

Circular Letter 2003/16 - Definitions of Sicknesses in Critical Illness Insurance

General

Current policies provide different medical definitions for the same illness.

In the process of purchasing an insurance policy for Critical Illness, the insured has no way of comparing the different medical definitions. As a result, he cannot be aware of the differences likely to arise from the different medical definitions in the insurance cover.

Accordingly, after receiving a professional medical advice, there follows below instructions for the definition of particular illnesses in Critical Illness insurance.

1. Definition of Illnesses / Events

Illnesses or medical events that the insured chose to cover with an insurance policy shall be defined in accordance with the minimal standards as specified below:-

- i. **Loss of Limbs** – The total and irrecoverable loss or amputation above the wrist or ankle of two or more limbs due to injury or illness.
- ii. **Loss of Speech** – Total, permanent and irreversible loss of the ability to speak due to physical injury or disease to the vocal cords, which has lasted at least six consecutive months.
- iii. **Fulminant Hepatic Failure** – Severe sudden liver failure in a healthy person, or a complication in a patient with a chronic, stable illness, due to spreading necrosis of liver cells due to acute infection and/or medication poisoning or other causes, characterized by all the following symptoms:
 1. Sharp decrease in liver mass;
 2. Wide spread necrosis of the liver, leaving only a reticular mesh confirmed in histology;
 3. Sharp drop in liver function tests such as measured by PT or factors 5 and 7;
 4. Jaundice, progressive;

5. Hepatic encephalopathy;
 6. Uncontrolled bleeding;
 7. Kidney failure due to liver disease and hepato-renal syndrome.
- iv. **Chronic Renal Failure** – Chronic, irreversible failure of both kidneys requiring permanent hemodialysis or peritoneal dialysis, or necessitating a kidney transplant.
- v. **Aplastic Anemia** – Bone marrow failure diagnosed as aplastic anemia. The symptoms are anemia, neutropenia and thrombocytopenia, requiring at least one of the following treatments:
1. Blood transfusion;
 2. Medications that encourage bone marrow growth;
 3. Immunosuppressives medications;
 4. Bone marrow transplant.
- vi. **Benign Brain Tumor** – A benign tumor in the brain which must be surgically removed or, if inoperable, results in permanent neurological damage which is life threatening and on condition that it is confirmed in MRI or CT scan.
- The insurance does not include cysts, granulomas, malformations of cerebral blood vessels, hematomas and tumors of the pituitary gland and brain membranes.
- vii. **Bacterial Meningitis** – Meningitis in which the bacterium generates the illness, was isolated from the brain membranes or spinal cord, and in the opinion of a specialist in neurology will leave severe, permanent and irreversible neurological damage, as a result of which the insured is incapable of performing unassisted and independently, at least three out of six Activities of Daily Living (ADL): Transferring, dressing, bathing, eating and drinking, continence and mobility, as defined in the Commissioner's Circular letter 2003/9. These conditions should be medically documented for at least 3 consecutive months.
- The insurance does not apply to meningitis caused by HIV or herpes infections.

- viii. **Encephalitis** – Severe inflammation of the brain in the presence of complications that last at least 3 months, and which in the opinion of a specialist in neurology will leave severe, permanent and irreversible neurological damage, as a result of which the insured is incapable of performing unassisted and independently, at least three out of six Activities of Daily Living (ADL): Transferring, dressing, bathing, eating and drinking, continence and mobility, as defined in the Commissioner's Circular letter 2003/9.

The insurance does not apply to encephalitis caused by HIV or herpes infections.

- ix. **Organ Transplant** – Heart, lung, heart-lung, kidney, pancreas, liver, bone marrow – obtaining official approval from the Israel National Transplant Center of the need to perform organ transplant, or the actual performing of organ transplant, either from a cadaver or a live donor or using an artificial organ, should that organ no longer function.
- x. **Acute Coronary Syndrome** – Necrosis of a portion of the heart muscle as a result of stenosis or occlusion of a coronary artery arising from inadequate blood supply to the relevant area.

The diagnosis must be supported by the following three criteria:

1. Characteristic chest pains.
2. New ECG changes, typical of myocardial infarction.
3. Increase in the level of myocardium enzymes to pathological levels.

Angina pectoris is not covered.

- xi. **Deafness** – Total and irreversible loss of sense of hearing in both ears, as determined by a specialist in ENT, based on audiology tests.
- xii. **Multiple Sclerosis** – Confirmation of typical symptoms of demyelination of the brain or spinal cord, with permanent neurological disorders (motor and/ or sensory) and disturbed function that lasts at least six months. The diagnosis must be based on clinical evidence of more than one occurrence of demyelination (damage to the myelin sheath) in the central nervous system (brain, spinal cord, optic nerve) that lasts at least 24 hours, with a gap of at least one month between occurrences, proven by an MRI of

injury to at least two different areas of the nervous system. The diagnosis is determined by a specialist in Neurology.

- xiii. **Primary Pulmonary Hypertension** – An increase in blood pressure in the pulmonary artery caused by an increase in pressure in the lung capillaries, increase in volume of blood in the lungs, or increase in pulmonary vascular resistance. The diagnosis defined as a pulmonary artery systolic pressure greater than 30 mmHg or a pulmonary artery mean pressure greater than 20 mmHg, hypertrophy of the right ventricle and signs of dilatation and heart failure.
- xiv. **Severe Burns** – Third degree burns that cover at least 20% of the body's surface.
- xv. **Terminal Liver Disease (Cirrhosis)** - Characterized by the presence of three of the following signs or symptoms:
 - 1. Jaundice;
 - 2. Ascites requiring permanent use of diuretics;
 - 3. Cirrhosis which was confirmed in a liver biopsy;
 - 4. Hepatic encephalopathy;
 - 5. Portal hypertension expressed by esophageal varices, splenomegaly confirmed by Ultrasound, Doppler or direct measurement of the portal pressure, or hypersplenism.
- xvi. **Chronic Lung Disease** – Terminal lung disease, characterized by the following two criteria:
 - 1. FEV1 test results consistently less than 1 liter, or less than 30% of the expected, according to sex and height, and/or permanent reduction in minute volume ventilation (MVV) below 50%, or less than 35 liters per minute, or that requires supplementary oxygen or breathing support;
 - 2. Permanent reduction of arterial partial oxygen pressure of 55 mmHg or less, and an increase in CO₂ arterial pressure above 50 mmHg.

- xvii. **Amyotrophic Lateral Sclerosis** – Evidence of damage to upper and lower motor neuron in the pyramidal nervous system, supported by typical EMG test which prove extensive and progressive denervation over 3 months. The diagnosis is determined by a specialist in Neurology.
- xviii. **Surgery for Heart Valve Replacement or Repair** – Open-heart surgery to repair or replace one or more cardiac valves with artificial valve.
- xix. **Operation of the Aorta** – Surgical replacement of a portion of the diseased aorta or a repair of aneurism in the thoracic or abdominal aorta.
- xx. **Coronary Artery Bypass Surgery (CABG)** – Open-heart surgery to correct narrowing or blockage of one or more coronary arteries, with bypass graft. Catheterization of one or more of the coronary arteries, is excluded.
- xxi. **Cancer** – Any malignant tumor characterized by the uncontrolled growth and spread of malignant cells and the invasion to the surrounding or other tissues.

The term Cancer also includes leukemia, lymphoma and Hodgkin's disease. The following are excluded:

1. Tumors which are histologically diagnosed as malignant changes of Ca in situ, including dysplasia of cervix grades CIN1, CIN2, CIN3, or tumors histologically diagnosed as pre-cancerous.
2. Malignant melanoma Class A1 (1 mm) according the AJCC classification, 2002.
3. Skin diseases:
 - (1) Hyperkeratosis and Basal Cell Carcinoma;
 - (2) Squamous Cell Carcinoma, unless spread to other organs.
4. All forms of cancer in the presence of any Human Immunodeficiency Virus (HIV).
5. Cancer of prostate histologically classified as having a Gleason Score less than 6 or having progressed to TNM Classification T2 N0 M0.
6. Chronic Lymphocytic Leukemia (CLL).

- xxii. **Blindness** – Total, permanent and irreversible loss of sight in both eyes, as determined by a specialist in Ophthalmology.
- xxiii. **Primary Amyloidosis** – Disease characterized by deposits of amyloid in various tissues of the body, diagnosed pathologically in sediments of amyloid in tissues or organs, such as: heart, kidney, blood vessels walls etc. The diagnosis is determined by a specialist in Internal Medicine.
- xxiv. **Brain Damage** – Irreversible brain damage which resulted from an accident that has caused permanent functional deficit that has been confirmed by a specialist in Neurology in accordance with standard criteria for brain damage. For example: Glasgow Coma Scale less than 5.
- xxv. **Poliomyelitis** – Permanent, irreversible muscle paralysis, caused by the polio virus, and diagnosed by isolating and identifying the virus in the cerebro-spinal fluid.
- xxvi. **Parkinson's Disease** – Diagnosed in rest tremor, cogwheel rigidity, postural abnormalities, and akinesia. The diagnosis should be made by a specialist in Neurology, as Parkinson's Disease. The disease should manifest in permanent inability of the assured to perform unassisted and independently, at least three out of six Activities of Daily Living (ADL): Transferring, dressing, bathing, eating and drinking, continence and mobility, as defined in the Commissioner's Circular letter 2003/9. These conditions should be medically documented for at least 3 consecutive months.
- xxvii. **Tetanus** – Disease caused by Clostridium Tetany that attacks the central nervous system and causes irreversible damage to the muscular and nervous systems.
- xxviii. **Cardiomyopathy** – Chronic condition of impaired ventricular function resulting in physical impairment of at least class 3 on the New York Heart Association Classification of Cardiac Impairment.
- xxix. **Cerebrovascular accident (CVA)** – Any cerebrovascular incident resulting in neurological disturbances or neurological deficit, that lasts more than 24 hours and includes necrosis of brain tissue, brain hemorrhage, obstruction or embolus outside the brain, with signs and symptoms of permanent, irreversible neurological damage. The diagnosis should be supported by appropriate findings in CT or MRI scans over a

period of at least 8 weeks. The diagnosis is determined by a specialist in Neurology. The following are excluded: Vertebrobasilar insufficiency and TIA.

- xxx. **Paralysis (paraplegia, quadriplegia)** – Total and irreversible loss of function of two or more limbs as a result of an irreversible damage to the spinal cord.
- xxxii. **Acquired Immuno-Deficiency Syndrome (AIDS)** – Infection with HIV, caused solely by a blood transfusion received while the insured is covered under the policy.
- xxxiii. **Coma** – A state of unconsciousness with no reaction to external stimuli or internal needs, which has been caused by neurological damage persisting continuously, with the use of life support systems, at least 96 hours.
- xxxiiii. **Dementia** – Deterioration or loss of intellectual capacity, and significant cognitive impairment, deterioration in long-term and/or short-term memory, and lack of orientation, due to medical condition such as Alzheimer disease, or various forms of dementia. There is a need for supervision most of the day, as determined by a specialist, such conditions should be medically documented for at least 3 consecutive months.

2. Instructions for Implementation

- i. An Insurer shall submit to the Commissioner for approval the required changes to the policies, together with a declaration as stated below, not later than 15.2.04. The text of the declaration is as follows:- “I, the undersigned, hereby declare that the definitions of illnesses or medical events in the insurance policy are totally identical to the definitions set in circular letter 2003/16”. This declaration shall be signed by the Divisional Manager of the appropriate department of the company.
- ii. An Insurer is entitled to modify the above definitions subject to the two following conditions:-
 - 1. The change is to the advantage of the insured;
 - 2. In an individual policy, subject to having received prior approval from the Commissioner. In a policy sold to a group of insured persons, on condition that the policy includes the following

statement: “The definitions of illnesses XYZ have been formulated to the advantage of the insured in respect of the minimum definitions as determined by the Insurance Commissioner in the circular letter ‘Definitions of Sicknesses in Critical Illness Insurance – 2003/16’”.

3. Applicability

The instructions in this circular letter apply to Critical Illness insurance policies.

4. Effective Date

The instructions in this circular letter are effective for Critical Illness insurance policies that are sold or renewed as from 1.5.04.

Eyal Ben-Chelouche
Commissioner of Insurance

Note: In any case of discrepancy between this translation and the original circular letter in Hebrew, the original will govern.