



# Critical Illness Cover

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## The Overlooked Pillar of Wealth Protection

Critical Illness Cover is one of the most underrated elements of financial planning. Many people understand the need for life insurance, investment strategies and pensions, but far fewer consider what happens if they are diagnosed with a serious illness. At a time when income may stop and medical costs begin, liquidity becomes essential.

As wealth managers, we often see financial plans that are comprehensive in the long term but lack short-term protection. Critical Illness Cover fills this gap by providing immediate financial support when it is needed most.

### What Is Critical Illness Cover?

Critical Illness Cover is a type of insurance that pays a tax-free lump sum if you are diagnosed with a serious medical condition. You can use the lump sum for any purpose such as:

- Paying off your mortgage
- Funding private medical treatment
- Replacing lost income
- Supporting your family while you recover
- Reducing financial pressure during a difficult time

Unlike income protection, which pays a monthly benefit, Critical Illness Cover provides a one-time payment shortly after diagnosis.

### What Conditions Are Covered by Critical Illness Cover?

Although policies vary by provider, most comprehensive Critical Illness Cover plans will include protection for the following conditions:

- Heart attack
- Stroke
- Cancer
- Brain trauma
- Loss of a hand or foot

These are some of the most common and impactful conditions, often resulting in extended time away from work, ongoing medical costs and lifestyle adjustments. With advances in diagnostics, especially AI-led early detection, insurers are now paying out partial benefits at earlier stages, providing meaningful support before major interventions even begin.

### Why Critical Illness Cover Matters

Many high-net-worth individuals have portfolios built for long-term growth, but these are not always liquid. Property, private equity, art and classic cars can be difficult to sell quickly.

If your income stops due to illness and your assets are not easily accessible, Critical Illness Cover provides instant liquidity. This helps you avoid selling long-term holdings at the wrong time or under pressure.

It is not a substitute for a well-built portfolio. Instead, Critical Illness Cover adds a layer of flexibility and protection that strengthens your overall plan.

### Who Should Consider Critical Illness Cover?

While not everyone needs this insurance, it can be particularly useful for:

- Business owners
- Professionals in their 40s to 60s
- Parents covering school or university fees
- Families seeking intergenerational protection and resilience planning
- Individuals with mortgages or ongoing liabilities
- Homeowners who refinanced during the recent period of higher interest rates and are carrying increased monthly commitments
- Anyone with wealth tied up in non-liquid assets (e.g. property or those who hold significant amounts of private equity investments)

Policies are typically set for 10 to 20 years. This covers the phase of life when your income is still essential, your family depends on you, and your investments may not yet be fully accessible.

### How Much Does Critical Illness Cover Cost?

Premiums depend on your age, health and the amount of cover. However, they are often much more affordable than expected. For example, a healthy person in their 40s might pay around £35 per month for £100,000 of cover.

You can choose from different policy types:

- Standalone Critical Illness Cover
- Combined Life and Critical Illness Cover
- Additional cover, which pays for both illness and death if needed

Some providers allow you to add life insurance at no extra cost. Many also include free cover for children, offering further peace of mind for families.

### Benefits Beyond the Payout

Modern Critical Illness Cover often includes extra features:

- Access to second medical opinions
- Nurse support lines
- Recovery and rehabilitation services
- Partial payouts for early diagnoses
- No exclusions for common leisure activities like non-competitive skiing or cycling

These added benefits provide real support at a time when your focus should be on recovery, not on finances. They also reflect the growing emphasis on family-wide resilience, many modern policies now include children's cover and early-stage diagnosis benefits, recognising the emotional and financial strain that illness can place across generations.

### Why Critical Illness Cover Should Be Part of Every Wealth Plan

Critical Illness Cover protects your financial strategy from unexpected disruption. It gives you immediate options during a crisis, allowing you to stay in control and avoid hasty decisions.

It complements your portfolio by offering liquidity when you need it most. For individuals with wealth in long-term assets, it provides essential flexibility.

Including Critical Illness Cover in your planning is not just about risk management. It is about ensuring that your wealth supports you in every scenario, including the unexpected.

### Next Steps

If you do not currently have Critical Illness Cover, or if your existing protection is out of date, it may be time to review your options.

We can help you compare providers, understand the different policy features and choose cover that aligns with your overall financial goals.

See also: <https://www.bentleyreid.com/why-life-insurance-belongs-in-wealth-plans>

Contact us to explore how Critical Illness Cover could fit into your personal or family wealth strategy.

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