

Karen Timchuk is a critical illness insurance policyholder who, when faced with a critical illness, was able to keep her retirement plans on track. This is her story.

In late 2009, only a few years after purchasing her policy, Karen suffered sudden back and abdominal pain which, when investigated, revealed both non-Hodgkin’s lymphoma and colon cancer. “Needless to say, December was dark and gloomy for me,” Karen says. “The fact I was going to get \$100,000 was the only good news I got that month.”

Karen used the funds to cover the cost of chemotherapy-related drugs not covered by her health plan, take a holiday with her spouse in between chemotherapy treatments and keep up her pension plan contributions.

“I was on long-term disability from my job and had to pay over \$10,000 into my pension for the 11 months I was off,” she explains. “My plan is to retire in 2014. If I couldn’t afford the pension contribution, I wouldn’t be able to retire on schedule.”

Karen also had some concerns knowing non-Hodgkin’s lymphoma can recur. But the benefit amount she purchased allowed her to set aside some funds as a security blanket in case of a relapse.

Karen says she is thankful she made the decision to go with the insurance. As her parents both had a history of cancer, her policy was rated. “The premium was around \$50 a month more with the rating,” says Karen. At that time, I was in my early forties and felt invincible,” she says. “But even with the rating, I still felt it was a good deal for me. I’m a believer and tell everyone it is worthwhile to have insurance.”

It’s important to remind ourselves that serious health problems can strike any of us at any time. Unforeseen events can derail your carefully thought-out retirement plans and have a devastating impact on your family finances.

Imagine having to dip into your registered retirement savings plan (RRSP) savings or cease contributions to make mortgage payments and pay for drugs. Situations like these not only expose you to greater taxes, but can also short-change your retirement nest egg.

Planning for the future involves more than just saving money; it involves planning for the unexpected.

I can provide more details on this important piece of a comprehensive financial security plan.

²The information and views expressed are solely those of the individual represented but may have been edited for brevity.