Insurance Times: Colonial to reinsure portion of cancer policies
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COLUMBIA, S.C. — Colonial Life & Accident Insurance Co. has signed an agreement under which Central United Life Insurance Co. will reinsure its Cancer Advantage block of business.

Under the terms of the agreement, Central United Life, an affiliate of the Manhattan Insurance Group, will reinsure on a 100 percent indemnity coinsurance basis the Cancer Advantage product line of Colonial. The transaction has an effective date of November 1, 2001, and Colonial will continue to serve the policyholders until January 4, 2002, when Central United expects to assume administrative responsibilities.

The Cancer Advantage product line involves approximately $28 million in premium income, which represents 22 percent of Colonial's total cancer business. It includes approximately 56,000 policies in 7,000 accounts. The product was first sold in the early 1990s and has not been marketed in more than five years.

Colonial's sales for all cancer products were up 10 percent in third quarter of 2001 compared to a year ago. The company's special risk product category includes Cancer Security, Cancer Response, Cancer Response Plus and Critical Illness, Intensive Care and Initial Diagnosis (of cancer). Not all products are available in every state.