



FROM THE HEART

Gary Burchett, Protection Director at Scottish Widows, on heart disease and the 35th anniversary of critical illness cover



Gary Burchett,
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THIS SUMMER WILL MARK THE 35TH ANNIVERSARY OF THE CREATION OF CRITICAL ILLNESS COVER WHICH HAS HELPED TO IMPROVE THE FINANCIAL RESILIENCE OF THOUSANDS OF INDIVIDUALS AND FAMILIES SINCE ITS INTRODUCTION IN AUGUST 1983.

While many may assume that this type of insurance was created by an insurance company, the concept was in fact thought up by Dr Marius Barnard, a South African heart surgeon. Marius formed part of the team led by his brother, Professor Christiaan Barnard, that carried out the world's first human heart transplant more than 50 years ago. After this ground-breaking operation, Marius went on to pioneer a way to help patients cope with the financial impact of illness. His medical experience helped him realise the impact that advances in medical and pharmaceutical care would have on survival rates. While this would result in additional quantity of life, the same couldn't necessarily be said for quality of life, as patients' post-treatment ability to work and earn a living was, in many cases, seriously impaired. He recognised the importance of an insurance policy which would pay out when someone was living rather than when they died and he considered the cover as playing the role of a financial doctor. And so, in August 1983, critical illness cover was born, and in the years that followed, it was developed by insurance companies around the world, helping to improve the financial resilience of thousands of individuals and families every year.

In the UK, nearly 1 in 7 men and 1 in 12 women die from Coronary Heart Disease (CHD), with heart attack being the most common cause of death. CHD is still perceived to be a 'man's disease', however, it kills more than twice as many women as breast cancer every year¹. In fact, there are more than 900,000 women in the UK living with CHD, and around eight women an hour go to hospital following a heart attack². There are around seven million people living with Cardiovascular Disease in the UK³, and an ageing and growing population and improved survival rates from cardiovascular events could see these numbers rise even further.

Heart-related disorders remain one of the biggest reasons for people to claim today. They were the second largest cause of Life Cover claims at Scottish Widows in 2017, accounting for 20% of cases for men and 9% of cases for women. They were also the second largest cause of Critical Illness claims among men, accounting for 19% of claims, and the third largest cause among women at 3%³.

¹ British Heart Foundation, February 2018.

² British Heart Foundation, July 2018.

³ Scottish Widows claims statistics, January – December 2017.

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Becoming seriously ill can bring all sorts of financial worries, such as meeting payments for our home or being able to look after our family. However, we know from our own research⁴ that fewer than 1 in 10 people have critical illness cover to protect them against the financial implications of a serious medical condition. Yet 1 in 5 people admit their household would not be financially secure for any length of time if it lost its main income as a result of serious illness, which means there are an alarming number of families who could face a significant financial struggle in the event of an unexpected loss of income due to illness.

Two-fifths of people say they'd rely on their savings if they or their partner were ill and unable to work. Despite this, a third admit their savings would last no more than three months if unable to work and almost a third say they aren't saving anything at all. This is an especially precarious position when you consider that two-fifths of UK households are reliant on just one income⁴.

Financial resilience also has an important part to play in people's overall health. Anxiety and stress leading to mental health issues can be exacerbated if you have financial stress to worry about as well, and can create a spiralling circle where one compounds the other.

No matter what your clients' personal circumstances, it's vital to ensure they have an appropriate plan in place to protect their finances and provide the peace of mind that there's a safety net in place. Critical illness cover can provide a significant financial boost at a time of emotional stress and financial difficulty, especially now that an increasing number of people are surviving conditions that previously were fatal. This is something Marius recognised. I am proud to say that Marius worked with Scottish Widows and was instrumental in helping us develop our critical illness cover philosophy, culture and products.

 You can watch a short film about Dr Marius Barnard and the creation of critical illness cover [here](#).

With the 35th anniversary of the creation of critical illness cover approaching, this is an ideal opportunity to discuss the options with your clients.

⁴ Scottish Widows protection research, April 2018.