THE MCCORMICK AGENCY

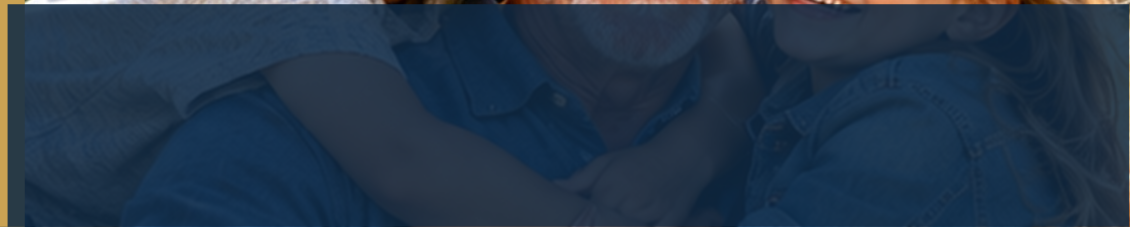
CLIENT EDUCATION SERIES

CRITICAL ILLNESS 101

Cancer • Heart Attack • Stroke

A lump-sum financial safety net when a covered diagnosis changes everything.

SUPPLEMENTAL HEALTH COVERAGE



A trusted partner in your corner.

The McCormick Agency helps Medicare-eligible individuals compare supplemental protection with confidence.

Independent guidance

Options explained clearly. Coverage designed for your needs.

“I work for you — not for any one insurance company.”

WHY THIS MATTERS

Insurance for the costs beyond treatment

Health insurance helps with covered medical services. It may not replace income or pay everyday bills while you recover.

MEDICAL COSTS

- ✓ Copays & coinsurance
- ✓ Out-of-pocket expenses
- ✓ Treatment travel

LIFE COSTS

- ✓ Mortgage or rent
- ✓ Groceries & utilities
- ✓ Income interrupted

The goal: financial flexibility. A qualifying diagnosis may provide cash you choose how to use.

THE BASICS

What is critical illness insurance?

A separate policy that can provide a lump-sum cash benefit after a covered diagnosis.

Cash paid to you

A qualifying claim can trigger a specified benefit.

Use it where needed

Help with bills, travel, recovery or other expenses.

Works alongside coverage

Not a replacement for Medicare or your health plan.

Policy terms matter

Diagnosis definitions, exclusions and waiting periods apply.

More than a medical bill.

WHAT IT CAN PROTECT

The four pillars of critical illness

Covered conditions depend on the carrier, policy and specific medical definitions.

Cancer

Invasive cancers may qualify for a full benefit; certain early-stage cancers may receive a partial payment.

Heart attack

A qualifying myocardial infarction; some policies also include certain cardiac procedures.

Stroke

Covered neurological events meeting the policy's criteria and duration requirements.

Other conditions

Some plans add kidney failure, major organ transplant, paralysis and other listed illnesses.

WHO THIS HELPS

Who may benefit from added protection?

Explore the financial risks, not just medical risks, when comparing your coverage.

Medicare Advantage members

Concerned about copays and annual out-of-pocket exposure.

Family history of illness

Looking for a financial contingency plan.

Homeowners & breadwinners

Want to protect routine household expenses.

People with limited savings

Need an additional emergency cash cushion.

Recently retired clients

Prefer predictable protection on a fixed income.

Proactive planners

Want options in place before a diagnosis.

HOW IT WORKS

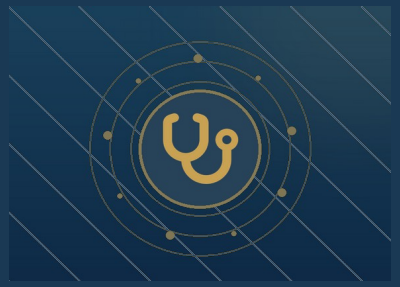
From enrollment to financial support

Five simple milestones — actual coverage and claim requirements depend on the policy.

01

Choose coverage

Select a benefit amount and apply.



02

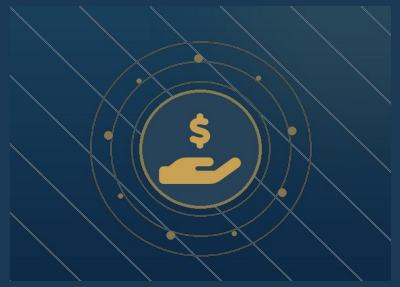
Covered diagnosis

A qualifying condition occurs after applicable terms.

03

Submit a claim

Provide the carrier's requested documentation.



04

Benefit paid

After approval, cash is sent to the insured.

05

Use as needed

Pay bills, travel, recovery or living costs.

Cash benefits can support the things your health plan does not.

REAL-LIFE EXAMPLES

What a lump-sum benefit can look like

Illustrative scenarios from the original guide, not promises of payment or eligibility.

MARY · Age 68

Breast cancer

$25,000

Illustrative lump-sum benefit

$6,700	Medical costs
$8,000	Household bills
$10,300	Treatment travel

ROBERT · Age 72

Heart attack + surgery

$20,000

Illustrative lump-sum benefit

$4,200	Copays & out-of-pocket
$15,800	Income and living costs

LINDA · Age 64

Stroke + rehabilitation

$30,000

Illustrative lump-sum benefit

Recovery	Extra rehabilitation
Support	Home modifications
Stability	Daily living costs

DESIGNED TO COMPLEMENT

How it pairs with Medicare Advantage

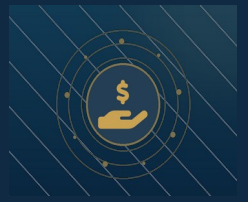
Two separate coverages, two different jobs.

Medicare Advantage

Helps pay for covered medical services subject to plan rules, networks and cost sharing.

- Coverage goes to medical care
- Copays, coinsurance and limits can apply
- Everyday expenses may remain

+



+ Critical Illness

May pay you a specified cash amount when a covered diagnosis qualifies.

- Cash paid to the insured
- Use it toward bills and recovery costs
- Subject to policy definitions and exclusions

Illustrative example: a $25,000 qualifying benefit may help address expenses beyond the medical claim.

Example premiums and benefit choices

Figures below are illustrations from the original guide, not current quotes.

Illustrative monthly premiums

Age and selected benefit

AGE 55	$10,000	**$15–$28/mo**
AGE 60	$25,000	**$30–$55/mo**
AGE 65	$25,000	**$45–$80/mo**
AGE 70	$25,000	**$65–$110/mo**

Choose a benefit

$10,000	Entry-level
$25,000	Expanded protection
$50,000	Higher face amount

Premiums depend on the insurer, age, tobacco use, health, state, underwriting and policy details.

POLICY DETAILS

Which conditions might be included?

The following examples come from the guide. Check the certificate for your plan’s exact definitions.

PRIMARY CONDITIONS

Common core categories

- Invasive cancer
- Heart attack (MI)
- Stroke (CVA)
- Kidney failure
- Major organ transplant
- Coronary artery bypass
- Paralysis

ADDITIONAL CONDITIONS

Often plan-dependent

- Alzheimer’s disease
- ALS
- Multiple sclerosis
- Parkinson’s disease
- Angioplasty / stent
- Non-melanoma skin cancer
- In situ cancer

BEFORE YOU APPLY

Important enrollment considerations

Critical illness policies are generally purchased separately, year-round.

Waiting periods

Certain diagnoses may be excluded for a period after issue.

Pre-existing conditions

Coverage may exclude conditions diagnosed before effective date.

Health underwriting

Eligibility can depend on health questions and prior history.

Benefit structure

A policy may pay once per event or offer specific recurrence features.

Optional riders

Return-of-premium features may be offered on some plans.

The right time is before you need to make a claim.

COMMON QUESTIONS

Frequently asked questions

Clear answers to help clients compare this coverage confidently.

Is it the same as a Medicare Supplement?

No. Medigap addresses certain Medicare cost sharing; critical illness provides a cash benefit after a qualifying diagnosis.

Can I have hospital indemnity too?

Yes. The policies address different covered events and can complement one another.

Does it pay if Medicare covers my bills?

It may. Payment follows the critical illness policy, not simply the size of your medical bills.

Will unused premiums be refunded?

Not automatically. Some plans may offer an optional return-of-premium rider.

How quickly are claims paid?

Timing varies by carrier, the claim and complete supporting documentation.

Are benefits taxable?

Tax treatment depends on your circumstances and premium funding. Ask a qualified tax professional.

YOUR NEXT STEP

Let’s make sure you’re protected.

A serious diagnosis should not have to become a financial crisis. Compare available critical illness options with an independent agent.

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