

# Finding peace of mind amid financial strain.



## For many Americans today, the ongoing economic strain of rising costs and stagnant wages has made daily living less affordable than ever.

In just the last few years, cost of living concerns have only increased. In 2022, food prices saw an almost 10%\* increase, the fastest rise since 1979. While the rate of increase has slowed, forecasts for 2025 saw an overall food price increase of 3% over last year.<sup>1</sup> In 2023, 28% of U.S. adults went without some form of medical care because they could not afford it.<sup>2</sup> Today, nearly a quarter of all U.S. households are living paycheck to paycheck,<sup>3</sup> and the rising costs of daily essentials mean affordability remains top of mind. Any tenuous grasp one may have on their finances can only be further stretched by a serious health event.

An unexpected health event or a new diagnosis can upend people's daily lives. Between immense financial pressures, strain on loved ones and close community, serious health events often leave individuals and their families in a state of financial uncertainty.

Cigna Healthcare has partnered with Ipsos on this comprehensive research to further illuminate these experiences and gain a better understanding of the impact a serious health event has on an individual's life.



### Key findings from the research

**A major health event exposes financial vulnerabilities**, as many individuals find themselves unprepared for unexpected expenses that affect not just their medical bills, but daily living costs as well.

**The lack of awareness** about the benefits of supplemental insurance means people often overlook how it can help cover essential daily expenses, thus leaving them underprepared.

**Supplemental insurance** offers peace of mind during a health event, easing both financial stress and mental burden.

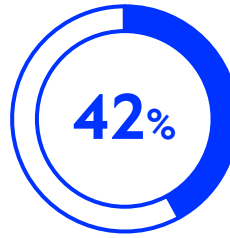
**Going through a health event often strengthens the perceived value of supplemental insurance**, leading those with coverage to maintain or even increase their coverage.

**56% of respondents** feel it is important to have the **same carrier for medical and supplemental plans**.

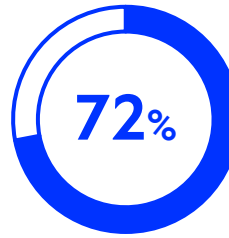
## The domino effect of financial strain

Most consumers may feel prepared with primary health insurance alone, but the data reveals a stark reality. A single health event can set off a chain reaction of financial distress. Nearly 60% of respondents agreed they were not financially ready for their health event.\* This is immediately followed by direct financial impact, as 42% felt their overall financial health was worsened by their diagnosis.

Affordability quickly becomes a pressing, daily concern. With 44% of respondents spending \$1,000 or more on out-of-pocket costs related to their health event, it's clear how quickly healthcare expenses can have a domino effect of financial strain, with far reaching implications as people struggle to afford the fundamentals of their everyday lives. To manage these unexpected costs, 72% had to adopt lifestyle changes to manage healthcare costs. For instance, nearly half of respondents reduced spending on non-essentials, while a third increased their credit card use just to manage medical costs.\* Even affording essential household bills became a challenge for 1 in 3 respondents.



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As financial pressure mounts, people are forced to make even more difficult choices to keep their lives on track. Some look to their own communities, with 21% seeking financial assistance from family or friends to help manage their healthcare costs. This reliance on others underscores a broader theme: 68% of all respondents reported needing more support than they expected to navigate the financial challenges of their health event.



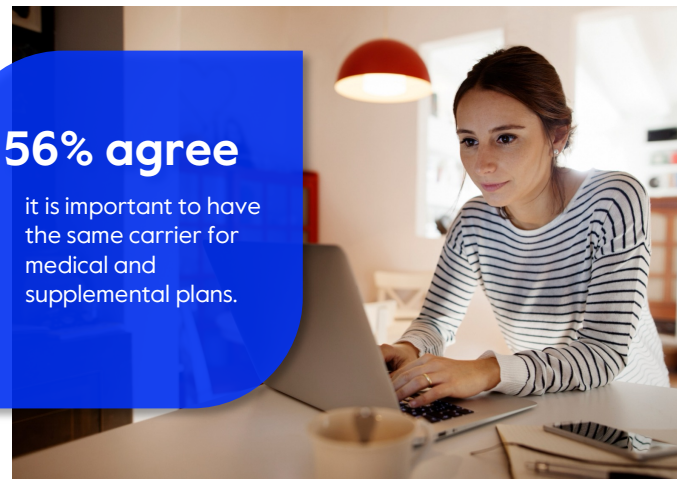
### Beyond the data: RELYING ON CREDIT CARDS

Evan, a 28-year-old Californian without supplemental health insurance, was forced to rely on credit cards to cover daily expenses after developing runner's knee, as the condition required extensive physical therapy and specialist appointments. "My wife and I have a pretty tight budget. So we had to figure out like, 'let's try to save money in this area so we can pay for this other thing,' like that's just **We have to use our credit card if we have to go into more debt** the way it is, you know, with living in California."

## Unified coverage makes all the difference for consumers

56% agree

it is important to have the same carrier for medical and supplemental plans.



In the midst of a stressful health event, consumers crave stability in their daily lives, especially when it comes to managing healthcare costs, as well as other expenses. In today's economy, more than half of consumers worry about the cost of groceries, healthcare, and housing, placing financial security at the forefront of their priorities.\*

Financial security is paramount to consumers' healthcare experience in the battle for competing priorities. Our research shows consumers see integrated medical plans and supplemental plans as more than convenience, and more of a necessary tool for staving off financial anxieties. More than half of respondents agree it is important to have the same carrier for medical and supplemental plans.\*



### Beyond the data: INSURANCE ALL IN ONE PLACE

Joseph, a 41-year-old living in Louisiana, has spent the past 3 years undergoing extensive hospital visits and treatment for mental health challenges. Insurance has helped him cover medications, hospital stays, and expenses; a process which would have been significantly more challenging with separate medical and supplemental insurance providers.

"[With separate carriers] it would be a lot different. **It would be a lot harder having to track down each and every thing that they cover...**having both of them in one definitely helped."

## The high cost of uncertainty

Perhaps most striking from the research is the gap between the support consumers need and the knowledge they possess. For many, the true value of supplemental insurance only becomes clear after navigating a crisis of their own, a painful learning curve that could be avoided.

We found 23% of respondents were not knowledgeable about what supplemental health insurance can be used for. Upon further exploration, we found consumers had a better understanding of how supplemental health insurance could be used for healthcare-related uses (e.g. prescription drugs, hospital stays, rehab etc.) but the ability to use it for broader everyday expenses remained unclear thus indicating a knowledge gap

Less than 1 in 3 understood supplemental health insurance could be used for daily-living expenditures such as groceries, housing, or childcare. Bridging this gap in knowledge could reduce concerns of affordability and fear around maintaining consumers' daily lives in the face of a health event. This is evidenced by the fact that those who had supplemental health coverage at the time of their health event saw increased value after their health event. On average, nearly 1 in 3 of supplemental health coverage owners increased their coverage as a result of the health event. An additional two-thirds of those with supplemental health coverage maintained their coverage for a staggering average retain rate of 92% proving the impact supplemental health coverage can have.

\*In today's economy, more than half of consumers worry about the cost of groceries (57%), healthcare (54%), and housing (52%), placing financial security at the forefront of their priorities;

\*More than half of respondents (56%) agree it is important to have the same carrier for medical and supplemental plan;

\*Less than 1 in 3 (32%) understood supplemental health insurance could be used for daily-living expenditures such as groceries, housing, or childcare.



## Beyond the data: ADDING SUPPLEMENTAL COVERAGE AFTER AN EVENT

Dennis, a 41-year-old father living in Arkansas, faced a \$20K bill following a severe leg injury in 2023. Soon after this event, he signed up for Hospital Care and Accidental Injury Insurance, so that when another similar accident happened, he was covered. "I have a unique perspective of going through the exact same thing with two different insurance coverages.

**If I hadn't had that supplemental coverage the second time, it may have been a real tough Christmas."**

The journey from uncertainty to financial security as individuals navigate the complexities of a serious health event highlights an opportunity for more proactive education on supplemental health insurance and its potential impact.



**Nearly one-third** of supplemental health owners increased their **Accidental Injury (AI)** coverage as a result of their health event while nearly two-thirds kept their coverage as is.\*



**About 1 in 3** of supplemental health owners increased their **Critical Illness (CI)** coverage as a result of their health event and 60% kept their coverage as is.\*



**Nearly 1 in 3** of supplemental health owners increased their **Hospital indemnity (HI)** coverage as a result of their health event while 62% kept their same coverage.

## Forging peace of mind through preparation

A serious health event is the ultimate moment of truth, where immense financial pressure takes a heavy mental and emotional toll. Almost half of respondents saw their mental health worsen due to their health event indicating a need for intervention to help ease this burden.\*

It is in these critical moments that the true value of preparation becomes clear, and where supplemental coverage can do more than just pay bills—it can provide invaluable peace of mind.

The emotional benefit is undeniable: an overwhelming 93% of respondents agree having a supplemental health plan provides peace of mind during an unexpected health event. This feeling of security is a powerful antidote to the unpredictability and stress that define the experience. For those without this protection, the journey is often marked by unexpected challenges. When reflecting on their experience, 1 in 3 misunderstood how much their health event would impact their life.\* Additionally, 70% said they are following their doctor's or health professionals' advice for healthy living after their health event compared to only 35% doing so before the event, indicating a desire to prevent future events from occurring.

\*Nearly one-third (31%) of supplemental health owners increased their Accidental Injury (AI) coverage as a result of their health event while nearly two-thirds (62%) kept their coverage as is;

\*About 1 in 3 (31%) of supplemental health owners increased their Critical Illness (CI) coverage as a result of their health event and 60% kept their coverage as is;

\*Nearly 1 in 3 (30%) of supplemental health owners increased their Hospital indemnity (HI) coverage as a result of their health event while 62% kept their same coverage.

\*Almost half of respondents (48%) saw their mental health worsen due to their health event indicating a need for intervention to help ease this burden;

\*1 in 3 (34%) misunderstood how much their health event would impact their life.

In these critical moments, a lack of preparation means there is nothing to soften the blow of a health event, allowing financial anxiety to compound physical and emotional stress. Supplemental health coverage has the power to relieve this pressure felt by consumers. It is designed to relieve this intense pressure, helping families manage not only the sudden medical costs like copays and deductibles, but also the everyday expenses that continue to pile up. By lessening this impact, it gives individuals the stability and breathing room to focus on recovery, not financial concerns.



### Beyond the data: LIFE IMPACT

Hospitalized at 43 with a rare autoimmune disease, Chantel from New Jersey found her already busy routine consumed by specialist visits, tests, treatments—and mounting expenses. She never imagined being sick would feel like another full-time job. "In order to meet all of my medical expenses, I had four jobs. I worked like six days a week...**and being sick is a full-time job. Going to doctors. I don't even know how I found time to work.**"

## Research study design

Cigna Healthcare Supplemental Health Solutions partnered with Ipsos, one of the largest independent insights and analytics companies in the world, to produce this research. Ipsos surveyed 1,000 adults aged 26 – 70 who are employed full-time (at least 30 hours) and have experienced a qualifying health event in the last three years. The study was conducted between August 12-September 3, 2025. The survey was weighted to reflect the 2023 American Community Survey on race/ethnicity, age, gender, region, income, and education.

In addition, Ipsos conducted a series of 9 in-depth, ethnographic, interviews with people who experienced a qualifying health condition, accident, or hospitalization in the past three years. This included 8 people who have supplemental health coverage and 1 person without it.

The retain rate is the average for accidental injury, critical illness, and hospital indemnity based on an aggregate of respondents who kept their coverage or increased their coverage following their health event.

### Sources:

1. <https://institute.bankofamerica.com/content/dam/economic-insights/paycheck-to-paycheck.pdf>
2. <https://www.federalreserve.gov/publications/files/2023-report-economic-well-being-us-households-202405.pdf>
3. [https://www.bls.gov/cpi/#:~:text=to%20August%202025-The%20Consumer%20Price%20Index%20for%20All%20Urban%20Consumers%20\(CPI%20DU.O.2%20percent%20since%20August%202024](https://www.bls.gov/cpi/#:~:text=to%20August%202025-The%20Consumer%20Price%20Index%20for%20All%20Urban%20Consumers%20(CPI%20DU.O.2%20percent%20since%20August%202024)