



Planning for a cloudy day

An illness can ruin your happy future, if you don't plan for it

[By Mark Halpern / July 17, 2009]

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There's never been a better time to be in your fifties. You're feeling great: your children are grown and making their own families; in the workforce, you're achieving your earnings potential and your home is (finally) looking the way you want. As for fun, you can travel when you want, enjoying life to the fullest and celebrating your successes. Life is good.

But what happens if you get sick? How many of us really think about illness and aging? In fact, most people don't have a plan in place that considers the financial impact of a sudden or prolonged illness. Many don't even have a current will, or powers of attorney that are up to date. Do you fit that bill?

The global economic downturn has jeopardized or postponed retirement plans for most people, and for those approaching retirement, the timing is particularly challenging given the short time horizon for recovery. An unexpected illness could ruin your happy future.

Your family's financial future can be secured now with a defensive asset preservation strategy that includes Long Term Care insurance (LTC). And the best time to protect yourself is while you are healthy and young. Once illness has struck, it's too late.

Consider these 3 reasons for you and your spouse to add Long Term Care insurance to your retirement portfolio.

1. Taking Responsibility

Many Canadians mistakenly believe that the government will assist us in our retirement and care for us through any illness. Public healthcare is already severely strained. Statistics Canada projects that by 2021 almost 7 million seniors will represent 19% of the total population, and that by 2041 more than 9 million seniors will comprise an estimated 25% of the population.

The demand for care facilities and home care will be huge and the cost burden to support family members will continue to rise. Most Canadians prefer home care to facility care, which, statistically, becomes the responsibility of women in the family, and it can add a tremendous emotional and financial burden. Your plan needs to take this into account.

2. Living Longer With Quality of Life



Canadians are living longer because of healthier lifestyles and medical advancements in treatments of many chronic illnesses. That longevity will come with an increase in your financial requirements: we'll have to provide for ourselves and our loved ones financially for much longer than we may have anticipated. Plus, we may even need funding for ongoing care, treatment and medications. There will be a lot

of people long on life and short on money with the false expectation that their quality of life will be good. Do you want to be one of them?

3. Gathering Information and Making a Plan

Now is the time to gather accurate information based on evidence and facts to prepare for life's uncertainties. An Ipsos-Reid study revealed that 42% of Canadians are concerned that they will have to care for their parents when they get older. You may be caring for a parent now. Despite such concerns, we don't like to think about what the future could hold for us and we don't make plans to give ourselves financial independence should something bad happen.

The good news is you don't have to do it alone. Help is available now to navigate through the abundance of information and misinformation online and offline. Certified Financial Planners (CFPs) with expertise in insurance matters are well-trained professionals who ask the tough questions and present various scenarios to help you make informed decisions about your future. You need the straight facts about plans that protect you and your family against the high costs of long-term home care and facility care. These costs can vary from \$4,000 to \$10,000 per month and can rapidly deplete your retirement savings, causing financial strain on your spouse and children. Wouldn't it be comforting to know that a small investment today can eliminate this 'black hole' forever?

Now is the time to get the information you need. Long Term Care insurance is often overlooked simply because it isn't the happy future we want to consider for ourselves. But as government support declines and as we live longer, we must ensure we have a realistic plan to deal with the costs of care and illness in our retirement years. With that in place, you will face the future with peace of mind. After all, a good plan for a cloudy day allows you to enjoy the sunshine now with confidence.

About Mark Halpern:

Mark Halpern, CFP, is the founder of illnessPROTECTION.com Inc. An independent advisor since 1991, he specializes in living benefits, and is widely recognized as one of the top advisors in Canada. Mark is a member of Advocis, the Canadian Advanced Life Underwriters Association (CALU) and The Toronto Estate Planning Council.

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