



CONSECO[®]
Step up.SM

Let's Talk

HEART/STROKE CARE

In case of heart attack
or stroke...



you'll need more
than two of these.

Conseco Health Insurance Company



Let's talk

This booklet is one of a series designed to help you better understand personal financial topics. By the time you've finished reading *Let's Talk Heart/Stroke Care*, you'll know the basics of this type of supplemental health-care coverage.

If you'd like another copy of this booklet to share with family or friends, please visit our Web site, **conseco.com**. This booklet and other materials from the Conseco financial education series, *Let's Talk*, are available free of charge.

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What is supplemental insurance?

It's not a pleasant thought, but...

If you were to suffer a heart attack or stroke, you might incur out-of-pocket expenses that your hospital or major medical insurance doesn't cover. Supplemental insurance is available for these specific cases to help you pay expenses such as deductibles and copayments—expenses that you, with most health insurance policies, must pay out of your own pocket.

A supplemental insurance policy can provide benefits such as cash coverage for hospitalization, surgery, a private nurse, drugs, ambulance, blood and plasma, electrocardiogram, oxygen and other health-related needs. It may also provide additional benefits if you are confined to a skilled nursing facility or to an intensive care unit.

Many incidental expenses are not covered by traditional health insurance. Examples of out-of-pocket expenses include transportation and lodging for travel to treatment facilities, food for special diets, and child care. And the loss of income due to time away from work can make it difficult for you to meet daily living expenses to maintain your lifestyle.

Hospital and major medical insurance benefits are typically paid directly to the provider. In contrast, supplemental insurance benefits are paid directly to you unless otherwise required. As a policyholder, you can use benefits paid to help with these expenses or loss of income.



...it can support you if needed.

What should a supplemental insurance policy offer?

Look for insurance that pays benefits regardless of other coverage you have. It should be renewable for life, and premiums should not increase nor should heart/stroke benefits be reduced due to your age or medical condition.

For an extra premium, some policies will actually return the premium you pay if you keep your policy and rider in force for a certain period of time. These possible outcomes could occur if you purchase the rider and keep it in force until maturity:

Total premiums	\$15,000
Claims incurred	<u> 0</u>
Amount of return	\$15,000

Small claim

Total premiums	\$15,000
Claims incurred	<u> - 2,000</u>
Amount of return	\$13,000

Large claim

Total premiums	\$15,000
Claims incurred	<u> -20,000</u>
Amount of return	\$ 0

How likely am I to suffer a heart attack or stroke?

According to the American Heart Association about every 29 seconds, an American suffers a heart attack. This year, about 1.5 million Americans will have a heart attack, and about two-thirds of them will survive. Men suffer two-thirds of all heart attacks. Almost half of all heart attacks occur in people younger than age 65.

On average, someone in the United States suffers a stroke every 53 seconds. Approximately 600,000 people suffer a new or recurrent stroke each year.

Risk factors associated with heart disease and stroke include high blood pressure, diabetes, high blood cholesterol, obesity and physical inactivity.

The following factors may increase your risk.

1. **Age.** Your risk is greater if you are a male aged 45 or older, or a female aged 55 or older.
2. **Family history.** Your father or brother had a heart attack or stroke before age 55, or your mother or sister had one before age 65.
3. **Smoking.** You smoke or live/work with people who smoke every day.

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4. **Total cholesterol.** Your total cholesterol is 240 mg/dL or higher.
5. **Good cholesterol.** Your HDL or “good” cholesterol is less than 35 mg/dL.
6. **Blood pressure.** Your blood pressure is 140/90 mm/Hg or higher.
7. **Physical activity.** You get less than 30 minutes of exercise per day.
8. **Overweight.** You are 20 pounds or more overweight for your height and build.
9. **Diabetes.** Your fasting blood sugar is 126 mg/dL or higher, or you need medicine to control your blood sugar.

Recognizing the symptoms

Warning signs of a heart attack:

1. Uncomfortable pressure, fullness, squeezing or pain in the center of the chest lasting two minutes or longer.
2. Pain spreading to the shoulders, arms or neck.
3. Severe pain, dizziness, fainting, sweating, nausea or shortness of breath.

Warning signs of a stroke:

1. Sudden weakness or numbness of the face, arm and leg on one side of the body.
2. Loss of speech and trouble talking or understanding.
3. Dimness or loss of vision, particularly in only one eye.
4. Unexplained dizziness or unsteadiness, or sudden falls.



How to prepare for an emergency



1. Find out which hospitals have 24-hour emergency cardiac care. Know which is the closest to your home.
2. If you have chest discomfort that lasts two minutes or more, call the emergency rescue service.
3. If you can get to a hospital faster by not waiting for an ambulance, have someone drive you there.
4. If you are with someone who is experiencing the signs of a heart attack or stroke, act immediately. It's normal for someone to deny the possibility of something that serious. Insist on prompt action.
5. If you suspect a heart attack, get to the nearest hospital emergency room that offers 24-hour emergency cardiac care. Otherwise, call the emergency service.
6. Give CPR (mouth-to-mouth breathing and chest compression), but only if you are properly trained in this first-aid method.

The cost of heart disease and stroke

According to the American Heart Association, the out-of-pocket cost of cardiovascular diseases and strokes in the United States in 2000 will be about \$327 billion. That includes doctor bills, hospital charges, nursing home expenses and medications, as well as lost wages due to sickness and death.

Yearly cost of heart disease and stroke (in billions)

Hospital/nursing home	\$128.4
Physicians/other professionals	28.2
Drugs	17.7
Home health/ medical equipment and supplies	11.5
Lost productivity	<u>+140.8</u>
	\$326.6

Source: American Heart Association, 2000

Every year, about 1.5 million people suffer heart attacks and 600,000 suffer strokes, for a total of 2.1 million people. The estimated cost per person would be \$326.6 billion divided by 2.1 million people, or approximately \$155,000 per person. Some, but not all, of those expenses would be covered by standard hospital and major medical insurance.

Tax advantages of supplemental insurance

Supplemental insurance is a form of health insurance that is typically provided through employer “cafeteria plans.” Under such a plan, money is periodically set aside from your paycheck into a separate account. This money is not subject to federal income taxes, Social Security taxes or most state income taxes. Using the following example in which \$200 per month is deducted from your paycheck before taxes, you would save \$648 annually in income taxes, and you would have that amount to spend instead.

Here’s how it works:

	Tax Break	
	without	with
Gross pay (monthly)	\$1,800	\$1,800
Health insurance, including supplemental	- 0	- 200
Adjusted gross pay	\$1,800	\$1,600
Taxes		
-FICA	138	122
-Federal income tax	160	130
-State and local tax	- 80	- 72
-After-tax pay	\$1,422	\$1,276
Supplemental insurance	- 200	- 0
Net pay (monthly)	\$1,222	\$1,276
Increase in spendable pay		\$54 _(mo) \$648 _(yr)

Myths about supplemental insurance

Myth 1:

I don't need supplemental insurance because my regular health insurance will cover all my expenses.

Reality:

Standard health insurance typically requires deductibles and coinsurance payments that can leave patients with thousands of dollars in bills to pay. In addition, standard health insurance does not cover out-of-pocket expenses such as transportation to and from health-care facilities.

Myth 2:

I've kept my weight down by exercise and eating right, so I'm not worried about heart attacks or strokes.

Reality:

Family history is a major risk factor for heart attacks and strokes, regardless of how healthy someone appears. At age 52, talk-show host David Letterman was in excellent physical condition but still needed quintuple bypass surgery. His father died of heart disease in his late fifties.

Myth 3:

I don't need supplemental health insurance because I can save on my own.

Reality:

It is costly and challenging to self-fund the out-of-pocket costs associated with a major illness. A 40-year-old man or woman is typically preoccupied with saving for retirement and a child's college education, and can't afford to divert those funds for this purpose.

Myth 4:

I cannot afford to purchase supplemental health insurance.

Reality:

Supplemental health insurance is more affordable than you think. Annual premiums could be less than \$110 per year, depending on your age, medical history and the degree of coverage you seek.



Stories of supplemental health insurance

1. Jacqueline Carson, a 38-year-old mother of three, noticed that her employer was always changing health plans. When she inquired about this, she was told that the company was trying to keep the cost of health insurance down to a manageable level, because premiums were always rising.

The trouble was, every time the company changed plans, the coverage would also change. After a while, she wasn't sure what was covered in the event of a health emergency. So she made an appointment to see the company's human resource manager, who explained the policy to her. Because the new policy was more economical for the company, there were many gaps in coverage.

Mrs. Carson, who was divorced, could not rely on a spouse's health insurance to fill in the gaps. Because of her family's history of heart disease, she was concerned about the very real possibility that she would suffer a heart attack or stroke some time in the future.

A friend of hers referred her to a company that sells supplemental health insurance. Because of her relative youth, she was able to get a policy with good benefits for a relatively low premium. Since her company continued to change health insurers, Jacqueline was feeling insecure. She felt better that she had secured at least some of her health insurance needs.

2. Robert Zimmerman, 55, was a hard-charging executive working his way up the corporate ladder in New York City. His wife, Susan, 49, stayed at home with the children.

Throughout the years, Susan and Robert had become sedentary. Robert spent an hour a day each way on the train, while Susan was the typical “soccer mom” who spent a lot of time driving the kids here and there. Robert and Susan were aging, and not that gracefully.

Their kids were worried that their parents wouldn't live to a ripe old age because they didn't exercise or eat right. Robert agreed, but said he didn't have time to go to a gym, given his work and commuting schedule. Susan admitted that she didn't have a very good excuse.

One weekend, Robert and Susan went for a walk and vowed to make time to get themselves in shape. Robert, who hated to exercise, joined a gym in the city where he promised to go to work out. He even hired a personal trainer one day a week. Susan, who loved to play tennis when she was growing up, joined a local club and started playing again.

Because the benefits of exercise don't take hold overnight, Robert and Susan thought it would be prudent to buy a supplemental health insurance policy to cover heart disease and strokes, two major illnesses for which inactivity is a risk factor. Now that exercise is a part of their lives, Robert and Susan hope that they are minimizing their chances of having to collect the benefits.

3. Julia Einhorn, 41, was intrigued by her employer's new "cafeteria benefits" plan. It allowed employees to choose a benefit that was important to them and have the cost of that benefit deducted from their salary, thus reducing income taxes.

Because Julia had a long history of high blood pressure, she was concerned about the possibility of suffering a stroke or developing heart disease at a young age. She had seen her father suffer a stroke and be incapacitated for several months. Because Julia did not have a family, she knew that she would be all alone if illness struck.

Julia contacted the employee benefits department of her company and learned that she could indeed have the company buy a supplemental health-care policy with money that was set aside in the cafeteria plan. Because the company was buying the policy, the premium would be lower than it would have been if Julia had tried to buy the policy herself. Julia benefited from lower premium costs on top of saving hundreds of dollars in taxes through the cafeteria plan.

In the meantime, Julia is working with her doctor to control her blood pressure. She is also trying to change her diet so that she stays away from fatty foods. She's going to do everything she can to avoid heart disease or a stroke. But if she does suffer such a fate, she knows that her supplemental health policy will help pay the bills.

These examples are for illustrative purposes only. This hypothetical data does not reflect actual events, and your own results will vary.

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