

# Financially Speaking

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## *We All Need Critical Illness Insurance*

*Question:* Michael J. Fox, Billy Graham, Mario Lemieux and Christopher Reeve. What do they all have in common?

*Answer:* They all have critical illnesses.

They all would have received tax-free benefits if they were covered with critical illness insurance plans.

Chances are, you know family members, friends, or co-workers who have suffered from life-altering critical illnesses.

**Think for a moment about these people who you know, or heard about. How did their illness affect their families and their finances?**

Would they have benefited from a non-taxable lump-sum of \$100,000 or more when they were diagnosed? Would a lump sum have helped with their recovery, treatment options, or perhaps saved their business if they were self-employed?

In a nutshell, this is what Critical Illness Insurance is all about. It's an integral part of your over-all protection program. After all, you cannot predict the future, but you can prepare for it, can't you?

The concept of critical illness protection was developed by world-famous South African heart surgeon Dr. Marius Barnard who saw an overwhelming need for a plan that paid a "living benefit" to his patients. Dr. Barnard observed that after surviving a heart attack or stroke, "**they did not lose their lives, but they lost their life savings.**"

**"Critical illness insurance gives you financial independence when you need it most. Not because you are going to die, but because you are going to live,"** he said.

Consider the statistics. One in three Canadians will contract some form of life-threatening cancer. More than 125,000 new cases are diagnosed every year.

75,000 Canadians suffer from heart attacks every year; over 80 per cent of them survive.

50,000 Canadians suffer from stroke every year; 75 per cent of them survive the initial event.

More than 50,000 have multiple sclerosis; MS is the most common neurological disease among young Canadians.

Critical Illness insurance will give you **tax-free money that can be used for any purpose** 30-days after diagnosis of one of these critical illnesses: cancer, heart attack, stroke, multiple sclerosis, Parkinson's disease, kidney failure, paralysis, loss of limbs, blindness, deafness, benign brain tumor, heart by-pass surgery, Alzheimer's disease, major organ transplant, coma, severe burns, loss of speech, motor neuron disease (ALS), occupational HIV, aortic surgery, heart valve replacement, and loss of independent existence.

Critical Illness insurance can help you meet all of life possibilities. **If you die** for causes other than any of the critical illnesses covered, your beneficiaries can get all your money back. **If you live to age 75** without suffering from any of the illnesses covered, you can get all your money back if you purchase the Return of Premium rider. (Some of my clients have this as part of their retirement planning.) **If you are diagnosed** with one of the critical illnesses covered, you'll receive the non-taxable cash usually within 30 days after diagnosis.

When you consider the statistics, and the state of our healthcare system in Canada, doesn't it make sense to take a serious look at this protection program for yourself and your family?



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## Cancer costing Canada billions

**The disease burdens individuals with expensive treatments and missed work, and hurts the economy**

By ANDRE PICARD, Public Health Reporter

In the spring of 1992, Linda Armstrong was working as an apprentice plumber, helping to build the CBC Broadcast Centre in downtown Toronto. But she was so sick and in so much pain that she quit her job.

It would take months of doctors' visits, tests and even a lengthy hospitalization to determine that she was suffering from non-Hodgkin's lymphoma, a form of cancer.

What followed was an intensive year of treatment, including chemotherapy, radiation and drug treatments, and another year of recovery. "I was off work for two years," Ms. Armstrong said.

Because she quit her job, she was ineligible for Employment Insurance, and she did not have disability insurance or a drug plan. "I ended up spending every penny I had, including my RRSPs."

**A decade after being declared cancer-free, Mr. Armstrong, 55, is a proud survivor. But while she is in excellent physical health, her financial health continues to suffer.**

Being a plumber had too many physical demands so she retrained, and works as a teacher's assistant. "My friends are all talking about retirement, but I'm just starting my RRSPs again. Because I had cancer, I'm in for the long haul; I'll never be able to retire," Ms. Armstrong said.

Her story underscores one to the oft-overlooked realities of cancer – its economic impact on individuals and society in general.

According to a report released yesterday by the Canadian Cancer Society, cancer costs the national economy at least \$14.3 billion annually, including \$2.5 billion in direct costs for treatment, care and rehabilitation, and another \$11.8 billion in indirect costs, principally the loss of productivity from the disability and premature death of cancer sufferers. They are conservative estimates, based on 1998 data.

Those economic costs are also expected to soar, as it is projected that the number of new cases of cancer diagnosed each year in Canada will increase by 60 per cent over the next two decades and more effective – and often more expensive – screening tests and treatments are adopted.

This year, it is estimated that 145,000 Canadians will be diagnosed with cancer and 68,300 will die.

"This disease is robbing Canadians of precious years of life and productivity," said Heather Logan, director of cancer-control policy at the Canadian Cancer Society.

The new report suggests that, by the year 2010, cancer will be the leading killer, supplanting cardiovascular disease...

**"If you ask me, there's a big hole in the medicare system," Ms. Armstrong said. "You can't really say that health care is free if a person with cancer has to give up their job, lose their life savings and can't afford to put their kids through university...When you have cancer, your life is so full of uncertainty, and the last thing you need is an economic burden."**