



No matter how diligently you invest for retirement, or how carefully you review your financial and estate plans, unforeseen circumstances may still prevent you from meeting all your financial goals. Difficult as it is to imagine, it is essential when planning for your future to consider the possibility of your being diagnosed with a critical illness.

Think for a moment about the people you know – family, friends, or co-workers – who have incurred a critical illness. Like many of us, and perhaps like you, they probably thought, “it won’t happen to me.” A critical illness, such as stroke, heart attack, or cancer, can not only place an emotional burden, but a substantial financial burden on both you and your family.

### **Bridging The Gap Between Life Insurance And Disability Insurance**

Critical Illness Insurance can help ease the unanticipated burden by bridging the gap between Life Insurance, which pays out upon death, and Disability Insurance, which covers lost wages due to an accident or sickness. Critical Illness Insurance pays a benefit when the policyholder is diagnosed with an illness specifically covered by the policy.

Typically, a Critical Illness Insurance policy provides a tax-free, lump-sum cash payment ranging from \$25,000 up to \$1 million, upon survival of a waiting period (30 days in most cases) after the diagnosis of one of several critical illnesses.

Payout from a policy covering a critical illness can be used in any manner you choose, including:

- Out of country or non-government covered treatments
- Specialized medical treatment
- Private care
- Payments for your mortgage, business loans or other debts
- Alterations to your home or automobile to accommodate special needs
- Child care costs

### **How Can Critical Illness Insurance Supplement A Disability Plan?**

If you suffer a heart attack, for example, you may not be able to return to your current occupation because of stress-related factors. A Critical Illness Insurance benefit would allow you to take the time to assess your options, or cover the difference in pay resulting from a change in occupation or lessening of work hours. A Disability Insurance policy alone would not offer you that needed financial freedom.

The protection provided by Critical Illness Insurance may also help you pay for extra health care costs, modifications to your home or car, alternative medicines, or treatment abroad related to your illness – without having to touch the nest egg you've worked so hard to accumulate.

### **Are you a candidate for critical illness insurance?**

You should consider critical illness insurance if you:

- Are single, with no support in case you suffer a major illness
- Support family members, such as a sibling or parents
- Are married or have a partner
- Have children
- Are a single parent
- Are not eligible for Disability Insurance because you have no fixed income
- Are self-employed or the owner of a company



**Variable Coverage Requires Careful Scrutiny**

Critical Illness policies vary from company to company, so finding the one that suits your needs is important. Policies will specify a definition for each medical condition and the provision of coverage related to that condition. It is very important to pay close attention to not only what is covered, but also what is excluded. Read the fine print very carefully.

Policies are available for individuals between ages 18 and 65, and some policies can be renewed until age 75. Premiums are determined by age, gender and whether you smoke or not, as well as your personal medical history and, especially, that of your family. For example, a family tendency toward a heredity disease such as cancer could result in the omission of that disease from coverage. Coverage cannot be purchased for a pre-existing illness.

The list of illnesses covered by Critical Illness Insurance includes, but is not restricted to:

- Heart attack
- Cancer (some exceptions apply)
- Blindness
- Coma
- Alzheimer's
- Occupational HIV infection
- Major organ transplant
- Stroke
- Multiple sclerosis
- Deafness
- Loss of speech
- Paralysis/loss of limbs
- Parkinson's
- Severe burns

A CIBC Wood Gundy Investment Advisor, in conjunction with an Estate Planning Specialist\*, is an excellent resource to help you evaluate the benefits of including Critical Illness Insurance as part of your long-term financial and estate plan.

\* Financial Security Advisor in Quebec

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Compliments of:  
Jennifer Jackson, Vice President, Investment Advisor,  
The Jackson Group, CIBC Wood Gundy  
[jennifer.jackson@cibc.ca](mailto:jennifer.jackson@cibc.ca),  
[www.jenniferjackson.ca](http://www.jenniferjackson.ca)

**Major Benefits:**

**Protection for your assets**

Critical illness insurance helps preserve your investments by providing you with another source of revenue, so you may not have to liquidate your accumulated assets at a potential loss.

**Protection for your family**

Critical illness insurance can help you maintain your current lifestyle throughout your recovery and help ensure that the basic needs of your family continue to be met without disruption.

**Protection for your business**

Critical illness insurance helps you focus on your recovery. The lump sum payment can be used to keep your business going during your crucial recovery period. It can help make up for reduced earning capabilities or provide resources to hire an interim replacement.

**Tax-free benefits**

Critical illness insurance benefits are paid directly to you, tax-free. The benefit is payable regardless of your ability to work and is designed to help you get through the transition in your life precipitated by your diagnosis. You can use the money any way you see fit.