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Plans to cover health, long term and critical illness

Health care insurance can cover anything your provincial health insurance plan doesn't, from drugs and private hospital beds to out-of-country medical care. About 23.5 million Canadians have some form of supplementary health care, mostly through an employer. In addition, new types of insurance can provide money to help you recover from a critical illness or to cover the cost of long-term care.

Recommended for everyone

Financial advisors recommend some form of health insurance for everyone. Provincial health plans are delisting many services. A large number of expensive services, such as chiropractic care, massage therapy and physiotherapy are not covered at all. Your health care plan picks up where the provincial plan ends. Talk to an advisor from The Financial Advisors Association of Canada about your level of coverage.

Services covered

A wide range of services is available under health insurance plans. Some common coverages are discussed below.

Prescription drugs: The most valuable health coverage to many Canadians is drug care. If you have a health care plan through your employer, make sure you understand the terms of the plan. Is there a deductible amount or a co-insurance arrangement that requires you to pay a portion? Is there a maximum on the amount of drug coverage you can have in any one year or any limitation on which drugs are covered?

Paramedical services: Health-care plans commonly cover services such as use of an ambulance, physical therapy or a visit to the chiropractor. Study the limits on coverage of paramedical services – you may have to have a doctor's note recommending service or be restricted to a certain number of visits per year.

"Upgraded" hospital rooms: Private or semi-private hospital rooms are often covered.

Out-of-country medical coverage: This coverage is important for business travellers and vacationers alike because of the high cost of medical care in other countries. See Health Insurance for Travellers.

Dental care: Many plans cover dental work, and some cover a portion of braces or other orthodontia. You should understand the deductibles or co-insurance payments, and any limits on the kinds of work covered. About 15 million Canadians have dental coverage.

Vision care: The most comprehensive plans cover glasses and contact lenses.

If you are self-employed

Most entrepreneurs should buy private health-care insurance. The premiums can be hundreds of dollars a month, depending on the size of your family. However, these premiums may be tax-deductible. Consult your Advocis advisor to help find a plan you can afford.

Buying additional coverage

Some group insurance plans are flexible, offering you coverage choices if you pay a portion of the premium. However, most offer fixed terms and benefits. If you need extra coverage, you can purchase it through your insurance advisor. Among the individual policies that you can buy are critical illness insurance and long-term care insurance.

Critical illness insurance

Critical illness insurance provides a lump sum benefit if you fall victim to one of the illnesses covered by your policy. Most insurers cover 18 serious illnesses, including heart attack, cancer, stroke, and Parkinson's and Alzheimer's disease (see chart). What you do with the benefit is up to you. You can use the money to help you recover from the illness, or to improve your care if there is no chance of recovery. You can seek alternative care, pay off your mortgage, hire a health care worker, or use the income to cover expenses until you can work again.

When you apply for critical care insurance, you will be asked for a family history. A high-risk genetic history can disqualify you, or make coverage more expensive. Coverage spans a wide range, from about \$10,000 to \$2 million. Ask about the term of your policy – some policies cover you to age 65, some to age 75, some for the duration of your life. Many people buying this insurance are aged 35 to 55, people in the lower age group enjoying low premiums. Some critical illness policies will refund your premiums if you die without having made a claim - ask about this option.

Long-term care insurance

Long-term care insurance covers the cost of personal care if you cannot care for yourself. The need for long-term care is assessed based on your ability to handle the six "activities of daily living" – bathing, dressing, feeding yourself, using the toilet, getting out of bed or a chair, and keeping bladder and bowel control. Generally, if you lose two of these abilities, you qualify for benefits from a plan.

How you use the benefits depends on the type of plan. An income plan provides a weekly income to spend as you like – on nursing care in your home or in a long-term care facility. The income plan allows you to hire a family member to care for you. Reimbursement plans operate slightly differently. They reimburse the cost of a qualified care provider. Indemnity plans

offer a lump sum daily while you need long-term care. Ask how long benefits will last some plans cover 250 weeks, some cover 500 weeks, and some last for life.

You don't have to provide family history to qualify for long-term care coverage. However, older buyers may have to pass a cognitive test. As with many insurance plans, the premiums are lower when you buy at a younger age, but people can buy long-term care insurance well into their 70s. When you buy a plan, be sure to ask if it offers inflation protection. Also ask if there is an option to return your premiums if you never need care. Ask your Advocis advisor for more details.

Typical illnesses covered by critical illness insurance plans

- ALS and other motor neuron diseases
- Alzheimer's disease
- Benign brain tumour
- Blindness
- Cancer
- Coma
- Coronary artery bypass surgery
- Deafness
- Heart attack
- Kidney failure
- Loss of limbs
- Major organ transplant
- Multiple sclerosis
- Occupational HIV
- Paralysis
- Parkinson's disease
- Severe burns
- Stroke

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