



Optional Critical Illness Insurance

Providing extra protection if
the unexpected happens

Life's brighter under the sun



Foreword

We know there's nothing more important than the health and security of employees and their loved ones. We also recognize an employee's health is often a private matter. It can have a large impact on their work. From management to recovery, and the effect on family and finances that comes with it, health matters.

COVID-19 has caused us to postpone many things. This includes medical check-ups that can help screen for cancer early, as an example. The uncertainty of COVID-19 may have employees thinking about the high cost of treating illnesses, and whether they have the right coverage. Before an illness leads to losses of productivity, temporary absences and disability claims, employers can take action. You can empower your employees with flexible benefits that help employees build a financial safety net and offers peace of mind. All while being cost effective for you.

Introduce optional insurance benefits

Also known as voluntary benefits. These are extra insurance products that an employer offers employees. Plan members benefit from competitive rates that are usually lower than what employees will get outside of a workplace plan.

Empower your employees

Critical illness insurance offers a one-time payment¹ to those who are diagnosed with a critical illness. Many value this coverage. Critical illnesses – like life-threatening cancer, heart attacks and strokes – have become more common. According to the Canadian Cancer Society, it's estimated in 2020 that over 600 Canadians were diagnosed with cancer everyday.²

The good news is that there's an increase in survival rates for many critical illnesses. But that means a growing need for **help in covering the many costs** associated with recovery.² That's where critical illness insurance can help.

The Sun Life Canadian Health Index survey asked millennial and Generation Z employees about their benefit needs. Both had access to workplace health benefits and found that:

37% felt their plan fully met their needs, and

45% indicated a need for flexibility with their health benefits.³

The addition of optional critical illness insurance offers an important financial safety net that helps reduce mental stress and increases engagement. For the employer, it shows organizational support for employees. It also enhances an organization's reputation as being an employer of choice.

A rise in critical illnesses

Why is there a rise in people diagnosed with critical illnesses? One reason is the aging of the Canadian workforce. Many of the boomer generation are moving toward and through retirement. With age, the rates for several of the most common critical illnesses rise.

Lifestyle choices also play a huge role. While sometimes a critical illness can relate to causes beyond a person's control, the Canadian Cancer Society estimates that about 40% of all cancers are preventable. People can achieve this through healthy living and government policies that lower our exposure to harmful substances.⁴

4 Facts – Critical illness insurance at work

- 1 Offers a one-time¹ **tax-free payment** to an employee if they are diagnosed with a covered illness. This is if they get a diagnosis after the effective date of coverage and the claim is approved.
- 2 Policies vary, but covered illnesses usually include the **most common** critical illnesses – heart attack, stroke, cancer, and more.
- 3 Employees can use this **cash payment** for any purpose – without restriction.
- 4 As long as the employee keeps their coverage, they can be on a disability claim and **remain eligible** to receive the payment.

The good news – survival rates are increasing

With various advances in medical science, the good news is that so many people are surviving life-threatening illnesses. For example:

- Canadians who have a heart attack are **5 times** more likely to survive than they were a generation ago. This means **95%** of those who have a heart attack and get to a hospital will survive.⁵
- The 5-year survival rate for all cancers combined is rising. Increasing from **55%** in the early 90s to **63%** by 2012-2014.⁶

Survival is just the beginning

While the statistics are encouraging, a serious illness can still have a devastating effect on a survivor. A person in full control of their life can suddenly find themselves trying to take care of a difficult disease.

There are financial implications as well. Our health-care system, together with employer-sponsored health and disability plans, can cover the many costs of a serious illness. Examples include doctor's visits, surgery, and prescription medications.

But the unexpected costs are where people may need help. A payout can aid:

- Reducing debt and replacing lost income while they cope with their illness.
- Pursuing new medical treatments and medications not covered by private or government health insurance plans.
- Transportation to and from treatment centres.
- Home renovations needed to help manage an illness.
- Bringing in extra help at home for their care or childcare.

While some may receive disability benefits for time off work, they can be less than a regular pay cheque. The reduced income could put extra stress on the employee.

One way that employers can help lower that financial stress is by offering optional critical illness insurance. More than three-quarters (**76%**) of plan members think critical illness insurance is important to an employer benefit plan.⁷ Offering optional critical illness insurance can be more cost effective for employees.

How optional critical illness insurance works

Optional critical illness insurance is an added benefit provided by an employer. Employees who buy coverage pay premiums through payroll deductions. There is no obligation to buy.

There are two key benefits for employees:

- 1 Competitive rates** – Employees can take advantage of their employer’s group buying power. This helps gain insurance coverage at rates better than they’d likely get on their own.
- 2 No health questions** – With some workplace policies, employees can also get coverage up to a set amount (up to \$50,000) without answering any health questions. This is something they can’t get on their own. Even employees who may have been declined in the past can apply. Coverage won’t cover a pre-existing condition. The diagnosis needs to happen after the effective date of coverage. It’s important for employees to read the specific terms and conditions of the policy before buying coverage.

With coverage, an employee receives a one-time¹ tax-free payment if they:

- receive a diagnosis for a covered illness after the effective policy date,
- survive the waiting period (usually 30 days), and
- we approve their claim.

Unlike disability benefits, payouts for critical illness benefits happen regardless of whether the employee can return to work.

Most plans on the market cover a variety of the most common serious and life-altering illnesses. These include life-threatening cancer, heart attack, stroke, blindness, deafness, paralysis, kidney failure, and multiple sclerosis. Our 25-condition plan also includes Alzheimer’s and Parkinson’s disease.

Critical illness can be valuable for single-person households

The percentage of single-person households in Canada has increased dramatically. From just **7.4%** of households in 1951 to **28%** in 2017.⁸ Single people are often their own primary dependent. Receiving an insurance payout during their lifetime (such as critical illness insurance) may be more important.

28% of households in Canada
were single person in 2017.

Stand out with critical illness insurance

Employees are looking for an employer of choice – and critical illness insurance has value. You can differentiate yourself as an employer by offering optional critical illness insurance.

6% of Canadians with a group or individual insurance have critical illness coverage.⁹

78% of employees haven't saved any money or planned for a health event.

38% of working Canadians have experienced financial hardship because of a health event.¹⁰

In a competitive marketplace, a benefits package that includes critical illness insurance can help attract and retain talented people.

Bonus benefit – navigating the health-care system

A critical illness can be challenging from a mental health perspective – for both the patients and their families. From the diagnosis and treatment to the recovery experience, there's a lot to navigate. For that reason, psychological support through your benefits coverage and Employee Assistance Programs, if offered, can be invaluable.

But another aid that's often overlooked is help in navigating the health-care system. This can be difficult for those diagnosed with a critical illness. They need to understand their medical condition, decide on treatment options and know where to find resources for help. And they must do all of this while trying to deal with a serious medical condition.

Sun Life offers a mix of insurance coverage with medical and system navigation support. **Best Doctors®**, a medical consultation service, is a good example.

Employees gain an international network of the best medical minds in the world with coverage that includes Best Doctors®. They'll get help to find the right diagnosis, treatment and information when they're facing medical uncertainty.

Doctors can even answer medical questions on conditions not covered under their policy. Doctors are available virtually and over the phone. Best Doctors works for spouses, children, parents and parents-in-law. It's also available up to four months after a claim payout.

Most recently, Best Doctors® launched **Mental Health Navigator**, a confidential virtual service offering information about mental health services close by. They also can consult if an employee feels like their treatment isn't working, or their condition isn't improving.

Further action – encourage healthy ways of life

One extra step an employer can take is to offer support for healthy lifestyles. A more holistic approach to helping employees involves supporting critical illness prevention along with access to critical illness insurance. Here are some healthy lifestyle support options to consider:



Wellness portal – Finding information on good health practises can be overwhelming. Offering a one-stop location for wellness tips and news is a great way to make it easy for employees to act. Many tips don't have an end date and can live long-term, making maintenance easy. Lifestyle advice, resources for more information and ways to connect with experts is a good start.



Reward good habits – Sometimes, motivation comes from the promise of a reward. Offering a points program that can be tied to accomplishing healthy tasks and reaching goals is a great way to start. For example, you can offer the ability to connect a step counter with your rewards program. When an employee reaches a certain milestone, they gain points. The more points an employee gets, the better the reward that can be redeemed.



Physical health – Employers can take steps to integrate regular exercise into the lives of employees in several ways. These include health challenges, fundraising walks/runs for charity or promoting simple activities around the office, such as stair climbing. Education sessions will also help promote exercise as a healthy lifestyle choice. They can highlight the benefits of physical activity and give tips for increasing activity levels.



Nutrition – You can encourage healthy eating among employees. It can start with offering education sessions on nutrition topics. Together with a more active campaign, such as introducing healthier catering and cafeteria choices. You can also offer print or digital information in eating areas.



Mental health – Yoga and mindfulness meditation are two popular programs for the prevention and treatment of anxiety and depression. For some, yoga can produce positive effects like anti-anxiety medicine.¹¹

But the stress management technique that many are adopting is mindfulness. This form of meditation takes little time or space but is proven to be effective in managing anxiety.¹² Practicing mindfulness meditation has been shown to reduce unproductive worry that can spiral into stress. And stress, can lead to more serious forms of psychological distress such as anxiety, depression and even pain.¹³

Optional critical illness insurance – help your employees when they need it most

Health and wellness programs promote actions to lower critical illness risks. But a key way that you can help employees is by providing a cost-effective protection option. One that can help them meet the financial challenge of battling an illness if it happens.

Benefits to you

1

Is a low cost way to **increase the value** of your benefits plan.

2

Provides employees with a **cost-effective way to protect** themselves and their families.

3

Enhances your organization's reputation as an **employer of choice**.

4

Promotes confidence, which can help lower loss of productivity, temporary absences and disability claims.

Talk with your Sun Life Account Executive about how **Optional Critical Illness Insurance** can support your organization's goals.

- ¹ Based upon current tax laws, we believe that any cash benefit from a group critical illness insurance plan will not presently be taxed when the premium is paid for by the plan member and the benefit is payable to the plan member. Diagnosis of a critical illness must occur after the effective date of coverage and you must complete a survival period (usually 30 days). Payment is made if we approve your claim.
- ² [www.cancer.ca](https://www.cancer.ca/en/cancer-information/cancer-101/cancer-statistics-at-a-glance/?region=on#:~:text=Cancer%20is%20the%20leading%20cause,women%20will%20die%20from%20cancer). 2020. *Cancer Statistics At A Glance – Canadian Cancer Society*. Available at: <https://www.cancer.ca/en/cancer-information/cancer-101/cancer-statistics-at-a-glance/?region=on#:~:text=Cancer%20is%20the%20leading%20cause,women%20will%20die%20from%20cancer>.
- ³ Sun Life 2017, Sun Life Canadian Health Index, https://www.sunlife.ca/ca/About+us/Newsroom/News+releases/Announcement/Seventy-seven+per+cent+of+Canadians+feel+entitled+to+workplace+health+benefits?vgnLocale=en_CA&id=123067.
- ⁴ Canadian Cancer Society. Available at: <https://www.cancer.ca/en/prevention-and-screening/reduce-cancer-risk/can-cancer-be-prevented/?region=on>.
- ⁵ Public Health Agency of Canada, Tracking Heart Disease and Stroke in Canada, 2009.
- ⁶ Canadian Cancer Statistics Advisory Committee. Canadian Cancer Statistics 2019. Toronto, ON: Canadian Cancer Society; 2019. Available at: <https://www.cancer.ca/~media/cancer.ca/CW/cancer%20information/cancer%20101/Canadian%20cancer%20statistics/Canadian-Cancer-Statistics-2019-EN.pdf?la=en>.
- ⁷ Sanofi Canada HealthCare Survey, 2016.
- ⁸ <https://www.statcan.gc.ca/daily-quotidien/170802/dq170802a-eng.htm>
- ⁹ CLHIA 2015, 2016.
- ¹⁰ 2017 Sun Life Barometer.
- ¹¹ Bennett, Shannon M., MA, Amy Weintraub, MFA, and Sat Bir S. Khalsa, PhD. "Initial Evaluation of the LifeForce Yoga Program as a Therapeutic Intervention for Depression." *INTERNATIONAL JOURNAL OF YOGA THERAPY* 18 (2008): 49-57. Accessed on: <https://mysticmoonlightyoga.com/yoga-as-treatment-for-depression/>.
- ¹² Christensen, Kelly. Michigan Technological University, "Meditation could help anxiety and cardiovascular health." *ScienceDaily*. ScienceDaily, 20 April 2018. www.sciencedaily.com/releases/2018/04/180420122810.htm.
- ¹³ Goyal, M., (2014). Meditation Programs for Psychological Stress and Well-being: A Systematic Review and Meta-analysis. *JAMA Internal Medicine* 2014; 174(3): 357-368.

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