

Why Second Opinion Services Will Take Critical Illness Insurance to the Next Level

By Scott Boore, SVP of Sales, MORE Health

When a critical illness diagnosis is handed to a patient, life takes a turn for the chaotic. In that moment, it's not merely the diagnosis itself that weighs on a patient; every aspect of this person's life, career and daily routine is suddenly thrown into question: What does this mean for my family? Should I continue to work during treatment? How will I pay for time off? What treatment option is best for me? How can I both strive for the best and prepare for the worst?

Critical illness insurance was designed to mitigate some of these anxieties through a lumpsum payment to help defray unexpected costs. But when these patients are swimming in uncertainty, they need more than a simple financial guarantee. They need to know that they've making all the best choices available to them.

That security-in-certainty is why second opinion services are rapidly becoming an indispensable complement to critical illness insurance. Rapid access to expert specialists from around the country translate into peace of mind. This serves the dual function of amplifying the effectiveness of assistance provided by critical illness insurance, while also providing a direct emotional and psychological value-add to patients themselves.

Critical Illness insurance is already one of the fastest growing lines of coverage. Between 2008 and 2015, critical illness insurance posted double-digit annual growth rates of up to 24%, with total sales more than tripling to \$490 million. That incredible growth propelled the product past cancer insurance in 2015 sales, and industry surveys now rank critical illness insurance as the top growth product.

But after that stunning upward growth, critical illness insurance is now in danger of hitting a plateau. Participation rates in critical insurance products is now in the high teens to low twenties, about average for a voluntary insurance offering, per Ron Neyer, associate research director at LIMRA. As a voluntary product, critical illness insurance requires employees to choose participation out of a crowded field of insurance products, meaning product differentiation will be key in nudging participation up higher.

Second opinion services can be the key to that differentiation. Most insurance products offer a simple value proposition to employees: a smoothing of the cost curve for one a major and unpredictable expenditure category. By pairing critical illness insurance with a second opinion from recognized medical experts, bundled products offer an entirely different user experience and value proposition for employees; the knowledge that you're doing the right thing, paired with the means to act on that knowledge.

As a relatively recent entrant to voluntary insurance product markets, second opinion services require concise and clear explanations by brokers or human resource managers. Even critical illness insurance, which was first introduced by a South African cardiac surgeon in 1983, requires a strong education component to maintain growth.

But instead of pushing for these marginal and ever-diminishing returns through traditional employee education, if bundled together both second opinion services and critical illness insurance could make a category leap in terms of growth. It's that complementary product offering that cuts through the noise and offers patients what they need most: certainty and security as they face life's most difficult choices.