

Chances Are: Critical Illness and Your Financial Plan

Chances are you'll recover from a critical illness- chances are your retirement plans won't.

Getting sick isn't something most of us think much about and Joe was no exception. Until he had his stroke. Today, thanks to medical advances and healthy living, Joe is now recovering and getting on with his life.

Unfortunately, his retirement plans will take longer to recover than he has. It would be a different story if Joe had included critical illness insurance in his financial plans.

Getting Better Costs Money

Getting sick isn't something any of us like to think about. But it can happen. In fact, your risk of being diagnosed with a critical illness before the age of 75 is higher than your risk of dying in that time. The good news is that your likelihood of recovery remains strong given improvements in healthy living and medical science.

But, as Joe discovered, treating and coping with illness can mean significant and often unexpected costs- costs that may not be covered by provincial or employee health plans. This is where critical illness insurance can help. It is designed to help you with the unexpected costs of getting sick. It provides a cash benefit if you're diagnosed with one of the conditions as defined in your contract and you survive the waiting period.

With The Money You Can:

- Find the best health care available
- Hire a nurse or caregiver to help you at home
- Pay off your mortgage

- Provide income when you can't work or your partner can't work because they are accompanying you during treatment
- Protect your retirement plans
- Make sure your business survives
- Take a vacation or reduce your workload to help you recover

Planning For the Unexpected is Critical:

Critical illness insurance is part of a good financial strategy as it allows you to plan for the unexpected. No one expects to get sick. And, if you're fortunate enough to live a long and healthy life, many critical illness plans offer Return of Premium options that give you some of your money back. Some of the better plans offer all your money back.

The critical illness insurance market is growing in Canada and many companies now offer this type of "living benefit" insurance. With so many plans to choose from, how do you know which one is right for you?

If You're Considering Critical Illness Insurance, Consider Choosing a Plan That Offers:

- Coverage for the conditions that pose the greatest threat to your health and present the most significant recovery demands and the greatest financial challenges
- A partial benefit if your condition isn't life threatening, but is life altering. There are plans that give you 25 per cent of your coverage (up to a maximum of \$50,000) for conditions not normally covered by other critical illness products
- The ability to receive your benefit up front. Part of your recovery means



Fraser McDowell, CFP
Partner

WEB

www.frasermcdowell.com

EMAIL

fmcdowell@perlerfinancial.com

What's Inside

Chances Are: Critical Illness and your Financial Plan	1
Critical Illness Cont'd	2
Vancouver 2010 Olympics	2
Creating an Eco Friendly Garden	3
Quarterly Draw	3
Real Estate Fraud	4

Cont'd from first page

getting your money fast. Let's face it, if you are diagnosed with a critical illness, you'll probably spend a lot of time waiting- for appointments, for test results, for treatment. Some plans offer a recovery benefit (10 per cent of your coverage to a maximum of \$10,000) that helps you get some money faster, without having to fulfill the waiting period. Money in your hands faster means your recovery can begin sooner.

Significant Impact on Retirement Savings

Many people who get sick have no choice but to turn to their savings to pay for unexpected medical costs. And for many, this means tapping into their retirement savings to finance recover. As you can imagine, this can significantly impact your financial plan and retirement strategy. For most, it can result in working longer and putting off retirement, and for others, a diminished lifestyle during retirement. The point is, people do not plan to get sick and, therefore, don't budget for it.

Joe was 45 when he had a stroke. His costs during recovery ex-

ceeded \$100,000. New therapies, unexpected costs, and his inability to work full-time all contributed to his soaring expenses. Joe came up with the money to pay the bills, but only by dipping into his retirement savings. Joe and his wife, Mary, had a plan in place to retire, but, unfortunately, Joe's unexpected illness took them off course.

Joe Had Planned To Retire Comfortably At 65

Joe and Mary had planned to retire comfortably when Joe turned 65. They had contributed to their RRSPs each year and had started other non-registered savings accounts. Unfortunately, their plan is now unrealistic. With additional unexpected expenses and the RRSP withdrawals they made because of Joe's illness, Joe and Mary won't be able to live the lifestyle they expected in retirement.

Don't find yourself suddenly off course as Joe and Mary did. Adding critical illness insurance to your financial plan makes sense. It is an investment that gives you the peace of mind knowing that if you get sick, you can focus on what really matters, getting better.

Don't Miss a Moment Like This

The countdown to the first day of ticket sales for the Vancouver 2010 Olympic Winter Games is on! 1.6 million tickets for the Olympic Winter Games go on sale in October 2008 and 250,000 Paralympic Winter Games tickets will be available in 2009.

Highlights of the 2010 Olympic Winter Games ticket program include:

- **More than 100,000 tickets will be available for \$25**
- **Half of all Games tickets will be priced at \$100 or less**
- **Tickets go on sale in October 2008**

Tickets for the 2010 Olympic Winter Games will go on sale in October 2008. The ticket buying process will be staged in phases. In some cases, lotteries will be held to distribute tickets fairly to Olympic Games events where demand for tickets exceeds supply. This process has been used successfully at previous Olympic Games, and is one of the ways in which we can ensure fair ticket allocation for all.

During Phase 1, Canadian residents will be able to complete and submit applications for tickets online through vancouver2010.com. Residents who don't have internet access will be able to request, by phone, a Ticket Request Form which will then be mailed to them.

A dedicated call centre will be established for Phases 2 and 3 of the ticket program. As well, ticket box office locations will open closer to Games time for people without access to the internet.

PLEASE NOTE: Until the ticketing program has been launched, aside from vancouver2010.com and Vancouver 2010 Official Sponsors, any individual or group claiming to have access to 2010 Olympic Winter Games tickets is making that claim falsely.

Ticket Sales Phases:

Phase 1: October 2008 through early 2009

Phase 1 of the 2010 Olympic Winter Games ticket program will move through four stages: Application Period, Lotteries, Notification and Exclusive Add-On Period.

1. **Application Period:** The application period is a set period of time (for example, a specific number of days) during which applications must be completed and submitted. All applications re-

ceived during this time will be weighted equally. The application process offers the best chance for Canadian residents to secure the tickets they want, especially for high-demand sessions. A user-friendly, one-page application, including payment information, must be completed and submitted within the application period to be eligible. Payments will not be processed until the application period has closed and tickets have been allocated.

2. **Lotteries:** A lottery will be held for all oversubscribed sessions and ticket packages. Holding a random lottery for sessions or packages with greater demand than availability ensures that tickets are distributed fairly.
3. **Notification:** All applicants will be notified regarding the sessions and/or packages they have secured. Seat locations will be confirmed at a later date.
4. **Exclusive Add-on Period:** All applicants, whether successful in their application or not, will have the opportunity to purchase remaining unsold tickets before they are released to those who missed the initial application period.

Phase 2: Early 2009

Remaining unsold tickets will be available for public sale. Canadian residents who missed the initial application period can purchase these unsold tickets at this time.

Seat assignment period: mid to late 2009

All tickets purchased up to this point will be assigned specific seat locations - determined once venue configurations have been finalized. Seat locations will be assigned based on variables such as the date or time an application or purchase was made.

Phase 3: Once the seat assignment period is complete, any remaining unsold tickets will be available for purchase. Tickets purchased at this time will be sold directly into available seat locations.

Eco-gardening: Tips for creating a truly green garden

Victoria Day weekend is when most Canadians plant their gardens. In much of Canada, that's when we're reasonably certain there won't be any more overnight frost. But there's more to creating an ecologically conscious garden than not using chemical fertilizers or pesticides. The three C's of eco-gardening are:

1. Conserve water
2. Choose plants wisely
3. Compost garden and kitchen waste

How to reduce the need for water

There are several easy ways you can conserve water.

- Water early in the day or late at night so you lose as little water as possible to evaporation.
- Use soaker hoses instead of sprinklers or apply directly from a watering can. This waters root systems instead of plant leaves, where water will evaporate.
- Water deeply, but infrequently. This encourages roots to grow deeper, which better enables them to survive dry months.
- Mulch. Whether you use organic material or gravel, this helps soil retain moisture.
- Use rain barrels to catch runoff from your roof. You can run a soaker hose from the bottom of the barrel to irrigate a nearby section of your garden.
- Recycle "grey" water from your bath if you use biodegradable soap.

How to choose plants

Choosing the right plants and picking the right location for them is key to conserving water. Ask your gardening centre to help you select plants that won't need watering past the adolescent stage, when the root system is established. Perennials chosen carefully to suit the location and soil should be able to survive long dry periods without water.

Grass lawns are always thirsty, require significant weeding (or chemicals) to stay weed-free and are labour-intensive. If you plant ground covers that need less watering and less maintenance, you'll have more time to enjoy your garden.

Composting and peat-free gardening

You already have most of the nutrients your garden will need – in your kitchen and garden waste. Both can go into a compost pile to create rich soil to go back into your garden. Save all your grass clippings, leaves, kitchen waste and turn this free source of plant nutrients into garden gold.

Peat has long been used to enrich soil, keep it aerated and increase moisture retention. But once peat bogs have been harvested, they are gone forever. Talk to your garden centre about alternatives such as coir (coconut fibre), composed sawdust, or rice husks, straw or woodchips.

And one of the easiest peat alternatives is free – just save leaves from your trees in the fall to compost and turn into leaf mould. Leaves take about a year to compost, are humus-rich and will add bulk and texture to your soil.

Common pests and how to control them

Insecticides, herbicides and fungicides carry a number of health risks and don't discriminate between pests and helpful insects and plants. What can we use instead?

Here are some benign solutions to common garden pests:

- Spider mites and aphids: Knock them off your plants with a strong stream of water. Repeat three or four days later to remove survivors. If some remain, spray the plants with soapy water. And if you plant a border of alyssum, it will attract insects that will eat your aphids for you.
- Codling moth larvae: If you have fruit trees, in mid-July wrap strips of corrugated cardboard or burlap sections around the tree trunks to intercept hatching codling moth caterpillars. And set up bird feeders. Birds love to feast on them and will prefer them to your feed.
- Slugs: One of the easiest methods for controlling slugs is to leave bowls of beer or water with sugar and yeast in it to attract and drown them.

July 2008 Quarterly Draw Winner!

Congratulations to the winners of our
July 2008 Quarterly Draw,
Brian & Dana Hagberg!

Brian & Dana are the lucky recipients
of a \$100 Gift Certificate to enjoy
dinner at S Lounge and Restaurant
in Port Moody

Our next draw is October 2008
Good luck!

Thank You!

*A referral from you and your continued
business are the highest compliments we
could ever receive.*

*I thank you very much for your
confidence in me!
Fraser McDowell*

Real Estate Fraud is Real

Learn how to protect yourself from real estate fraud with these tips

A friend of a friend has a fantastic real estate “investment” opportunity for you: No need to put up any money, simply hold properties for a short time before they are flipped - and you and your new “friend” split the profits. “This may be a fraudulent scheme and the mortgage lender could soon be looking for your mortgage payments,” says Kathleen Waters, a specialist in real estate law and vice president of TitlePLUS title insurance. “Even worse, the police may be looking to charge you with a serious criminal offence.”

The Tenant Flip Fraud

Your prospective tenant wants to rent your property for a child studying in Canada. But because he lives overseas, he’s willing to pay the rent for a full year in advance and in cash? No need to worry about references since the rent is fully paid for a year. To your surprise, your tenant fraudulently transfers the property to himself, then sells it to a very nice family who of course does not know you and will not leave simply because you say you own the property. How this gets resolved depends on many things including whether or not you have title insurance and whether your province’s land

registration system has a compensation plan to deal with these types of issues. Resolving the problem might only cost you time and inconvenience - but it could also cost you tens of thousands of dollars to fix the problem.

The Middleman Value Fraud

That friend of a friend asks to use your name to buy and mortgage a property that’s “a deal” at \$250,000 and can be easily resold for more - with you and your friend sharing in the profit. The fraudster promptly disappears with over \$200,000 in mortgage funds, you discover the property is only worth \$150,000 - and you’re stuck with the overpriced property and a very large mortgage. If the real estate “deal” sounds too good to be true, check with your lawyer. Lawyers know what to look for and can help you avoid being duped by a fraudster.

A useful resource is the TitlePLUS Real Simple Real Estate Guide, a website that provides information on what lawyers do and how to avoid fraud, as well as mortgage calculators, a locate-a-lawyer feature and other tools. It is available for free at www.titleplus.ca.

Mortgage Rates

Rates as of June 17, 2008

Rates are subject to change at any time without notice.

Please contact my office for current rates.

Lender and/or broker fees may apply

Term	Our Rate	Posted
6 Months	4.60%	6.85%
1 Year	5.05%	6.55%
2 Years	5.50%	6.65%
3 Years	5.50%	6.65%
4 Years	5.65%	6.99%
5 Years	5.65%	7.15%
5 Year Variable	4.15%	4.75%
7 Years	6.20%	7.60%
10 Years	6.25%	8.25%