



[Critical Illness Insurance Poised for a Takeoff?](#) *(click to go to original article)*

- January 21st, 2011 by Christina Pellett

I always struggle when it comes time to story plan for our annual critical illness feature. The product is a logical one — it offers lump sum payments to victims of heart attacks, strokes, and cancer, along with such conditions as Alzheimer's and kidney failure. It's also affordable — premiums may be as low as \$20 per month for some policyholders. And it's relatively simple to obtain, with most companies offering simplified underwriting and jet issue for lower-end policies.

Then why is it still such a relatively unknown product? In 2009, voluntary critical illness sales represented only 2 to 4 percent of total voluntary sales, while cancer insurance stood at 8 percent, according to Eastbridge Consulting, even though CI sales had increased nearly 88 percent between 2008 and 2009, and cancer sales had dropped by 8 percent.

[CI clearly has a lot of catching up to do](#): Since it debuted on the U.S. market in 1998, just 60,000 individuals have purchased critical illness. Of those, [according to the American Association of Critical Illness](#), 24 percent of individual and 65 percent of voluntary buyers opted for \$20,000 or less worth of coverage.

Yet it's clear that [critical illness presents an unparalleled opportunity for insurance agents](#) in all lines of business. While conducting interviews for this year's critical illness feature, which will run in print and online in April 2011, J.R. Jordan, senior vice president at Colorado Bankers Services, explained why.

- Annuity producers and those in wealth accumulation sales can protect their clients' investments, ensuring they don't have to dip into their accumulations to pay for treatment of a critical illness.
- Life insurance agents who sell high-premium permanent life insurance can offer critical illness on a life insurance chassis, which will pay a lump sum to survivors and a death benefit to beneficiaries if they do not survive.
- Those in mortgage sales with a health and life license can sell CI to prevent clients from foreclosing because of high medical bills.
- Health insurance agents can get behind a product that offers additional income for them and additional protection for clients.

This last point is especially important given the environment in today's market. With PPACA aiming to provide coverage for all, that coverage may not be all that we had hoped. As catastrophic treatment becomes more difficult to obtain, critical illness can fill that gap. The product is already most popular in countries with nationalized health care or health care reform — most notably, Great Britain and Canada.

It just may be that the critical illness market is poised for a takeoff.