

# What if you could protect it all?

The importance of critical illness protection



# Critical illness

Sometimes life takes an unexpected turn, that's why the people you love and the lifestyle you lead need protecting. Critical illness cover is designed to protect you and your family from the impact of illnesses such as cancer, heart attack and stroke, and provide financial security in the face of a crisis.



## Did you know?

Dr. Marius Barnard, the heart surgeon who was part of the team that performed the first human-to-human heart transplant in South Africa in 1967, created the concept of critical illness insurance.



Critical illness insurance gives you financial independence when you need it most. You need insurance not only because you are going to die, but because you are going to live.”

**Dr. Marius Barnard**

## It won't happen to me

Diagnosis of a critical illness is typically sudden and unexpected and our claims experience in the Middle East shows that it can strike anyone, at any age, at any time.

**48** Average age for critical illness claimant

**29** Youngest critical illness claimant

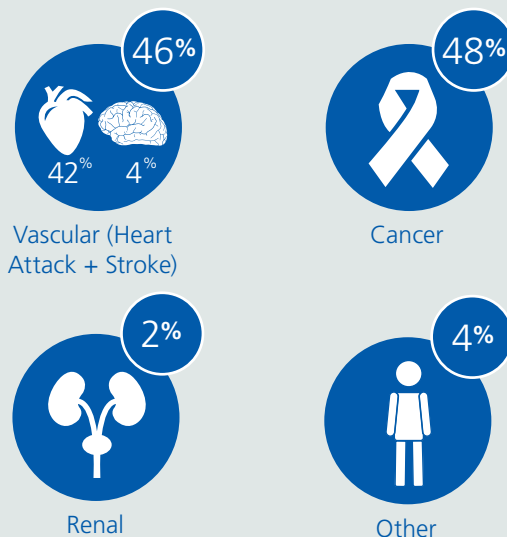
**4** Youngest child critical illness claimant

Zurich also covers your children free of charge\*



We cover **36** critical illnesses and our claims record shows that **96%** of all claims submitted are within three definitions of illness<sup>1</sup>;

## Critical illness claims by condition



The good news is that due to advances in medicine, more people are living longer and surviving critical illnesses such as cancer, cardiovascular disease and stroke, than ever before.<sup>2</sup>

For example in the USA, about 750,000 people have heart attacks each year of which 85% survive<sup>3</sup>.

But what does it truly mean to survive a critical illness?

\*Zurich offers free children's critical illness cover for up to three children when you take a critical illness benefit on a whole of life policy.

<sup>1</sup>Source: Zurich International Life Claim Statistics (Jan 2014 – Feb 2016)

<sup>2</sup>Source: [www.cancerresearchuk.org](http://www.cancerresearchuk.org), Cancer survival statistics, September 2015; British Heart Foundation, cardiovascular disease statistics 2014; [stroke.org.uk](http://stroke.org.uk), stroke statistics, January 2015

<sup>3</sup>Source: American Heart Association, 2016

## Asking the right questions

Being diagnosed with a critical illness is the start of an uncertain journey. While you might anticipate the impact to your health, it's important to ask yourself a few important questions:

If I had to stop working because I became critically ill, how many years of an alternate source of income would I need?

If I became critically ill, where would my family and I live? Would we stay in the Middle East or move back to our home country?



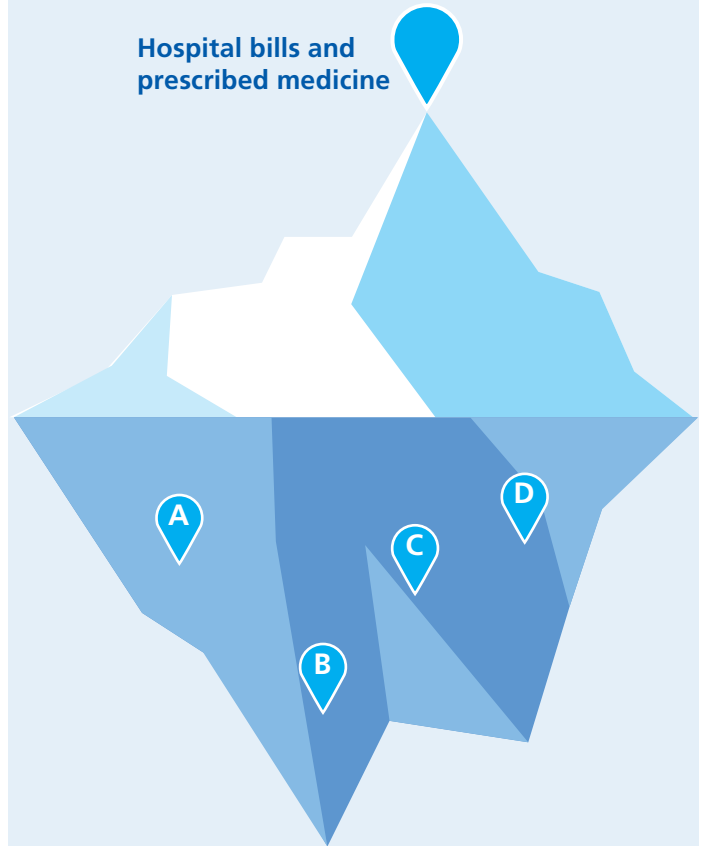
What are the usual day-to-day expenses I need to cover should I become critically ill? Are there any additional costs that I need to consider?

As a family we still need to achieve our goals such as a comfortable retirement or university for our children so will we keep contributing to these regularly if one of us gets a critical illness?

If you are not adequately protected when a critical illness strikes, you might struggle financially at a time when money should be the last thing on your mind.

## The hidden costs of critical illness

It is not unusual for people to be confused between critical illness cover and private medical insurance (PMI). While PMI might cover some or all of your medical bills, there tends to be an annual limit and you might also be required to co-pay a percentage of the bills. But medical expenses are just the tip of the iceberg.



### Hidden costs

- A Reduced income:** You may have to reduce your working hours, or stop working, which would result in a loss of income. In a report by Macmillan, one third (33%) of people living with critical illness stopped working either permanently or temporarily, while a further 8% had been forced to reduce their hours or take unpaid leave.<sup>4</sup>
- B Hidden healthcare costs:** A significant proportion (41%) of people living with critical illness incur costs for other healthcare needs. These range from prescription medicines not included in personal medical insurance, clinical psychological services, physiotherapy, speech and language therapy, occupational therapy and dietetics.
- C Lifestyle costs:** Over a third (37%) of people incur costs for replacement clothing due to rapid weight loss or gain, specialised equipment, and home modifications, such as wheel chair access.
- D Other costs:** Some costs are difficult to quantify, such as regular trips to medical appointments, travel for specialised treatment, wigs or hairpieces due to hair loss, and increase in household bills such as utilities, groceries and telephone.

<sup>4</sup>Source: Macmillan Money and cancer policy report, 2015

## Calculating the amount of cover

Critical illness cover pays out a lump sum when you are diagnosed with a critical illness. This cash amount can help to meet your financial needs during treatment and recovery. It could be used to replace a loss of income, repay bank loans, or maintain your family's current lifestyle.

Recovery from a critical illness is highly individual, and it could take longer than three years for you to fully recover.<sup>5</sup>

<sup>5</sup><http://www.criticalillness.org.uk/cancer-and-critical-illness-insurance-cover.html>

One simple way to calculate how much critical illness cover you need is by protecting your annual income.

$$\text{Annual income} \times 4 \text{ years} = \text{amount of critical illness cover}$$

Another way to calculate the cover you need is to look at your annual expenses and create a provision for at least four years.

$$\text{Annual expenses} \times 4 \text{ years} = \text{amount of critical illness cover}$$

Opposite is an example of living expenses in the UAE for a married couple with two children, with a monthly income of AED 40,000.

| Monthly expenses                     | Amount in AED |
|--------------------------------------|---------------|
| Housing (rent/mortgage)              | 12,000        |
| Food and groceries                   | 3,000         |
| Utility bills                        | 2,500         |
| Clothes and footwear                 | 2,400         |
| Transport and fuel                   | 1,500         |
| Entertainment                        | 2,000         |
| Health and fitness                   | 1,200         |
| School fees                          | 6,000         |
| Savings and investments              | 3,000         |
| Insurance premiums (life, home, car) | 2,000         |
| House help                           | 1,400         |
| Other expenses                       | 1,300         |
| <b>Total monthly expenses</b>        | <b>38,300</b> |



### Annual income

$$(\text{AED } 40,000 \times 12) = \text{AED } 480,000$$

### Critical illness cover

$$(\text{AED } 480,000 \times 4) = \text{AED } 1,920,000$$

or approximately USD 500,000

### Annual expenses

$$(\text{AED } 38,300 \times 12) = \text{AED } 459,600$$

### Critical illness cover

$$(\text{AED } 459,600 \times 4) = \text{AED } 1,838,400$$

or approximately USD 500,000



#### Tip:

Countries have different costs of living, so if you move to another country it is important to understand the everyday expenses you would incur, as well as any other hidden costs.



## Can I afford it?

There is a perception that protection is expensive, but the reality is that it's more affordable than you might think.



For example, if you are a 35 year old male, you can expect to pay no more than a coffee a day (AED 23) to cover yourself for 20 years.

It's important to consider your budget and your needs when choosing a protection solution. You could choose a relatively cheaper fixed-term protection policy, or a more comprehensive whole of life option which is intended to last your entire lifetime. Below is a table showing the monthly premiums for both a term and whole of life policy for USD 500,000 (AED 1.84 million).

| Age | Term insurance for 20 years                             |       | Whole of life protection                                 |       |
|-----|---|-------|--|-------|
|     | Life cover and critical illness cover = USD500,000 each |       | Life cover and critical illness cover = USD 500,000 each |       |
|     | Monthly premium*  |       | Monthly premium**  |       |
|     | USD   | AED   | USD  | AED   |
| 25  | 109   | 400   | 366  | 1,346 |
| 30  | 141   | 518   | 459  | 1,688 |
| 35  | 190   | 697   | 583  | 2,144 |
| 40  | 258   | 950   | 751  | 2,762 |
| 45  | 406   | 1,494 | 980  | 3,604 |

\*premiums are based on a male, non-smoker

\*\*premiums are based on a male, non-smoker and a growth rate of 4% per annum

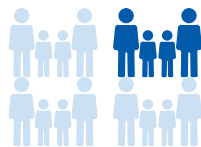
## It's all about you

Zurich's recent research on protection in the UAE has shown that

on average, people are willing to pay **6%** of their monthly income on protection

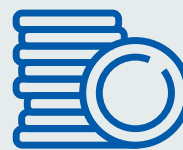
Yet on average, the cost of protection is **3.5%** of people's monthly income

**76%** of families are unprotected against loss of regular income due to a critical illness.<sup>6</sup>

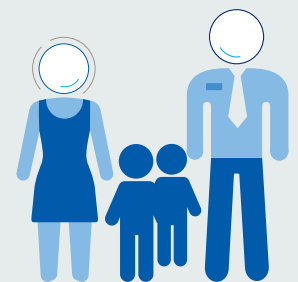


Our report also highlighted that very few government provisions exist for expatriates in the UAE and companies tend to provide limited cover, if any.

Should you move to your home country, you might be eligible for welfare support, but would it be enough to meet your financial commitments?



For example, the UK state benefit is **GBP 88.43 weekly (AED 400)**.<sup>7</sup>



With a lack of sufficient government and corporate support, it is essential that you take individual responsibility to secure the financial future of you and your loved ones.

<sup>6</sup>Income Protection in the UAE – Zurich International Life, 2016

<sup>7</sup>Source: www.direct.gov.uk, May 2015



To calculate how much protection you need, log on to [zurich.ae](http://zurich.ae) or scan here.

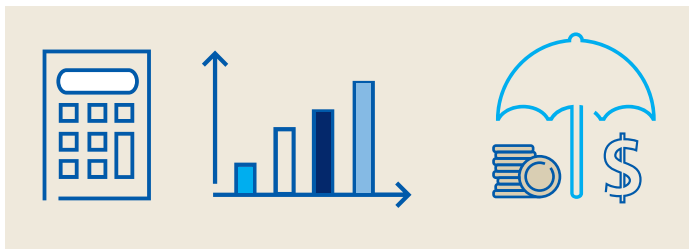


### Tip:

If your company provides critical illness cover, it is essential to understand if it is sufficient to maintain your lifestyle.

## Planning and prevention

It's not only important for you to seek professional advice on your protection needs, it's also essential to lead a healthy lifestyle and take steps to help prevent or delay a critical illness.



### Financial wellbeing

Start financial planning early and take out a protection plan while you are young and healthy.

Prioritise your protection and financial goals with the help of your financial professional.

Remain committed and have regular reviews with your financial professional to ensure you have adequate cover as your circumstances change.



### Health and lifestyle

Know your family medical history as it can help you identify common illnesses, such as heart disease, high blood pressure and stroke, and take the necessary steps to prevent them.

Adopt a healthier diet, get regular exercise, and avoid smoking to help lower your chances of developing heart disease and other common illnesses.

Regular health exams and tests can help you identify problems early or even before they start. By getting the right health services, screenings, and treatments, you are taking steps that help your chances for living a longer, healthier life and decreasing the chance of illness.



#### Tip:

Have you recently bought a home, or started a family? Go for a financial review with your financial professional.



#### Tip:

Why not check your healthcare plan to see if you're eligible for an annual health screening?

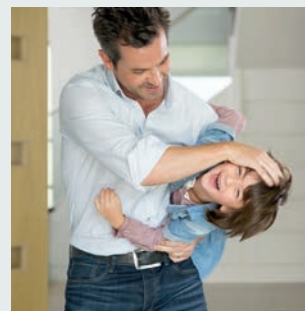
## Real people, real life experiences

Fortunately, these two Zurich customers had critical illness cover when they were diagnosed and the difference it made to them and their families goes beyond a lump sum payment.



My husband and I were only 29 and weren't thinking about things like heart attack, cancer, diabetes, or kidney failure. We were just enjoying our life in Dubai."

**Muskan**

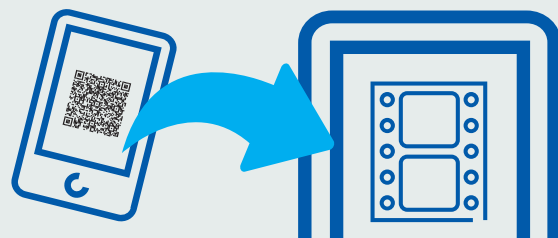


Sometimes Dubai can make you feel like you don't have to worry about tomorrow, as there's so much fun to be had today."

**Gary**



Watch their stories here



## Why choose Zurich?

### Why Zurich

Our solutions are designed to alleviate the impact of a critical illness and we consistently deliver support when it is needed.

Our trained claims team handle each claim with sensitivity and compassion, so you can rely on us to be there when it matters most.



### Award-winning products and services

Our customers have trusted us to protect them for almost 30 years in the Middle East, and that's why we have won many industry awards over the years, including most recently:

#### MENA Insurance Review Awards (2015 – 2017):

- 'Life Insurer of the Year'

#### International Adviser Life Awards (2015 and 2016):

- 'Reader's Choice Award'
- 'Best overall product range'
- 'Best Protection Product'



### Strong claims record

Our claims process is quick, efficient and simple. In the unfortunate event that a claim needs to be made, Zurich will be right by your side – giving you support, and making sure that all valid claims are paid quickly and easily.



Our Middle East claims record is proof of this:

**USD67 million**  
paid out in protection benefits in the Middle East.

**USD34 million**  
paid out in death claims in the Middle East.

**USD33 million**  
paid out in critical illness claims in the Middle East.

Based on Zurich Middle East claims statistics, 2017.

### Easy access

We understand the importance of having access to your policy information at all times.

#### Zurich International online

Zurich International online (ZIO) offers quick, simple and convenient access to your policy information, to help you control your financial plans with minimal effort.



### Financial stability

Our strong financial ratings mean you can feel confident that we'll be able to meet our financial commitments to you and your family.



| Agency            | Rating | Outlook |
|-------------------|--------|---------|
| Standard & Poor's | AA-    | Stable  |
| Moody's           | Aa3    | Stable  |
| A.M. Best         | A+     | Stable  |



To find out more about Zurich's range of protection solutions, speak to your financial professional, or log on to [zurich.ae](http://zurich.ae).

To make sure you get the right solutions for your individual needs, it is important to speak to a financial professional. To find a financial professional in the UAE, Bahrain or Qatar, simply visit <https://www.zurich.ae/en/adviser-finder>

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