

Group Critical Illness

Group critical illness insurance is a type of insurance coverage that provides financial protection to your employees, in the event they are diagnosed with a critical illness. It is often offered as part of a wider employee benefits package.



Critical illnesses are serious and life-threatening conditions such as cancer, heart attack, stroke, organ failure, and certain other specified diseases. When a covered employee is diagnosed with a critical illness, they receive a tax free lump-sum payment from the insurance company. This payment can be used by the individual to cover medical expenses, ongoing treatment costs, mortgage payments, debt payments, or any other financial obligations.

Each year, thousands of working-age adults are diagnosed with a critical illness. This can lead to an extended absence from work, as well as unforeseen costs. For employees and their families who find themselves in this situation, Group Critical Illness cover offers them financial protection and more.

As well as providing a tax-free lump sum in the event of a valid claim, most group critical illness policies include additional support services that can be used by employers and employees, even if they do not need to claim. These can include wellbeing tools, employee assistance programmes and second medical opinion services.

Cover is usually offered as a multiple of salary or a set amount, with flexible and voluntary schemes enabling employees to select how much cover they want.

Why offer Group Critical Illness?

You are protecting your most valuable asset - your staff!

Group critical illness insurance is typically offered as a voluntary benefit, meaning employees have the option to enroll and pay premiums themselves, although some employers may choose to provide it as a fully funded benefit. The coverage and premium costs are often based on the age, health, and occupation of the employee.

Demonstrates duty of care: offering cover as part of an employee's benefit package clearly shows commitment to your workforce. It can also help make your business more attractive to potential recruits.

Employee retention and wellbeing: offering group critical illness insurance as part of an employee benefits package can enhance employee retention and satisfaction. It demonstrates you care about the well-being of your employees and provides an added layer of financial security.

Affordable coverage: group critical illness plans generally offer more affordable rates compared to individual policies. By leveraging the group's buying power, employees can access critical illness coverage at a lower cost than if they were to purchase an individual policy.

Additional coverage options: group critical illness insurance is often customizable, allowing employers to offer different coverage levels and options to suit the needs of their workforce. Employees can select the coverage amount that aligns with their financial requirements and risk tolerance.

Tax benefits: where cover is paid for by the employer, the premiums tax-deductible as a business expense and are treated as a benefit in kind or P11D benefit for employees.

Group Critical Illness Cover

<p>Pays a tax-free lump sum to an employee if that are diagnosed with a serious medical condition covered by the policy.</p> <ul style="list-style-type: none"> Cover is offered as a multiple of salary or a set amount Commonly offered as a flexible or voluntary benefit Standard policy covers between 12 to 15 serious health conditions and operations Pre-existing conditions are typically excluded from cover 	<p>Typically includes:</p> <ul style="list-style-type: none"> • Cancer • Heart attack • Stroke • Kidney failure • Major organ transplant • Multiple sclerosis • Coronary artery bypass grafts
<p>Insurers can also allow an employee to cover their partner.</p>	<p>Children's cover can also be included, usually up to 18 or 22 in full-time education.</p>

Help choosing the right scheme

The terms and conditions of group critical illness insurance can vary depending on the insurance provider and the specific policy. The covered illnesses, exclusions, waiting periods, and payout amounts can all differ. Generally, the policy will outline a list of covered critical illnesses and specify the criteria that must be met for a valid claim.

It is important to carefully review the terms of the policy and understand the covered illnesses, waiting periods, and any exclusions or limitations before enrolling in group critical illness insurance.

How we can help

Group critical illness policies vary across the market, here at Ellis Bates we are an independent advisory firm, so we can look at the various options that best meet your requirements.

Most insurers will offer a standard or core policy, but there are additional benefits which our advisers will discuss with you. This can include extending cover beyond the standard illnesses a plan would cover – this could be liver failure, loss of limbs, blindness. We can also discuss including benefits to protect your employees family, such as cover for a spouse and children.

Having such a plan is a valuable benefit, providing your employee peace of mind that should something happen to their/or their families health, they won't be worrying about finances but can solely focus on getting healthy.

