



Guide to Hospital Cash Plans

What are Hospital Cash Plans?

What different types of plans are available?

What should I think about when choosing a plan?

What are Hospital Cash Plans?

Hospital cash plans pay a given amount of money if you are required to stay in hospital for a variety of given reasons. The main idea behind these plans is to provide cover for day-to-day living expenses of yourself or your family, or to cover additional expenses such as childcare, travelling or accommodation costs. Some plans may also pay out up to a given limit for certain types of medical treatment.

Cash plans will not provide cover in respect of a pre-existing illness.

Any money paid out as the result of a claim under a cash plan is normally paid tax-free.

What different types of plans are available?

The main differences between plans will be the level of benefit they provide. Other differences may include:

- Imposing a time lapse before you can first make a claim: this is often 6 months from the date you start the plan
- Allowing you to claim up to a monetary limit over any 1 year period or placing a limit on the number, of items, such as prescriptions, for which you can claim
- Only covering certain conditions or specific reasons for any required stays in hospital.

What should I think about when choosing a plan?

Decide what amount of cover you require in relation to your personal circumstances. For example, if there are any children needing to be cared for while you are unavailable then you might opt for a higher level of benefit than were the case if you are simply looking to replace your regular income. In the latter case, you should check how long your employer will pay your salary at full rate were you to be away from work through illness or as the result of an accident.

You should decide whether you want to receive a lump sum, which can be spent as you require, or whether it is better for you to receive assistance with potential medical costs. For example, you may already have a private medical insurance plan that will cover medical costs and therefore a lump sum would be more suitable as it could, for example, help you take a holiday to assist in your recuperation.

We are happy to give advice in these areas.

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