

Should you buy critical illness insurance for your child?

Source: SunLife Financial

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Your child's serious illness can affect the whole family physically, emotionally & financially. Child critical illness insurance can ease the strain.



Michael Ellis says he'll never forget the day the doctor called him to tell him his daughter, Chloe was ill. Earlier that day, Chloe had blood work done, and the results showed her blood sugar levels were sky high. He knew his daughter wasn't well, but he had no idea of the magnitude of the problem. "When the doctor called, he said, "I'm surprised she's still standing, go to the closest emergency room immediately."

Ellis rushed to his local hospital, and that day his daughter was diagnosed with type 1 diabetes. In the days after the incident, Ellis and his wife took time off to be at the hospital with their daughter until she was able to go home.

What is child critical illness insurance (CII)?

Like the Ellises, many parents take time off work when their child is sick. While some employees can take personal days off, paid time off is limited for most Canadians and many working Canadians (i.e. self-employed and contract workers) don't have the benefit of any paid time off.

While Ellis's daughter was in the hospital for 1 week, children diagnosed with other illnesses may have to stay in the hospital for months at a time, and during that time bills can pile up quickly.

Ellis says during that time, having critical illness insurance for Chloe made taking time off work to be with his daughter less stressful. "Knowing that there was a lump sum of cash to help us cover expenses gave me peace of mind," says Ellis.

CII for children provides you with a lump sum if your child is diagnosed with one of the illnesses covered by your policy. For example, at Sun Life, the Sun Critical illness insurance product (referred to as Sun CII) covers a range of illnesses such as life-threatening cancer, stroke, acquired brain injury and major organ failure. Children are also covered for five childhood illnesses such as type 1 diabetes mellitus and cystic fibrosis up to age 24. After they turn 24, they will continue to have coverage for a long list of illnesses that can strike at any age such as deafness, blindness or loss of limbs for the life of the policy.

Note: For most illnesses, there is a waiting period to be met before a claim can be made, so consult an advisor for more details.

What are the benefits of child critical illness insurance?

Here are 4 reasons parents and grandparents protect their little ones with CII:

1. You can use the money to cover the cost of medical treatments not covered by your provincial or private health coverage. For example, out-of-pocket costs for medications, devices and treatments needed to manage diabetes cost the typical Canadian living with the disease more than \$1,500 annually, according to a 2011 report by **Diabetes Canada**.
2. The coverage allows you and your partner to take time off work to care for your child without having to worry about money.
3. The funds you receive can pay for non-medical costs you may incur, such as hospital parking, taxis or hotel accommodations if you have to visit out-of-town specialists.
4. Premiums are low and guaranteed, and coverage continues into adulthood. That means your children can continue to receive coverage as adults at a lower rate than if they applied for CII as adults.

Coverage for now and the future

As a parent, you hope you'll never have to claim for a CII benefit for your child. That said, some insurers may return some of your premiums if you never make a full claim on your policy. With Sun CII for children, one of the return-of-premium options automatically returns 75% of premiums you've paid when your child turns 25 or on the policy's 15th anniversary, whichever is later. Coverage will continue and the rest of the premiums will be returned if the policy is

cancelled later or expires. (Note that this an optional benefit that you would add when you purchase the policy.)

With Sun CII, you can also add the long-term care conversion after age 18 option to your child's policy. With this optional benefit, some or all of the child's coverage can be converted into long-term care insurance later in life.

- To learn more about all of the Sun CII plans and benefits available, **Speak with an advisor.**

Parents like Ellis say preparing for the worst can protect your family during times of crisis. "Life is unpredictable, so it's valuable to research ways to protect your family," says Ellis. "I look at it like my daughter was going to get sick whether I had the coverage or not, but because I had coverage, we were able to breathe a bit easier during a time of turmoil."