



Supplemental health insurance

A practical guide to protection and peace of mind





You strive to make healthy choices for yourself and for your family.

Eating well, drinking water, staying active and getting plenty of sleep are simple ways to maintain your health.

But despite your best efforts to make the right choices, reality sometimes has other plans. You or a family member could one day experience a health crisis, such as a heart attack, stroke, cancer or accidental injury.

And in any major health event, the physical, financial and emotional costs can take a toll.

But there is a solution.



Inside this guide:

- » Learn about the risks of critical illnesses and injuries.
- » Understand the costs of treating today's most prevalent health problems.
- » Find out how supplemental insurance can help provide financial protection and peace of mind.

The words you don't want to hear

Heart disease. Stroke. Cancer. Traumatic injury.

Every year, millions of Americans seek medical care for heart disease, stroke, cancer and injuries. These conditions often require people to make life-changing decisions, undergo complex medical care and endure lengthy recoveries.



Heart disease & stroke

Heart disease remains the **No. 1 cause of death** among men and women in the U.S.¹ Someone in the U.S. has a stroke every **40 seconds**, and it's a leading cause of disability.²



Cancer

More than **1 in 3 Americans** will be diagnosed with cancer during their lives.³ There are **5,500 new cases** diagnosed **every day** in the U.S.⁴



Injuries

Every year, **62 million Americans — about 1 in 5** — seek medical attention for accidental injuries.⁵ Over **90% of accidents** in the U.S. happen **outside of the workplace** and aren't covered by workers' compensation.⁶

Anyone, any time

Every year, millions of people require hospital care for accidents and illnesses across the U.S.

It may be hard to imagine experiencing one of these conditions, but statistics show that most of us will face the unthinkable at some point in our lives.





The cost of care

When most people think about the high cost of health care, they imagine expensive hospital stays — which is accurate.

The **average hospital** stay costs **more than \$16,000** on average,⁷ and your employer health plan, private health insurance or Medicare may only cover a portion of the costs, leaving your family's budget stretched thin while you're trying to recover from an illness or injury.

Common out-of-pocket expenses can include:

DEDUCTIBLES » What you must pay before your medical insurance starts paying benefits. The average annual deductible for family coverage costs \$10,310.⁸

COPAYMENTS » Cost-sharing payments you make each time you get a medical service after reaching your annual deductible. For example, you may need to pay \$30 for every medical service after you meet your deductible.

COINSURANCE » A percentage of covered health care services that you pay after you meet your deductible. For example, you may need to pay 20% for covered services after you meet your deductible.

NONCOVERED TREATMENTS » Sometimes major medical insurance refuses to pay for certain claims. This can happen if a treatment is deemed unnecessary by the insurance company, or if you're treated by an out-of-network medical professional. Noncovered treatments can leave you with big bills to pay.

Medical bills are just part of the picture

Nonmedical costs make a financial impact too...

These are costs you face as the result of an illness, and they are typically harder to anticipate than medical bills.

Nonmedical costs may include:

- » Lost income when someone is ill or injured and can't work.
- » Transportation to and from medical facilities.
- » Parking fees.
- » Extra care for children or other family members.
- » Assistance from a home health aide.
- » Modifications to make your home more accessible.

IT ALL ADDS UP

Transportation costs, housing expenses and income loss due to breast cancer cost patients \$535 a month on average.⁹



Supplemental health insurance: a solution

Supplemental health insurance is a practical solution for protecting your finances from the high costs of medical bills and nonmedical costs.

These products can help cover the unexpected expenses related to heart disease, stroke, other critical illnesses, injuries and hospital stays. Supplemental health insurance doesn't replace your major medical insurance, but rather supplements it.

With supplemental health insurance, you can expect:

- » Benefits to be **paid directly to you** or your beneficiaries, not doctors or hospitals.
- » The freedom to use your benefits **however you choose**.
- » Benefits to be **paid regardless of other insurance**, including major medical.

Policyholders can use benefits for maintaining wellness, getting needed care, paying medical bills not covered by insurance, keeping up with regular bills and household expenses, replacing lost wages and more!

Cheaper than fast food?

Supplemental health insurance is far more affordable than most people think. The premiums vary by plan and carrier, but the average cost compares with nonessential items like **coffee, restaurant meals and cigarettes**:



\$568

Two lattes a week
for one year.



\$832

Two fast-food meals
a week for one year.



\$732

Digital TV streaming
for one year.



\$2,920

A pack of cigarettes
a day for one year.

For a better outcome

With **supplemental health insurance**, more people can get medical care and still balance their household budget. Policies can even include **wellness benefits for routine medical care and screenings**. Even better, supplemental insurance is affordable for many budgets.

Now more than ever — in a climate of rising medical costs and increasing health concerns — individuals should **protect themselves and their families with supplemental insurance products**.

Types of supplemental insurance

HEART/STROKE

These benefits help when an insured person requires a heart- or stroke-related hospitalization, heart transplant, surgery, nursing care and medications. (Note: Hypothetical examples provided for illustrative purposes only.)

Jason

Jason knew the statistics. One day he finally took them to heart, literally, and applied for a heart/stroke policy at work. Nearly two years later, Jason suffered a massive heart attack. He received an immediate \$1,000 payment from his supplemental policy, along with other benefits. The cash was a big help as Jason slowly but completely recovered.

CANCER

Supplemental cancer coverage pays a lump-sum amount when cancer is diagnosed. It pays an additional benefit each day the insured person is hospitalized for treatment. Benefits also help with related transportation and lodging for the insured person and family.

Jennifer

Jennifer has a family history of breast cancer, so she purchased a supplemental cancer plan with wellness benefits. The policy's benefits helped her pay for an annual mammogram beginning at age 35. When her physician diagnosed early-stage breast cancer, Jennifer received a lump-sum cash benefit of \$10,000, plus \$200 for each prescribed radiation treatment. These funds were especially helpful because she had to take sick leave from work without pay.

CRITICAL ILLNESS

Critical illness plans offer more complete protection against common diseases like cancer, heart attack, stroke and end-stage renal failure. The plan's lump-sum benefit can help support the policyholder and his or her family after a diagnosis.

Chris

Chris' employer offered a critical illness policy, and he signed up right away securing coverage for himself and for his wife. Several months later, his wife was diagnosed with Stage IV lung cancer. The policy immediately paid \$37,500, which they used to arrange the best care and supplement their household income.

ACCIDENT

Policyholders choose accident coverage for help with the costs of accidental death, dismemberment, disabilities, fractures and dislocations. Benefits help with inpatient hospital stays, ICU care, transportation and family lodging during treatment.

Nicole

Nicole was excited to land her dream job as a police officer in her hometown. When choosing her new benefits, she signed up for an accident policy "just in case." Two weeks later, Nicole was broadsided at an intersection on her drive to work. As she recovered, her insurance carrier paid benefits for the air ambulance, emergency room care, surgery, hospital stay and physical therapy.

HOSPITAL

This coverage type helps pay for hospital stays, with a lump-sum payment and other benefit options.

Joe

Joe, a factory worker, always feared hospitals and avoided them whenever possible. He didn't even like visiting close friends and family when they were hospitalized. Still, he felt he should buy a supplemental hospital policy to complement his major medical coverage. When Joe's appendix was removed, his policy's \$200 daily hospitalization benefit covered a variety of medical and nonmedical expenses.

SHORT-TERM DISABILITY

When someone's sick or injured, they might not be able to keep working and receiving an income. The weekly benefits of a short-term disability plan help the policyholder pay for ongoing treatment and regular household expenses.

Mike

Mike hurt his back recently and his physician ordered extended bed rest. Mike's short-term disability policy paid \$1,500 each week, allowing him to read and watch movies while his back healed.

GAP

A gap plan pays benefits to help fill the “gaps” left by major medical plans. Benefit payments can be used toward deductibles, copays, coinsurance and much more.

Amanda

Amanda liked the affordable premiums of her employer’s high-deductible major medical plan, but she wasn’t comfortable with her potential out-of-pocket costs. She was concerned about what would happen if one of her children got sick or injured. Gap coverage is the ideal solution because the benefits will help pay expenses not covered by major medical.

COMBINATION COVERAGE

This supplemental health insurance combines multiple coverage types and numerous benefits in one policy. A lump-sum cash benefit helps with the costs of cancer, heart attack or stroke, and a recurrence benefit pays if there’s a second diagnosis of the same kind. Other cash benefits help with dozens of critical health conditions and accidental injuries.

Emily

Emily is working full time as a surgical nurse while raising her two daughters and helping her aging parents. She has watched her parents and patients struggle with their health and medical bills. She doesn’t want her own family to have to work harder than they already do, so she chooses a combination supplemental policy with benefits for cancer, heart/stroke, hospital care and accidents.



Supplemental health insurance

How it can work for you...

① The unexpected happens

Your plans to enjoy the weekend are ruined when intense stomach pain sidelines you.

② You go to the hospital

You head to the ER and are diagnosed with appendicitis. You will need surgery and will need to stay in the hospital for a couple of days.

③ Supplemental health insurance helps when you need it most

Your hospital insurance pays cash benefits directly to you. Use the cash for ANY PURPOSE — to help cover medical bills, lost wages and more.



It PAYS to be prepared for critical illnesses and injuries with supplemental health insurance.

For more information about life insurance, contact your Washington National agent or call **(800) 525-7662**.



- ¹ U.S. Centers for Disease Control and Prevention, *Heart Disease Facts*, <https://www.cdc.gov/heart-disease/data-research/facts-stats/index.html>, October 24, 2024.
- ² U.S. Centers for Disease Control and Prevention, *Stroke Facts*, <https://www.cdc.gov/stroke/data-research/facts-stats/index.html>, October 24, 2024.
- ³ American Cancer Society, *All About Cancer*, <https://www.cancer.org/cancer.html#:~:text=In%20the%20United%20States%2C%201,when%20it%27s%20easier%20to%20treat.>
- ⁴ American Cancer Society, *2024—First Year the US Expects More than 2M New Cases of Cancer*, <https://www.cancer.org/research/acs-research-news/facts-and-figures-2024.html>, January 27, 2024.
- ⁵ National Safety Council, *All Injuries Overview*, <https://injuryfacts.nsc.org/all-injuries/overview/>, 2023.
- ⁶ Ibid.
- ⁷ KFF, State Health Facts, *Hospital Adjusted Expenses per Inpatient Day*, <https://www.kff.org/health-costs/state-indicator/expenses-per-inpatient-day/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D,> 2022.
- ⁸ eHealth, *What is a deductible?*, <https://www.ehealthinsurance.com/resources/affordable-care-act/deductible-insurance>, April 29, 2024.
- ⁹ U.S. National Library of Medicine National Institutes of Health, *The Out-of-Pocket Cost Burden of Cancer Care—A Systematic Literature Review*, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8025828/pdf/curroncol-28-00117.pdf>, April 2021, p. 1230.

Supplemental health policies have limitations and exclusions. For costs and complete details of coverage, contact an insurance agent.

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