

## The real costs of cancer

Posted on 06/10/14 | Tags: [Risk Management](#)

As the leading cause of death globally, cancer doesn't have only physical and emotional implications. It can also have a devastating impact on your finances.

A widely held health statistic is that one in six people will develop cancer in their lifetime. According to the Cancer Association of SA (Cansa), an astonishing 90% of all cancers are caused by environmental and lifestyle factors. That means much of the power to lower your risk lies in your hands.



The biggest risk factors are age, weight, family history, smoking, alcohol consumption and a sedentary lifestyle.

Leading a healthy lifestyle is extremely important to help prevent illness, but it doesn't guarantee good health and longevity.

Being diagnosed with cancer not only causes physical and psychological stress, it can also create financial pressure as treatment is expensive and often lengthy.

It's therefore crucial to pay attention not only to your lifestyle but also to your financial planning to guard you against the monetary impact of a serious illness.

Not having the right cover in place for cost not covered by your medical scheme could have a devastating impact on your finances.

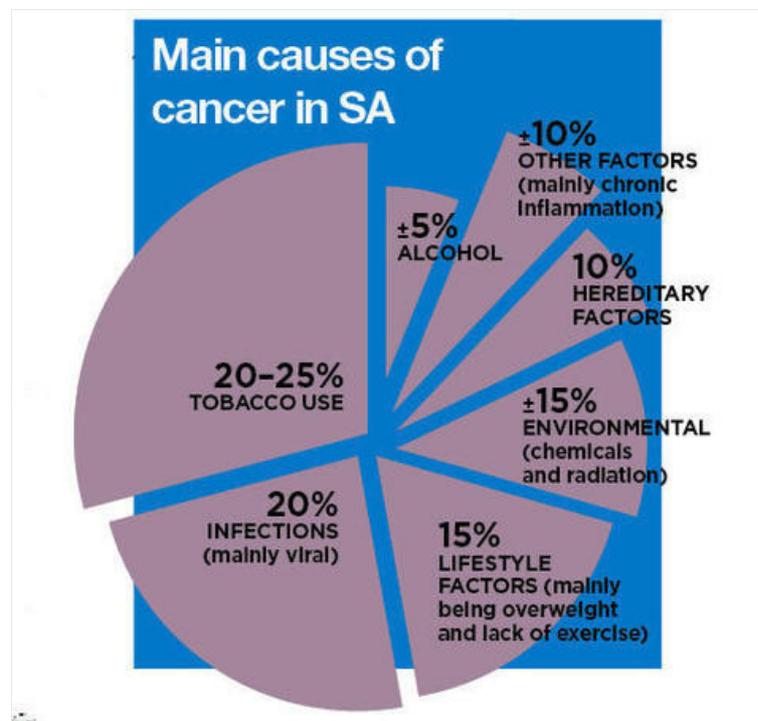
Dr Eric Starke, Senior Medical Adviser at Sanlam, says three important areas of cover are income protection, disability cover and dread disease cover.

'People often think belonging to a good medical aid scheme is sufficient. But your medical bills are only part of a bigger picture.'

## Protecting your income

Being diagnosed with cancer and requiring surgery, radiotherapy and chemotherapy could mean that you're temporarily debilitated to such an extent that you're unable to continue working. This could mean a loss of income, which can be financially crippling for your family if you're a parent or breadwinner.

An income protector benefit covers you for loss of income when you're temporarily disabled due to a dread disease such



as cancer.

'This is by far the most important cover besides belonging to a medical scheme, especially if you're self-employed,' Dr Starke says.

'People often make the mistake of taking out permanent disability cover before they have income protection. Disability cover becomes effective only if you're totally and permanently disabled.

'In the interim, while the condition hasn't reached the point of permanency, you need to survive financially. Your ability to earn an income is your greatest asset, and it's crucial that you protect it.'

## Cover for permanent disability

If you become ill with cancer, you may be unable to continue working. Permanent (or capital) disability cover is aimed at offering you financial protection. Disability benefits are paid as a lump sum if your impairment causes total and permanent disability.

A needs analysis taking into account your income and existing disability cover determines how much additional disability cover you would need in case you become totally and permanently disabled.

According to Dr Starke, cover for income protection, dread disease and disability can either be taken out as a stand-alone benefit or form part of a combined package.

'Affordability of additional financial insurance is obviously a key consideration, along with an analysis of your needs for your age,' he says.

'For example, for a 25-year-old with no dependants, income protection would be the most important type of cover. If you know you have a family history of cancer, however, you might also want to include some level of dread disease cover.'

Dr Starke recommends consulting a financial adviser to ensure there's a good balance between what you need and what you can afford.

## Cover for dread disease

While cancer treatment can drain your finances, the associated costs of your treatment can have an equally dire effect on your bank balance. This is where dread disease cover can offer critical assistance, should you be diagnosed with a severe illness like cancer.

Dr Starke says Sanlam annually pays out hundreds of millions of rands in cancer-related claims. Dread disease cover, which pays out as a lump sum, can be used for the following:

- travel to and from the medical facility at which you're receiving chemotherapy or treatment
- accommodation for relatives while you're being treated
- basic expenses such as a home loan or car instalment
- the costs of a caregiver during an extended period of convalescence
- taking care of your children and organising transport or homecare duties while you're ill.

Sanlam pays a 100% lump sum benefit for stage 1 cancer and 30% for stage 0 (cancer in situ) breast cancer with a mastectomy, compared to some other companies that pay only 25% for stage 1 cancer.

'You can also use your dread disease cover to pay for treatment your medical scheme may not cover, such as reconstructive surgery in the event of breast cancer or expensive biologics used to treat various types of cancer,' Dr Starke explains.

## Breast cancer and you

The most common breast cancer statistic is that one in eight women will develop breast cancer in their lifetime. However, it would be more accurate to say if all women lived beyond the age of 70, one in eight would get breast cancer.

Since the risk increases with age, a woman's current age determines her lifetime risk. According to the latest update of the National Cancer Registry (NCR), one in 35 South African women will be diagnosed with breast cancer. Unfortunately these figures are sketchy as the NCR hasn't been updated since 2007 due to a lack of resources.

## Supporting cancer awareness

Sanlam actively contributes to cancer awareness by hosting the annual Sanlam Cancer Challenge in partnership with Cansa. More than 40 000 golfers play in 800 plus club competitions held around the country throughout the year in support of Cansa's prevention programmes and patient care services. Sanlam is also involved in campaigns such as Movember, the Shavathon and Cuppa for Cansa.

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