

5 Objections to Critical Illness Insurance & How to Respond

Insurance is easily misunderstood — especially when it comes to supplemental products like critical illness insurance. If you encounter objections from clients, take them in stride and educate them about the benefits critical illness insurance can provide. Here's how.

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1

“I’m still young and healthy.”

No one likes to think about it, but a life-threatening diagnosis can happen to anyone at anytime. Yes, even if you’re young, healthy, and in your prime.

Everyone knows someone who has been diagnosed with cancer or suffered a heart attack. And oftentimes, the most serious illnesses can run rampant in a family’s health history. The numbers help paint a picture of just how common this is today.

- According to the Centers for Disease Control (CDC), approximately 805,000 people in the U.S. suffer a heart attack per year. Of these, 3 out of 4 are first-time heart attacks.
- The CDC also reports approximately 795,000 strokes occur in the U.S. each year with 3 out of 4 being first-time strokes.
- Meanwhile, the American Cancer Society estimates men and both have a roughly 40% chance of developing some form of cancer in their lifetimes.

When it comes to personal health, the risks are clear. That’s why it’s always better to be financially proactive now than reactive when it’s too late and insurance can’t help.

2

“Critical illness insurance is too expensive.”

Healthcare is too expensive. So is health insurance and oftentimes plans have gaps in coverage anyway. As a result, many Americans and their families aren’t prepared for a serious illness. Critical illness insurance is not a bulletproof solution, but it can certainly help.

Some clients may not have room in their budgets to buy critical illness insurance today. That’s ok. For those who do, explain how the cost of critical illness insurance pales in comparison to the financial impact of the alternatives.

For example — the American Journal of Public Health reports two-thirds of personal bankruptcies in the U.S. stem from health issues. In a country where the average cost of cancer treatment is \$150,000 and the median cost of hospitalization from a heart attack is over \$53,000, it’s sadly not all that hard to believe.

When you consider the alternatives, adding a critical illness insurance plan to your financial safety net is actually quite affordable. Just imagine the world of difference a payment of up to \$75,000 could make if you were diagnosed with cancer or suffered from a stroke.

3**“I already have health insurance.”**

Make sure your clients understand critical illness insurance is not a replacement for health insurance. It's a supplemental plan designed to help with out-of-pocket expenses health insurance doesn't cover if you're diagnosed with cancer, heart attack, stroke, or another covered illness. Take this opportunity to illustrate real examples of how benefits from a critical illness insurance policy can be used.

Cover health insurance deductibles and copays. Keep up with everyday expenses like your mortgage, utilities, and childcare. Finance experimental treatments that require travel. Replace lost income from missed work.

Share these highly practical use cases with your clients to emphasize the flexibility of critical illness insurance benefits. But remind them — it truly is money to use however they want in difficult times.

4**“My emergency fund should be enough.”**

Emergency savings can help with car troubles, home repairs, or an unexpected trip to the vet. Treatment for a life-threatening diagnosis like cancer, however, can quickly wipe out even the most robust fund.

In reality, many Americans simply aren't prepared for a life-threatening diagnosis and the devastating medical bills that follow. The Breeze Consumer Savings Study found 47% of Americans couldn't cover a \$1,000 expense with just their personal savings. And according to Life Happens, 70% of Americans couldn't last a month without a paycheck before experiencing financial hardship.

Saving thousands of dollars takes time and discipline. Adding an affordable critical illness insurance policy with up to a \$75,000 cushion is a smart, quick way to strengthen your safety net sooner rather than later.

5**“People crowdfund for medical bills all the time”**

True? Yes. Reliable? Not exactly. According to GoFundMe — the undisputed king of crowdfunding — there was \$650 million raised by medical crowdfunding campaigns in 2018. Only 10% of these campaigns met their fundraising goals. While crowdfunding is best suited for a last ditch effort to cover large medical bills, it can serve as a helpful conversation starter for clients who aren't quite sold on the value of critical illness insurance.

With critical illness insurance, your clients can prepare for the worst down the road. They can also enjoy greater peace of mind right now.

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