



Why critical illness
insurance today?

Path to Success

Expert advice on navigating CI sales

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It is quite natural for a client to wonder why they have never heard of critical illness insurance and why their parents and grandparents did not own it. You should be prepared to answer the question of “Why critical illness insurance today?” even if the client does not ask, as they are most likely thinking it.

Unlike home, car, travel, and even life insurance, there is no societal or generational driver of the critical illness insurance purchase. For example, when a person moves into their first apartment or home, their parents and even peers tell them to purchase house insurance. When they take a trip outside the country, the people around them recommend travel insurance. Most of your client’s family and peers are probably not aware of critical illness insurance, so it is your responsibility as the advisor to introduce it and explain why it wasn’t needed a generation or two ago but is vital in overall financial planning today.

You should emphasize that critical illness insurance was invented not by the insurance industry but by a doctor by the name of Dr. Marius Barnard. The fact that it was someone from the medical community driving the product’s inception rather than an insurance company can dramatically shift the client’s mindset into one of curiosity.

Three realities of health

Critical illness insurance exists for today's clients because it addresses three realities of health; incidence, no one is immune, and survival with consequence. Each of these realities is important but taken together they help to explain why critical illness insurance is so vital today when it was not even available forty years ago. Unlike several generations ago when surviving a critical illness was not as likely; today while a critical illness diagnosis itself is still devastating, survival is more likely. However, with the good news comes the reality that survival and recovery of a critical illness can be financially devastating. People today will die less frequently soon after diagnosis than any prior generation, which is why Dr. Barnard invented critical illness insurance; to help survivors.



1 Health reality one – incidence

In our modern era, the incidence of Cancer, Heart Attack, Stroke, and other covered critical illness conditions is exceptionally high, with Cancer alone expected to occur for nearly one in two Canadians in their lifetime (source: please use from previous module). Most people intuitively know that these illnesses happen a lot, and you do not need to show your clients an endless string of statistics that your client could perceive as a scare tactic. Instead of showing numerous pages of illness statistics, you will be more successful if you relate some covered illnesses to your client. You can do this, for example, by asking them how often in the last few years have they sponsored friends and colleagues in bike rides, walks and other fundraisers for Cancer, Heart, Stroke, ALS, and so on.

2 Health reality two – no one is immune

A natural inclination is to assume that this product is more appropriate for other people who are perhaps older or in poorer health. You need to shift this thinking to the reality that no one is immune from diagnosis of the covered critical conditions and that they can happen to even the healthiest of people. Being healthy does not eliminate the risk of diagnosis but does improve the chances of recovering from the illness. You could point out several famous celebrities and athletes who have had these illnesses, including hockey legend Mario Lemieux, singer Sheryl Crow, and Tour de France champion Lance Armstrong. Healthy clients are more likely when diagnosed to survive and receive their critical illness insurance payout, which will assist them during treatment and recovery.

3 Health reality three – survival with consequence

Survival might be the most essential health reality today. Dr. Barnard recognized how medical advancements in diagnosis and treatment were keeping people alive but putting them and, ultimately, those closest to them in a difficult predicament. He saw first-hand how families that owned sufficient life insurance received no insurance payout when they survived what previously would have killed them. Dr. Barnard recognized that due to medical advancements that resulted in earlier diagnosis and better treatments people were surviving with financial struggles that the insurance industry did not have a solution for.

Life insurance was the right insurance product a generation or two ago for Cancer, Heart Attack, Stroke, and other illnesses. Modern planning, with the addition of critical illness insurance, addresses the financial outcome someone may face of not dying on the diagnosis of a significant illness. Surviving is better than dying, but survival has consequences, both financial and emotional, including significant stress during treatment and recovery.



Advisor script

To introduce the realities of health and critical illness insurance, you might say:

The reality of major illnesses like Cancer, Heart Attack, and Stroke is very different than it was a generation or two ago.

Today, these illnesses happen a lot. Nearly one in two Canadians will have Cancer in their lifetime, and we also know that these illnesses can happen to anyone, even the healthiest of people; no one is immune.

The good news is unlike a couple of generations ago, people are not necessarily facing a death sentence on diagnosis but can recover and survive due to medical advancements. For example, eighty-five percent of Stroke victims will survive, and the survival rates for Cancer continue to improve¹.

While the improved survival rates are positive, recovery is challenging, sometimes financially and often emotionally.

Dr. Barnard recognized this and created an insurance product called critical illness insurance. Unlike life insurance that pays a benefit when someone dies of these illnesses, critical illness insurance pays a benefit based on the diagnosis of a covered illness for people to use during their treatment and recovery.



¹ Source: <https://www.heartandstroke.ca/-/media/pdf-files/canada/stroke-report/strokereport2017en>

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