

1. **Really insurance companies do pay off!**
2. **Turns out the Credit Default Swaps weren't the only problem in Greece**
3. **Professional Advisor Forum June 9, 2010**

1. **Critical illness insurance does pay off**

The most common objection I get to buying Critical Illness insurance is a disbelief that the insurer will actually pay out, which just isn't true. Check this out:

Female age 50, smoker, purchases a \$100,000 CI policy in 2004. A few years later, she has a heart attack. Unaware that heart attacks are covered under her CI policy, she doesn't make a claim. But she does quit smoking for a full 12 months, after which she applies for non-smoker rates on her CI policy. The application process reveals her heart attack (one of 25 commonly covered conditions). Immediately the insurer pays out the initial CI policy: \$100,000. Still not convinced? In 2006, my client, a male non-smoker, age 60, purchases a CI policy. In 2010 he is diagnosed with aortic stenosis requiring heart valve replacement (another commonly covered condition). He has the operation and fully recovers, with the help of his CI policy payout, which he received exactly 19 days from the date of claim.

Talk to me if you're interested. I can attest to the fact that CI pays!

2. **The Great Wall of Greece**

A couple of months ago I blamed the naked buyers of Credit Default Swaps as a cause of the Greek monetary problem. Turns out they are the least of Greece's problems. The national debt of Greece today is bigger than its economy, and tracking to 120% of GDP in 2010. The deficit is 12.7%. They got here with years of unchecked spending, 95% of the population declaring income under €30,000, full retirement benefits at 58, and tax evasion art forms. Add these penchants to the global recession, and Greece basically ran out of cash and hit the wall.

Aware that the country had become a financial black hole to international investors, the Greek government instituted austerity measures to reduce spending and public sector salaries while increasing taxes and the retirement age. As for the citizens, they're none too happy and staging strikes, while their European neighbours are working on a rescue strategy to limit the impact of Greece's antics on the economic health of the entire Eurozone. What a mess!

3. **2010 Professional Advisors Forum**

On Wednesday June 9, 2010 I'll be hosting my first Professional Advisor's Forum for accountants and lawyers. With so many intricacies impacting the unique financial strategies of my professional clients, I've organized industry experts to dispel the myths and address current issues in taxation, partnership agreements and the Disability Savings Plan. If you think your accountant and lawyer would

benefit from attending, forward them my email and I'll find a spot for them. It's free and they'll be back in the office by lunch. I'll bet they won't bill you for the time!

Cheers,

Earle

PS If you get more email than you can ever read & I'm adding to the glut, drop me a note and I'll remove you from my mailing list.

J. Earle McCormick

Financial Strategist

Waterloo, ON

(519) 725-4505

[earle@jearlemccormick.com](mailto:earle@jearlemccormick.com) [www.jearlemccormick.com](http://www.jearlemccormick.com)