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# Critical Illness Update

## *The Problem*

Recently, a family friend discovered a lump in her throat. After consulting with her doctor, a biopsy was performed to determine whether or not the tumour was cancerous.

Unfortunately, the results were inconclusive. The only way to know for sure was to remove the tumour and the gland that surrounds it. She was told that there would be about a three week wait for the surgery. Ten weeks later, she was still waiting. Her doctor is mandated to deal with his patients who have “proven” cancer first. Assuming that the tumour is cancerous, she will then have to go to the back of the treatment line. All the while, precious days and weeks may be slipping away, and the window of opportunity for defeating this potential cancer is closing.

The public healthcare system in B.C is experiencing a crisis. Waiting lists, even for people with life-threatening condi-

tions, are only getting longer. Meanwhile, just across the border, waiting lists are almost non-existent.

The problem is, going south for treatment isn't cheap. Nor is it covered by our provincial healthcare system. If you or someone you love were stricken by a critical illness, where would you turn? Few of us have the resources to pay for such treatment. Fortunately, there is a solution. It's nothing new, just something that isn't well known. It's called Critical Illness Insurance.

Critical Illness Insurance provides a lump sum cash benefit upon diagnosis of a Critical Illness. The benefit is paid out 30 days after diagnosis, and like Life Insurance, the Critical Illness Benefit is paid out tax free. Also like Life Insurance, Critical Illness Insurance is offered as either term or permanent coverage, with a variety of payment options.

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Most importantly, Critical Illness Insurance gives you peace of mind. Peace of mind that if faced with a medical crisis, you will have a pool of capital that you can use to obtain the proper treatment, pay for medical equipment, afford recovery costs, supplement your income, modify your lifestyle, or use in any other way you wish.

It's a fact that one out of every three Canadians will contract a life-altering illness during his or her lifetime. And thanks to the miracle of modern medicine, we are now surviving the illnesses that were terminal in the past.

*“...if faced with a medical crisis, you will have a pool of capital that you can use to obtain the proper treatment, pay for medical equipment, afford recovery costs, supplement your income, modify your lifestyle, or use in any other way you wish.”*

### ***Some Statistics***

Let's look at some statistics:

#### **Heart Disease**

- 1 in 4 Canadians will contract some form of heart disease.
- 15,000 Canadians suffer heart attacks each year.
- 80% of these victims will survive the initial heart attack
- 1 in 4 Canadians currently suffer from some form of cardiovascular disease, whether they know it or not.

#### **Stroke**

- 1 in 20 Canadians run the risk of having a stroke before age 70.
- Of the 50,000 Canadians who suffer stroke each year, 75% survive the initial event and return to their homes, still requiring assistance for daily living.
- 60% of the 50,000 stroke victims each year are women.
- There has been a 50% decrease in the death rate from heart disease and stroke over the past 40 years.

#### **Cancer**

- 1 in 2.5 Canadians will develop a life-threatening cancer.
- 129,000 new cancer cases are reported in Canada each year, and
- Since 1970 there has been an increase of 1% per year in the incidence of cancer.

#### **Kidney Disease**

- 1 in 4 Canadians will suffer from kidney disease.
- 85% of kidney transplants are successful.
- 5,400 Canadians who needs transplants this year will not get them.  
This number is projected to rise to 16,250 in the next 20 years.

The conditions mentioned in the above statistics are only a few of the 18 conditions now covered by most Critical Illness plans.

### *What is Covered*

- Heart Attack
- Cancer
- Major Organ Transplant
- Coronary Artery Bypass Surgery
- Blindness
- Stroke
- Deafness
- Paralysis
- Kidney Failure
- Multiple Sclerosis
- Coma
- Loss of Speech
- Loss of Limbs
- Alzheimer's Disease
- Parkinson's Disease
- Severe Burns
- Occupational HIV
- Motor Neuron Disease

Some plans also cover additional conditions, such as Rheumatoid Arthritis, Adult Onset Diabetes, and Benign Brain Tumor.

### *Applications*

There are many applications of this kind of protection, for businesses as well as individuals consider for example, the following business applications:

**Keyman Insurance:** If a key person is incapacitated by serious illness, this insurance can provide funding to cover the business income shortfall while that individual is replaced. The lump sum can also help the business if it is forced to operate with the keyperson returning to work on a limited basis after illness.

**Buy-Sell Agreements:** As with key person, a business may find itself with what is effectively the loss of a partner or key shareholder after a critical illness. This insurance provides ready cash to allow the other partners or shareholders' to buy out the ill party.

**Professionals and Business Owners:** Any self-employed individual faces serious financial problems if a critical illness results in lost time at work. Critical Illness Insurance provides a lump sum of ready cash to cover business overhead, bring in additional help if needed, or otherwise arrange the handling of business affairs. Of course, this type of coverage is well suited for individuals as well, whether it be for family protection, or for single individuals who want to ensure that their finances will be secure in case of a critical illness.

Critical Illness Insurance is also a great alternative for those without personal income, such as homemakers, who would not qualify for an income-tested product such as Disability Insurance. Unlike Disability Insurance, Critical Illness Insurance is not designed to replace lost income, and therefore, does not require proof of income.

### *The Bottom Line*

Like all insurance, Critical Illness Insurance is simply a form of risk management. The real risk that is being covered off is that of the financial burden that can occur when one is stricken with a critical illness. Critical Illness Insurance provides the flexibility to seek the best possible medical attention in a timely fashion, and should be a key part of your insurance portfolio.

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