains healthy.



Critical illness for young adults

Young adults can be a tremendous market for critical illness insurance. Often these younger clients do not have significant cushions in their monthly budgets and any change to their monthly income earnings or household expenses could be very difficult to absorb.

This approach leverages young adults' desire to be independent of their parents. When these young adults become newly financially independent and able to take care of themselves financially, they do not typically have a broad financial margin to remain so.

Any disruption to their monthly financial budget, certainly those created by a significant health issue, could be enough to snatch away the very independence they recently obtained.



Independence insurance

This approach leverages young adults' desire to be independent of their parents. A small monthly allotment to a critical illness insurance premium can protect that independence as opposed to having to depend on others for help.

Many people I work with have a tight budget each month, and any unplanned financial expenses could throw that budgeting off track.

One such unexpected financial exposure entirely beyond our control is a major health diagnosis like Cancer, Heart attack, or Stroke. Thankfully, there is a product called critical illness insurance that pays a tax-free lump sum benefit on diagnosis of a covered critical illness to help you through recovery. These funds help avoid dipping into or drying up your savings and may prevent you from having to seek funding from friends or family, especially the bank of mom and dad.

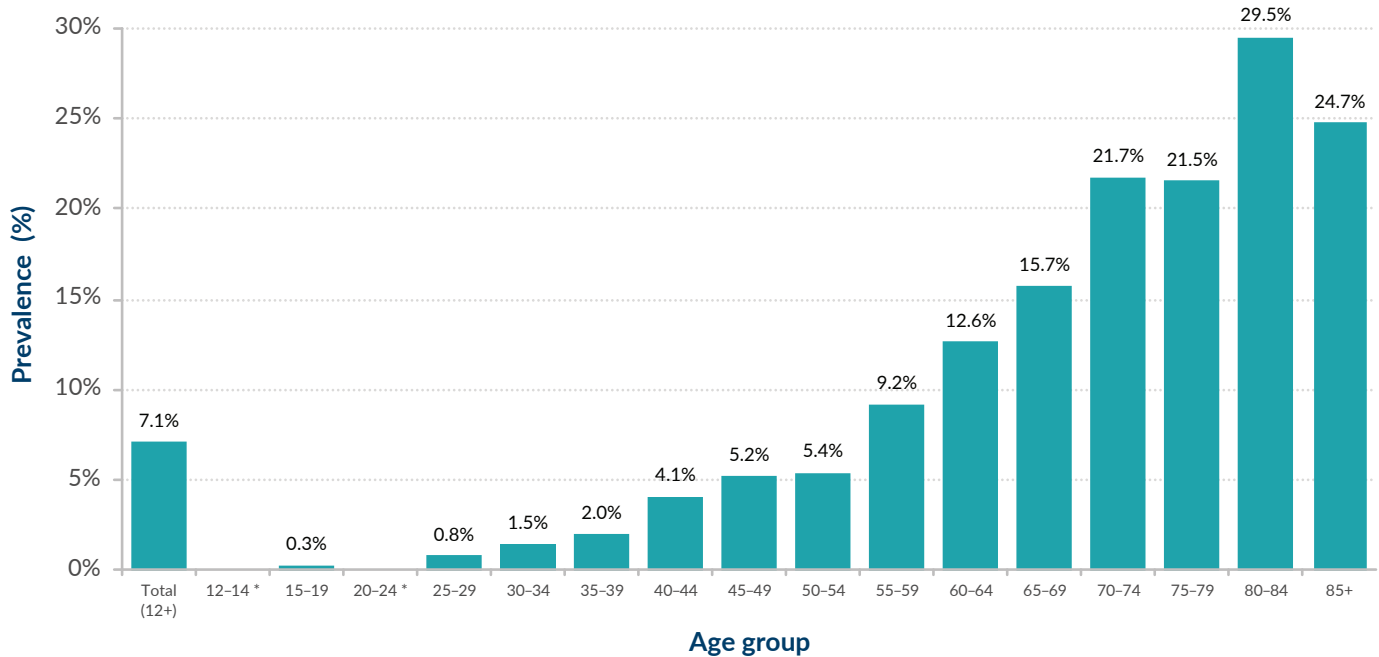
The funds also avoid the other option which is having to swallow your pride and create a Go Fund Me page and ask not just family but friends and strangers to assist you financially through what would already be a stressful time. Basically, for a small monthly amount, you can shift the financial risk of being diagnosed with a covered critical illness onto an insurance company, does that make sense to explore?



Intergenerational purchasing or referrals

Typically, for clients over the age of fifty, the initial reaction to critical illness insurance is that the premium is expensive. You can shift that thinking by explaining how the product pricing is merely reflecting the likelihood of diagnosis and making a claim. You can point out that Cancer is a disease that mostly affects Canadians aged 50 and older, but it can occur at any age.¹

Figure 2: Age-specific lifetime prevalence of Cancer among individuals aged 12 years and older, Canada, 2015



Data source: Canadian Community Health Survey, 2015 – Statistics Canada

Note: Asterisks (*) denote estimates suppressed due to large sampling variability (i.e. coefficient of variation (CV) > 35%).



You can often obtain a sale for coverage on their children by introducing the age-sensitivity of critical illness insurance pricing to the parents or grandparents of the child. Parents of young adults are more likely to be able to financially pay a small monthly premium to protect their young adult child, while it's affordable, rather than having to help cover larger expenses should their young adult child be diagnosed with a covered illness. Before meeting with your client, you could run some rough ideas for what it might cost to protect their child.

(Make sure you have run the rates for what it would cost the client if they got the coverage on themselves if you haven't already.)

¹ Source: <https://www.cancer.ca/en/cancer-information/cancer-101/cancer-statistics-at-a-glance/?region=on>



At the meeting you could say

Critical illness insurance is incredibly age sensitive as the risk of covered illnesses typically increases with age. For example, someone age ___ (Your client's age minus 30 years to roughly approximate what the cost of critical illness coverage for their children might cost), would only pay \$___ per month for this same level of coverage. Like you, they have pricing options to lock their pricing in for anywhere from 10 years through their entire life.

The reality is that even healthy young people face the risk of having a critical illness. Think of Lance Armstrong whose Cancer diagnosis was at age 28. By getting them coverage now, they are protected now.

We know that you would do your absolute best to find the funds to help you, your family or your child (regardless of their age) through a major health scare. Other parents, just like you, have purchased critical illness coverage for their kids so that with a small monthly premium, they can take away the stress of having to choose to use their hard-earned savings to help someone they love. We could look at critical illness protection for your child, or I could certainly talk directly to your kids if you feel this is something that your kids should have to financially protect them.



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