

"AFTER my mother was diagnosed with a stroke due to Covid-19, I decided to get a critical illness insurance plan. I got it because I myself am a mother to a seven-year-old son."

Engineer Siti Aisha Nazirah, 34, shares that her top three financial commitments included getting insurance for herself and her family, making sure her son is well-educated, and also covering all her expenses.

"I've also insured my son because I think children should be protected with insurance from birth," she says, adding that her friend's daughter was diagnosed with lymphoma cancer at the tender age of five, which led her to take critical illness protection seriously.

Critical illness refers to conditions that are considered serious, or in some cases life-threatening, such as stroke, cancer, heart attack and kidney failure among others.

What's more alarming is that critical illnesses don't only affect the elderly. Many younger folks are now being diagnosed with some form of critical illness.

In September 2022, former Deputy Health Minister Datuk Dr Noor Azmi Ghazali said Malaysians are susceptible to the risk of stroke due to social lifestyles and their environment, with a recorded increase in stroke patients among adults, especially males in their 30s and 40s.

Aside from that, heart disease is still the number one killer in Malaysia, causing almost one in every four deaths.

What's even more alarming is that what was widely thought as a silent killer amongst the older population is now increasingly affecting those in the younger age bracket as well, with younger folks in their 20s and 30s having heart attacks.

START YOUNG FOR CRITICAL ILLNESS INSURANCE

Younger policyholders can be protected with comprehensive and affordable coverage



Critical illness plans provide a lump sum payment upon the diagnosis of a covered critical illness, which helps with long-term costs like post-recovery and living expenses.

The 2018-2019 National Cardiovascular Disease Database – Acute Coronary Syndrome registry shows that one in four patients (24.5%) who presented with acute coronary syndrome (ACS) are under the age of 50 years.

One way to keep peace of mind is to be prepared to face such adversities. But is there a right age to start planning?

According to AIA Malaysia, one of the main reasons for getting covered at a younger age is that critical illness protection is more affordable and viable when younger.

This is because there are drawbacks to starting later, as health issues may emerge as one progresses with age, which could lead

to additional premiums or exclusions in coverage for pre-existing conditions or worse, you may become uninsurable.

Information Technology student Malcolm James Tan, 19, shares that while he understands the need for critical illness insurance, financial stability would be the driving factor for him to commit to a long-term plan.

"I know the importance of insurance and its function as an emergency backup (plan), but I think it's important for me to be able to sustain it. Right now, my main priority is paying for my education.

"My family doesn't have critical illness insurance coverage and neither do I," he says.

Content editor Emma Fiona

Samuel, 28, is open to learning more about critical illness plans.

"Critical illness insurance would be a priority for those who have a family history of critical illnesses.

"The most important on my list is savings for investments. Critical illness insurance is not on my list for now. Based on my financial status, I am not planning to commit to a critical illness insurance, but am considering it in the future now that I am aware of its importance," she says.

Contrary to popular belief, AIA Malaysia says that critical illness plans do not have to cost an arm and a leg as there are various types of plans available from plans that provide basic coverage to those that provide comprehensive coverage, including early stage diagnoses.

Besides that, standard life insurance should not be a replacement for critical illness insurance as both have different coverage and functions.

Typically, the policyholder or their dependents who are nominated in the life insurance plan will receive a lump sum payment upon death and permanent disabilities.

Meanwhile, critical illness plans provide a lump sum payment upon the diagnosis of a covered critical illness, which helps with long-term costs like post-recovery and living expenses.

Even those who have critical illness insurance may find themselves having insufficient coverage considering rising healthcare costs and general inflation. The average protection gap, as observed by the insurance provider, is about RM157,000 to RM179,000 amongst

its customers who are in their mid-30s to mid-50s and have AIA critical illness coverage.

So, a crucial question remains: how much coverage is enough?

AIA Malaysia extols the rule of thumb recommended by experts, where coverage amounts should be at least five times that of a person's annual salary.

While this may seem too much, the numbers do add up, when factoring in time needed to recover from a long-term illness and other financial commitments like living expenses, car and housing loan repayments, education fees, and even long-term medication, which can be overwhelming when unprepared.

What's more, those diagnosed with critical illness would likely experience a disruption in their income, as they would unlikely be fit enough to return to work immediately after surgery and going through treatment.

This combination of low-to-no cash inflow and high cash outflow is a stressful situation that can land people in debt.

While everyone's financial situation and commitments differ, it's never too early to consider critical illness coverage.

Not only is it more affordable when you're young, you also have the added advantage of time, giving you the freedom and flexibility to adjust the plan as you progress in life.

As there are a wide range of critical illness plans available in the market, AIA Malaysia recommends speaking to a life planner (agent) to help you find the best solution that meets your needs and budget.