

This guide was created by the Association of British Insurers to provide consumers with an overview of critical illness insurance and present them with clear and concise information on this product. For more details on critical illness insurance, please refer to the ABI Guide to Minimum Standards for Critical Illness Cover.

What is critical illness cover?

Critical illness insurance provides a tax-free payment to a policy holder if they are diagnosed with one of the illnesses listed in their insurance policy.

Which critical illnesses are covered?

All critical illness policies cover three core conditions:

- Cancer
- Heart Attack
- Stroke

Certain types of these illnesses may not be covered or different definitions may apply, so you should check the policy information.

What other critical illnesses may be covered?

Insurance companies may cover other conditions, such as:

- Alzheimer's
- Aorta graft surgery
- Benign brain tumour
- Blindness
- Coma
- Coronary artery by-pass surgery
- Deafness
- Heart valve replacement or repair
- Kidney failure
- Loss of hand or foot
- Loss of speech
- Major organ transplant
- Motor neurone disease
- Multiple sclerosis
- Paralysis of limbs
- Parkinson's disease
- Third degree burns
- Traumatic brain injury
- Total Permanent Disability

Insurers may offer cover for a wide variety of other serious illnesses that are not listed here. Before purchasing critical illness insurance, it is important to check the policy document to know exactly what conditions you are covered for.

What do critical illnesses insurers not cover?

Some causes of critical illness may be excluded from policies where its clear that the activity could directly impact an individual's health. The number and type of exclusions varies between insurance companies, but some examples may include:

- Alcohol and drug abuse
- Hazardous sports and pastimes
- Unreasonable failure to follow medical advice

It is important to ask insurers what exclusions are in their policies and to read through these exclusions carefully.



What types of critical illness policies are available?

There are many policy options available, so it's important that you choose the cover that is right for you.

Critical illness insurance is often sold as an extra benefit on a life insurance policy. Some policies also provide some critical illness cover for your children or partner.

You should consider how long you want the cover for. Policy durations vary; for example, some offer cover until a mortgage is paid off, or last for a set number of years.

You can also choose to increase your cover to reflect changes in your life, such as the birth of children. Talk to a financial adviser or to an insurance company about the cover options that are right for you.

How much does critical illness insurance cost?

Insurance companies offering critical illness insurance will assess several factors to determine the cost of a policy. These factors could include your age, health status, occupation, if you smoke and the type of cover you want.

You may not be able to get cover if you are suffering or have suffered from a serious illness. Insurers may also raise the cost of policies for people they think are more likely to suffer from a serious illness due to certain risk factors, like smoking status or family medical history.

How do I buy critical illness insurance?

You can buy a policy directly from an insurance company or through a financial adviser. You will need to fill in an application, providing details about your health and medical history. In some cases, the insurance company may request your consent to contact your GP for a medical report. The insurance company will not contact your GP without your consent.

How do I make a claim?

If you have been diagnosed with one of the critical illnesses covered in your policy, you should contact your insurance company and provide the details of the doctors treating you.

Complaints

If you are unhappy with the way you have been treated by an insurer, you can make a complaint directly to the insurer.

If you are still unhappy with the insurer's response, you can take your complaint to the Financial Ombudsman Service, an independent body that aims to settle complaints between consumers and businesses providing financial services. More details can be found at:

www.financial-ombudsman.org.uk

Questions to ask before buying critical illness insurance

- What conditions do I want my policy to cover?
- What isn't covered by this policy?
- How long do I want to be covered for?
- Can this policy cater for changes in my life?
- How much is it going to cost?



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