

# Cancer Insurance: Is it right for you?

Are you thinking about purchasing a cancer policy? According to the National Association of Insurance Commissioners, three out of 10 Americans will be diagnosed with cancer. That means seven of 10 will not.

When purchasing any type of policy, you need to make sure it is right for you and your family. A cancer policy is no exception. If your family has a history of cancer, or if you have been exposed to a cancer-causing agent such as asbestos, you might want to consider purchasing a cancer policy. Knowing you have this type of coverage “just in case” may provide some peace of mind.



Cancer policies can be purchased individually or through a group policy offered by your employer. It is important to realize that cancer insurance is not a replacement for a health benefit plan. A health benefit plan covers many types of medical conditions or illnesses, which may include, but not be limited to, cancer. Most cancer insurance only provides benefits relating to the diagnosis and treatment of that particular disease. Other illnesses or conditions which may result from cancer, such as pneumonia or infection, may not be covered under a cancer policy.

Expense incurred and indemnity are the two traditional types of cancer policies sold by insurers. Expense incurred pays a percentage of expenses listed in the policy up to the policy’s maximum dollar limit. Indemnity pays a fixed dollar amount for the services specifically listed in the policy. Total charges could exceed the fixed amount paid by the insurer in an indemnity plan.

There are several types of benefits that may be contained within a cancer policy. Listed below are three examples. Each company’s policy can vary, so it is important to read and understand the policy language.



- ▶ **First occurrence** - Pays a lump sum payment when the insured is first diagnosed with cancer. In addition to this one-time payment, it also could have benefits for medical and non-medical services.
- ▶ **Hospital confinement** - Pays a set dollar amount each day the insured is hospitalized for the treatment of cancer.
- ▶ **Surgical procedure** - Pays a set dollar amount for specific surgical procedures listed in the policy.

Understand what you are purchasing. Contact several insurance companies or agents to compare policy premiums and benefits. The following are some questions that may assist you:

- ▶ Does the policy limit benefits to only certain types of treatments such as radiation or chemotherapy? Keep in mind that researchers are continuously developing new and effective treatments for this disease.
- ▶ Does the cancer policy coordinate benefits with your other health insurance coverage? Some plans may not pay benefits if another health insurance policy pays.
- ▶ Does the policy have coverage for non-medical expenses such as transportation to and from the doctor or costs relating to home health care?
- ▶ What policy options are available in your area? Premium refund and premium waiver are two possible options available with this type of policy.



If you have additional questions about cancer insurance or other issues such as health benefit plans, insurance appeals, coverage denials or utilization review, you may contact the Kentucky Department of Insurance, Division of Consumer Protection, through the website or by phone. The department's number is 800-595-6053 (in Kentucky) or 502-564-3630 (out of state), and the TDD number for the deaf/hard of hearing is 800-648-6056.



**Kentucky Public Protection Cabinet**  
**Department of Insurance**  
**P.O. Box 517, Frankfort, KY 40602-0517**  
**800-595-6053 (in Kentucky); 502-564-3630 (out of state)**  
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