

Critical Illness Insurance

## Frequently Asked Questions

CALIFORNIA, PENNSYLVANIA  
AND SOUTH DAKOTA

*Policies Issued by:*  
**American General Life  
Insurance Company**



# CriticalCare Plus® Insurance

Discover why the CriticalCare Plus insurance policy is vital for your family's financial security.

### Q. What is CriticalCare Plus insurance?

A. CriticalCare Plus is critical illness insurance that provides a lump-sum payment upon diagnosis of a covered medical condition. This lump-sum payment can help you with expenses such as medical care, time away from work, travel to out-of-town specialists or care facilities, as well as other expenses that your major medical insurance may not cover such as deductibles and co-pays.

### Q. I already have sufficient life insurance protection. Why do I need critical illness insurance?

A. What would happen if you suffered a heart attack or stroke, or were diagnosed with cancer—and survived? With the advances in modern medicine, the survival rates for these conditions have greatly improved over the last 10 to 20 years. For example:

- Over 66 percent of people diagnosed with cancer survive at least five years<sup>1</sup>
- In 2007, about 1.2 million people suffered a heart attack and nearly 62 percent survived<sup>2</sup>
- About 5.8 million stroke survivors are alive today<sup>2</sup>

When a critical illness such as cancer, heart attack or stroke occurs, it places a tremendous emotional strain on the family, often accompanied by an overwhelming financial burden. In fact, 62 percent of bankruptcies are due to medical causes,<sup>3</sup> many of which are covered under a CriticalCare Plus policy.

<sup>1</sup> American Cancer Society, *Cancer Facts & Figures, 2009*.

<sup>2</sup> American Heart Association, *Heart Disease and Stroke Statistics – 2008 Update*.

<sup>3</sup> "Medical Bankruptcy in the United States, 2007; Results of a National Study," *The American Journal of Medicine*, August 2009.

# Policy Highlights

- Pays a lump-sum benefit directly to you
- Covers a broad range of conditions
- Includes a death benefit
- Available for 10-, 15-, 20- and 30-year terms as well as for life<sup>4</sup>

## Q. I understand that life expectancy has increased, but I already have comprehensive major medical coverage. Why do I need critical illness insurance too?

- A. There are many expenses associated with a critical illness that may not be covered by major medical or other insurance. Major medical coverage provides reimbursement for covered medical expenses, but does not provide additional cash for expenses not covered by your plan. These expenses could include:
- Deductibles and co-pays for services covered by your plan
  - Any experimental treatments not covered by your plan
  - Charges incurred if you go outside the plan's preferred network for special treatment

Additionally, if your condition prevents you from working, you could also experience a loss of earnings, which would not be replaced by your major medical coverage.

CriticalCare Plus does not coordinate with any other insurance plan, which means your lump-sum payment would never be decreased because of benefits you have received from another insurance plan.

## Q. I already have a disability insurance policy, so do I really need critical illness insurance?

- A. First, congratulations on your decision to insure your income in the event that you become disabled. Most disability policies have an elimination period from 30 to 90 days; this is the period of time you must be disabled before you are eligible to collect benefits.

The money from a critical illness plan is paid upon initial diagnosis of a covered condition and will help get you through your disability policy's elimination period. In addition, as a result of a critical illness, you may incur higher living expenses, which the benefits from your CriticalCare Plus insurance policy can help cover.

## Q. How much CriticalCare Plus coverage can I purchase?

- A. Coverage is available from \$10,000 to \$500,000. As a general rule, the maximum amount that you can purchase is five times your annual earned income. Financial obligations such as mortgages or other outstanding loans will also be considered in the underwriting process.

## Q. Do I need to take a medical exam to purchase this coverage?

- A. For amounts up to and including \$100,000, there is no required medical exam. For amounts in excess of \$100,000, a full paramedical exam, a full blood profile and urinalysis are required.

## Q. If I have a cancer in situ, coronary artery bypass, paraplegia or hemiplegia and receive a portion of the benefit amount, what happens to the remainder of the policy benefit?

- A. Your maximum benefit is reduced by the amount paid to you and the policy remains in force. The remainder of the benefit becomes your new maximum benefit.

**Q. If I suffer a heart attack or other critical illness and receive the maximum benefit, does my policy terminate?**

- A. With the base policy alone, your policy terminates when the maximum benefit is paid. However, CriticalCare Plus offers an optional Benefit Extension Rider,<sup>5</sup> which allows you to collect additional benefits for either:
- a different critical illness occurring at least 180 days after the previous critical illness; or
  - a recurrence of the same covered condition after a two-year treatment-free period.

**Q. What happens to my policy at age 70?**

- A. CriticalCare Plus pays the full benefit for all covered conditions through age 70 or the end of the coverage term, whichever comes first. If the coverage term continues past age 70, the plan continues for the remainder of the coverage term with Loss of Independent Living as the only covered condition with full benefits payable.

**Q. What is Loss of Independent Living?**

- A. Loss of Independent Living is a covered condition under the CriticalCare Plus policy. It is defined as the permanent loss of ability to perform two or more of the six designated Activities of Daily Living (ADLs): bathing, eating, dressing, toileting, transferring and continence.

**Q. I only need this protection until my youngest child is scheduled to graduate college 15 years from now. What plan would you recommend?**

- A. CriticalCare Plus is the only plan that offers coverage designed to fit this need. Our 15-year term plan will provide coverage for this period of time and at a premium lower than the longer term plans. CriticalCare Plus is available for 10-, 15-, 20- and 30-year terms as well as for life.<sup>4</sup>

**Q. Can I also apply for coverage for my spouse and children?**

- A. Yes! Your spouse can apply for a coverage amount equal to or less than the amount you have purchased, and you can apply to cover all your children—up to \$50,000, not to exceed the amount of your own coverage.

This is important coverage because if your child or spouse is ever diagnosed with a critical illness, you may prefer to temporarily take time off from work. The CriticalCare Plus benefit can supplement your income for the time you take off from work without pay, as well as cover many of the out-of-pocket expenses that may not be covered by your major medical insurance plan.

**Q. If I suffer a heart attack or other critical illness and die, will my spouse receive the benefits from the CriticalCare Plus policy?**

- A. As long as the heart attack or other critical illness meets the definition under the policy and occurs while the policy is in force, benefits from the plan will be paid to the named beneficiary on the application. There is no requirement in the plan that you survive a period of time after diagnosis to receive benefits.

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Helping create a more secure future for you and your family.

<sup>4</sup> Terms are not available in Pennsylvania. The policy is guaranteed renewable to age 65.

<sup>5</sup> There will be a charge for each rider you select. See the rider for details regarding benefits descriptions, limitations and exclusions.

## Q. Are benefits received from a critical illness policy income-tax-free?

- A. As a general rule, if insurance premiums are paid with after-tax dollars, then the benefits from the plan are received income-tax-free (based on current federal income tax laws). However, you should consult your personal tax advisor for a definitive answer to any insurance-related tax questions.

## Q. Does my spouse receive any benefits upon my death?

- A. CriticalCare Plus includes a Return of Premium Benefit<sup>6</sup> (not available in Pennsylvania) that will return all premiums paid to your named beneficiary if you die from a cause that is not a covered condition in the policy (less any benefits paid under the policy). In addition, the plan offers an optional Accidental Death and Dismemberment Rider,<sup>7</sup> which would provide benefits in the event of an accidental death or dismemberment. The Accidental Death and Dismemberment Rider also includes a common carrier benefit, which doubles the benefit paid in the event of an accidental injury while riding as a fare-paying passenger on public transportation, such as a taxi, train, airplane or ferry.

<sup>6</sup> The premium returned does not take into account any time value of money.

<sup>7</sup> There will be a charge for each rider you select. See the rider for details regarding benefits descriptions, limitations and exclusions.

**American General**  
Life Companies

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*Policies issued by: American General Life Insurance Company, 2727-A Allen Parkway, Houston, Texas 77019. CriticalCare Plus Policy Form Number 05130; Benefit Extension Rider Form Number 05137; Accidental Death and Dismemberment Rider Form Number 05138. **Important Note:** All benefits payable are subject to the terms and conditions of the policy, including benefit durations, limitations and exclusions. Not all benefits and exclusions apply in every state. Please consult the policy form and outline of coverage for details. There may be a charge for each rider selected. See the rider for details regarding the benefit descriptions, limitations and exclusions. The underwriting risks, financial and contractual obligations and support functions associated with the products issued by American General Life Insurance Company (AGL) are its responsibility. AGL does not solicit business in the state of New York. Policies and riders not available in all states. Comprehensive medical coverage may be required in some states in order to apply for or maintain this policy. American General Life Companies, [www.americangeneral.com](http://www.americangeneral.com), is the marketing name for a group of affiliated domestic life insurers, including AGL.*

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