

# Determining the Right Coverage for a Non-Working Spouse



The term “non-working spouse” is quite misleading, as this individual contributes just as much – if not more – to the health and vitality of the household. Unfortunately, they don’t receive the same protection as their “working spouse.”

## Did You Know?

Many companies do not offer disability income insurance coverage on non-working spouses.

This means if they were to fall ill, their inability to perform their vital tasks could have critical financial implications for a family.

Consider the additional expenditures should a family have to pay for an outside service to perform the following:

- Household cleaning and maintenance
- Grocery shopping and meal prep
- Childcare or home health care

These additional expenditures would be on top of the amount needed to cover healthcare deductibles, doctor visits, treatment and medication.

## The Solution

### A Critical Advantage Portfolio policy

A Critical Advantage Portfolio policy can offer the preparedness and protection a family needs to ensure that their financial strategy and lifestyle is covered in the event of a covered diagnosis.

Mutual of Omaha’s products offer customizable coverage from \$10,000 to \$100,000 in the form of a lump sum payment. Upon diagnosis, the client is immediately able to use that money to cover the costs of services a stay-at-home spouse or parent would typically perform.

Lump sum payments upon diagnosis mean the non-working spouse can focus on what really matters – recovery.

## Determining the Right Coverage for a Non-Working Spouse Case Study\*

**Client:** Family with two adults, two children

**Coverage Period:** Three Month Illness

|   |                        |
|---|------------------------|
| Major Medical Out of Pocket Costs (x2)                | \$8,700 x 2 = \$17,400 |
| Home Cleaning Service                                 | \$1,500                |
| Meal Prep or Delivery Service                         | \$1,500                |
| Childcare   | \$6,567                |
| Other Bills & Prescriptions                           | \$2,500                |
| <b>Total Calculated Lump Sum for Critical Illness</b> | <b>\$29,467</b>        |

Note: The example does not include additional medical or non-medical expenses a family may incur during covered Critical Illness events.

\*Case Study assumes:

- For 2022 Plan Year: Out-of-pocket limit for a Marketplace plan cannot be more than \$8,700 for an individual and \$17,400 for a family.
- Average cost of household cleaning services range from \$300-\$700 per month: <https://www.homeadvisor.com/cost/cleaning-services/>
- \$500+ per month on food for middle income households: <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/food-prices-and-spending/>
- \$1,300 per month per child for center-based infant childcare to \$889 per month per child for center-based preschool childcare: <https://www.americanprogress.org/article/true-cost-high-quality-child-care-across-united-states/>; Center for American Progress Source: Author’s analysis based on Center for American Progress, “Cost of Child Care,” available at [www.costofchildcare.org](http://www.costofchildcare.org) (last accessed June 2021).

