



INSIGHTS

AUGUST 2005

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Critical Illness Coverage

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Imagine for a moment ... what it would be like if you had suffered a serious heart attack last month... and survived!

Could you continue to work and provide for your family?

Would your life style or financial health be compromised?

National Immunization Awareness Month

- Vaccines, How do they work?
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Vaccination risk is small, compared to the risks associated with the disease itself.

Critical Illness Insurance

I've just received the results back from a survey that was done by the Co-operators on critical illness insurance. The survey was completed by a mix of their third party administrators, benefit consultants and brokers.

Unveiled in South Africa in 1983, critical illness insurance arrived in Canada about nine years ago. A group product was designed about a year later.

Reasons this product should fly in Canada are compelling. We're living longer. The aging baby boomer bulge will inevitably increase cases of illness. Technological advances make us more apt to actually survive if we do get seriously ill. As well, 30% of Canadians are deeply in debt. Almost half say they would last less than six months on their savings, according to the Canadian Council on Social Development - funds that would not go far if a debilitating illness required hefty lifestyle changes.

These are all good reasons to take a chance on critical illness insurance, a product that provides a one-time pay out on diagnosis of a list of deadly conditions.

On the individual side, the numbers are promising. In 2003, nearly 208,708 Canadians purchased critical illness policies, up from 157,852 in 2002, according to research done by the Consumer Assistance Centre.

On the group side, however, the outlook is not as good. Plan sponsors are not jumping to add another benefit to their increas-

ingly expanding repertoires of benefit offerings. Why? Likely it's because employers are focused on keeping costs down, not on adding a new product. Still, despite the generally chilly reception in corporate Canada, this product fills a need for some employers. The question becomes one of prioritization - perhaps better pension plans, or a combination of wellness and more choice in health options? Some companies have decided to mix and match benefits by offering critical illness to compliment the standard health plan, feeling that it would provide added coverage when disaster strikes. Our own company put critical insurance in place by offering an incentive - they would pay for a base plan if the employee would put an equal amount in place. This worked beautifully because the base plan could be put in place without medical evidence being required as long as we satisfied the plan's participation requirements.

Communication and education are still key. Employers will buy critical illness once they understand it. Employers and employees alike need to know how it differs from life and disability insurance.

The prognosis for this product in the group market remains to be seen. For some sponsors it fills a need. For others, it's the last thing on their minds. It's a hit in South Africa, but until Canadian sponsors are convinced, this product may well be on the critical list.

Until next time...

Balancing your Critical Illness Insurance Profile

Over the past 25 years, higher levels of stress in our daily lives have contributed to an increase of almost 55% in disability resulting from heart disease, hypertension, stroke and diabetes. However, due to advances in medical science, premature deaths have decreased significantly. What this means is that more and more people who suffer from major illnesses (such as heart attacks, strokes, and cancer) are able to survive the initial attack and continue to live for quite some time. But, having survived, many people are unable to return to work and find they have to pay for specialized medical care.

Because traditional life insurance cannot meet these needs, insurance companies are now offering critical illness insurance to fill this gap. Critical illness insurance pays out a lump sum on the diagnosis of a "serious disease". These conditions include: cancer, heart attack, stroke, alzheimer's disease, heart bypass surgery and angioplasty. Some policies also pay out on loss of sight, hearing and paralysis.

The cost of critical illness coverage depends on your age, sex, lifestyle, whether you smoke, any pre-existing medical conditions and the amount of money you wish to insure yourself for when a critical illness is diagnosed.

See reverse for Additional Facts about Critical Illness

VACCINES

What's Available and How Do they Work?

Four different types of vaccines are currently available:

1. **Attenuated** (weakened) live viruses are used in some vaccines such as in the measles, mumps, and rubella (MMR) vaccines.
2. **Killed** (inactivated) viruses or bacteria are used in some vaccines, such as in the polio (IPV) vaccine.
3. **Toxoid** vaccines contain a toxin produced by the bacterium. For example, the diphtheria and tetanus vaccines are toxoid vaccines.
4. **Biosynthetic** vaccines (such as HIB - meningitis vaccine)

Additional Facts about Critical Illness

- Critical illness insurance is available to individuals between the ages of 18 to 65.
- Critical illness benefits range from \$25,000 to \$2,000,000.
- Most plans cover you until age 75; some plans provide coverage to age 100.
- The critical illness benefit is paid directly to the person insured under the plan; he or she decides how to use the benefit. The benefit payment is based on the medical diagnosis of a certified physician or specialist for the condition. Payment is not dependent on an insured's inability to work.
- The Critical Illness benefit is paid when you are diagnosed with a covered condition and you survive 30 days.
- Most plans offer a benefit that will return your premium if you don't survive the 30 days, or if death occurs from a condition not covered under the critical illness plan.
- The average age of claim on Critical Illness insurance is 43.
- Heart disease costs the Canadian economy approximately \$19 billion every year in medical services, hospitalization expenses, loss of income and loss of productivity.
- In the United States, Critical Illness insurance should reach \$70 billion in sales within the next three years.
- Critical Illness policies are selling quickly in Japan as well. 500,000 policies were sold in the first 10 months and before the end of the fourth year of sales, there were over 6 million policies sold!

August is National Immunization Awareness Month (NIAM) which provides opportunities to increase awareness about immunization, as parents and children prepare for the return to school and the medical community begins preparations for the upcoming flu season.

Immunization (vaccination) is a way of creating immunity to certain diseases - by using a small amount of a killed or weakened microorganism that causes the particular disease.

Microorganisms can be viruses, such as the measles virus, or they can be bacteria, such as pneumococcus. Vaccines stimulate the immune system into reacting as if there were a real infection. The immune system then fights off the "infection" and remembers the organism so that it can fight it off quickly if it enters the body at some future time.

Since the start of widespread vaccinations in Canada, the number of cases of some formerly common childhood illnesses like measles and diphtheria have declined dramatically. Immunizations have protected millions of children from potentially deadly

diseases and saved thousands of lives. In fact, certain diseases crop up so rarely now that parents sometimes ask if vaccines are even necessary anymore. This is just one common misconception about immunizations. The truth is, most diseases that can be prevented by vaccines still exist in the world, even in Canada, although they occur rarely. The reality is that vaccinations still play a crucial role in keeping children healthy.

Some parents may hesitate to give their children a vaccine because they're concerned about a serious reaction or that their children may get the illness the vaccine is supposed to prevent. Because the components of vaccines are weakened or killed, or in some cases only parts of the microorganism are used, it's unlikely to cause any serious illness. Some vaccines may cause a mild reaction, such as soreness where the shot was given, or fever, but serious reactions are rare.

The risks of vaccinations are small in comparison to the health risks associated with the diseases vaccines are intended to prevent.

Continuing to Protect Our Children...More vaccines are on the way!

On May 18, 2004, Greg Sorbara, the Ontario Minister of Finance, tabled his government's first budget, which included some additions to provincial health plan coverage. These additions included vaccinations for chickenpox, meningococcus, and pneumonia for children.

The Varicella vaccine protects against chickenpox, a common childhood viral illness and its complications (bacterial skin infections). The Varicella vaccine prevents severe illness in 95% of the children who receive it. It is up to 85% effective in preventing mild illness. If a vaccinated child does get chickenpox, he or she generally has a mild case.

Meningococcal C-Conjugate protects against meningococcal disease, a serious bacterial infection which can lead to bacterial meningitis and meningococemia (meningococcal infection of the blood). Bacterial meningitis, an inflammation of the membrane that protects the brain and spinal cord, is a rare but highly contagious disease that can spread rapidly among children who are in close quarters. It can be life-threatening if it is not promptly treated.

The Pneumococcal Vaccine (PVC) protects against pneumococcal infections. This bacterium is the leading cause of serious infections including pneumonia, blood infections and bacterial meningitis. Children under 2 years of age are most susceptible to serious pneumococcal infections. The pneumococcus bacterium is spread through person-to-person contact. The vaccine not only prevents the infection in children who receive it, but also helps stop its spread.

The three new immunization programs will save Ontario parents more than \$600 per child, and are good news for private benefit plans. An employer who has amended their plan to include these vaccines will see a reduction in their health-care costs due to this expansion of coverage under OHIP.

These three new publicly funded vaccines have been added to the recommended schedule of routine childhood immunizations. For a complete listing of the schedule for all vaccinations, please contact your physician or local public health department.