

# WALL STREET JOURNAL

By Caroline Van Hasselt  
Of DOW JONES NEWSWIRES

TORONTO (Dow Jones)--Canadians who want a second-opinion diagnosis and top-quality treatment fast can now look to Elite U.S. Healthcare, a product developed in collaboration with the Cleveland Clinic.

"It provides people with choice and some security and peace of mind at a time when they're at their most vulnerable and want things done as quickly as possible," said Mark Halpern, a certified financial planner and president of Toronto-based illnessPROTECTION.com Inc., who developed the product with the clinic.

Elite U.S. Healthcare provides US\$5 million of major medical insurance funding and top-quality care at hospitals and clinics, such as the Mayo Clinic, Memorial Sloan-Kettering Cancer Center, MD Anderson Cancer Center, and the Cleveland Clinic.

Despite its name, treatments are not restricted to the U.S. and could include treatments in Canada or elsewhere in the world, Halpern said. If a client's condition is best cared for in Germany, for example, it may be more cost effective to fly the person there for treatment, he said. The product is priced based on U.S. health care costs, which are arguably the world's most expensive, he adds.

"Each case is evaluated individually to provide the best care, not which is the best bargain," said Halpern.

The coverage, underwritten by Royal & Sun Alliance Insurance Co. of Canada, is aimed at high networth Canadians, generally those who are already familiar with and want to receive treatment in the U.S., Canadians with U.S. vacation properties, and Canadian business owners and entrepreneurs, who don't want to wait for treatment or surgery, like knee or hip replacements.

"It's a big risk to have one of your C-level executives waiting in the queue and not at work," Halpern said.

An employer can pay the policy costs on the employee's behalf or as part of their compensation packages, he said. For tax purposes, the product is considered to be a 'private health services plan,' which means employers can deduct the premiums. The tax advantages increase for sole proprietors and partnerships.

Unlike critical illness policies, which are paid out in lump sums, Elite U.S. Healthcare pays the medical provider directly. It's not a reimbursement plan, said Halpern. The annual premium for a 50-year male

non-smoker, for instance, is C\$2,100 a year, assuming a US\$10,000 deductible. The plan has a lifetime limit of US\$5 million and can be used multiple times.

He said he intends to roll out a US\$1 million mid-market product in the first half of 2011.

Canada has universal health care, but long wait times for treatment, the perception of poor medical service--whether real or imagined--and medical advances that "are allowing people to survive from things that once killed them," is driving demand for private health coverage and plans that offer second opinions, said David M. Baker, assistant vice president, individual health insurance, Sun Life Financial Canada, a division of Toronto-based Sun Life Financial Inc. (SLF).

"A lot of these products are relatively new," he said.

Indeed, health insurance is a fast-growing segment of Canada's life insurance industry, as aging baby boomers seek added protection in a healthcare system that's already overburdened.

At Sun Life, the country's largest health insurer, health now represents 20% of its new individual insurance sales. That's up from "miniscule" levels just years ago, said Baker.

Sun Life also provides coverage for second opinion consultations through 'Best Doctors' services.

Best Doctors conducts a database search of 50,000 specialists for the best qualified medical expert, arranges referrals, appointments and helps with out-of-town accommodations if necessary.

"It's automatically included and doesn't just cover the critical illnesses listed in the policy," said Baker. "It's evolved. You use it for anything, and for an unlimited number of times and for family members."

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