



What Do Employees Know About Critical Illness Insurance?



We quizzed employees who are offered critical illness (CI) insurance at work about their understanding of this product.

Employees underestimate the risk.

▶ Employees seriously miscalculate the lifetime risk of a cancer diagnosis. More than half assume the lifetime risk is **less than 1 in 4**. (In reality it is 38%).¹

▶ Similarly, only **24%** of employees accurately predict that someone in the U.S. has a heart attack every 40 seconds.² (Most assume it is less frequent.)

Few have even a basic understanding of the product.

▶ Only **49%** of employees realize that CI is intended for healthy people to purchase. **20%** think it's for people with a family history of illness, while others suspect it's for those who are currently ill or lack medical insurance.

▶ Only **1 in 4** employees understands that CI pays a lump sum that can be used for anything upon diagnosis of a covered illness. Nearly half believe the money must be used for medical bills or illness-related expenses.

▶ In fact, there is much confusion about how a CI payout can be used, with only **35%** guessing it can be used for anything.

▶ Only **7%** of employees can accurately identify the conditions that are most likely to be covered (*heart attack, cancer, and stroke*.) Many believe non-covered conditions, such as genetic disorders or accidents, would also be included.

Employees' confusion about the purpose of CI coverage is driving low participation in this product, suggesting that more education is needed.



Data is from a LIMRA survey of over 2,000 employees conducted in December 2017.

¹ NIH National Cancer Institute, <https://seer.cancer.gov/statfacts/html/all.html>

² CDC, https://www.cdc.gov/heartdisease/heart_attack.htm