

Did you check your mail ...

For all insured members with the Future Insurance Option (FIO) rider on their Disability Income insurance plan, January 2008 is the month you may be eligible to increase your disability income benefit without providing proof of good health.

For all insured members with the Guaranteed Insurability Benefit (GIB) rider on their Professional Overhead Expense insurance plan, January is also the month you may be eligible to increase your coverage.

Information and enrolment packages were mailed early December.

Meet the Ferrosaks*

By Judy Wood, OMA Insurance

WAYNE, 48 AND DIANE, 41 HAVE TWO YOUNG CHILDREN, A HOUSE, A MORTGAGE AND DREAMS OF RETIREMENT. THEY HAVE BEEN SAVING SINCE THEY WERE MARRIED AND JOINTLY HAVE MANAGED TO ACCUMULATE \$175,000 IN RRSPS. THEY BOTH HAVE LIFE AND DISABILITY INCOME INSURANCE.

In their own words, **"If something happened to either one of us, the family would be well looked after."**

When Diane is diagnosed with (non in situ) breast cancer, all of their hopes and dreams collapse. She takes a leave of absence from work to focus on treatment and recovery. Diane's disability income insurance will cover some or most of her lost income, but not 100%. As the weeks pass and the effects of Diane's treatment make her feel worse, Wayne becomes her primary caregiver and his own income suffers. His disability income insurance will not provide any benefit for his lost time at work and reduced income.

Wayne is also finding it difficult to look after their 2 children while tending to Diane's needs. They find they need extra childcare support during Diane's treatment period. Wayne and Diane would like to try a recommended non-insured treatment to help in her

recovery, but it is very expensive.

They have no other insurance plan to help them financial-ly and their RRSPs

are their only safety net. With a drastic drop in family income and additional expenses for childcare and treatment they need to locate an extra \$155,000 to make ends meet.

What will happen to their RRSPs? If they decide to use their RRSPs to cover their financial needs they will have to withdraw their full \$175,000 in RRSP savings in order to net \$94,500 after tax (they both have a 46% marginal tax rate). Not only are they left with a \$60,500 shortfall, they are left with no savings at all!



continued on page 2

IN THIS ISSUE . . .

2007 Dividend Refunds	2
OMA Priority Insurance Program	2
PSSST . . . Have You Heard The News?	3
OMA Insurance Resident Survey 2007	3
A Solution! Critical Illness Insurance!	4

Meet the Ferrosaks* continued

Is there another option? They will probably think about a bank loan. Diane is sick so the banks may not consider her an acceptable risk for a loan. Likely, only Wayne could apply for a new loan. Assuming he is approved for a \$60,500 loan the repayment schedule (about \$640/mo) will only add to the monthly bills he is already struggling to meet. This loan,

amortized over 10 years, with a 5% interest rate will cost about \$76,700 in principal and interest.

How could Wayne and Diane have planned to better protect their finances? Please turn to the article – **A Solution ...!**

* the names in this article are fictional

2007 Dividend Refunds

We are pleased to advise that the OMA Insurance program enjoyed a VERY successful year for the period ending August 31, 2007. As has been the case for the past 51 years, premium refunds are being mailed mid-December to members insured under the Disability Income (DI), Professional Overhead Expense (POE) and Life insurance plans.

	Life	Disability (+ Retirement Protection)	POE
2007	68.17%	62.45%	67.74%
10-yr Average	59%	41%	52%



OMA Priority Insurance Program - OPIP An exclusive offer for physicians practising in Ontario.

Have you enrolled yet?
Don't miss the deadline to ensure guaranteed coverage!

For General Enquiries:
Web: www.oma.org or www.OPIP.ca
Email: info@OPIP.ca
Telephone:
416-408-8420
or 1-866-527-9260

PSST . . . Have You Heard The News?

OMA Insurance increases income to benefit ratios for Disability Income plans, for the second time this year

- Visit www.OMAinsurance.com for details

Dividend Refunds will now be calculated on premiums paid for your first \$10,000 of Disability Income and first \$15,000 of Professional Overhead Expense benefit amounts

- Effective for the insurance year beginning September 1st, 2007 • Up from \$7,000

OMA Insurance formed an alliance with MD Management

- OMA and MD Management offer access to professional insurance advice from salaried, non-commissioned advisors

Individual insurance products now available to our members and their families

- Critical Illness • 10 and 20 Year Term Life Insurance

For all insured members, not paying premiums annually, the surcharge was eliminated

- No surcharge on monthly preauthorized payments • Effective September 1st, 2007



OMA Insurance Resident Survey 2007

Thank you to all the residents who took the time to complete our first Resident survey. The goal for our survey was to:

- Determine the awareness of the exclusive insurance plans offered by OMA Insurance.
- Ensure OMA Insurance products and services continue to be the quality and comprehensive plans you have come to expect and trust.

We are very appreciative of the valuable information we gathered from an almost 12% response rate. You told us that the majority of you are aware of the insurance products offered by OMA Insurance, but more can be done to help educate our members in insurance matters so that you are well-informed when making buying decisions.

Another area of focus for us is rejuvenating our OMAInsurance.com website. 37% of the respondents indicated that they had visited our website. Our objective is to provide members with a greatly improved website, which will provide easy access to insurance information specific to Medical Students, Residents and Practising Physicians.

We welcome your feedback on how we can improve our communications to you.

Thanks again for your time and input.

Chantale Burke, CFP

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How could Wayne and Diane have planned to better protect their finances?

A SOLUTION ... Critical Illness Insurance!

A \$155,000 critical illness insurance policy would have cost Diane about \$136 per month if she bought it just last year at age 40 (if she bought the same policy 10 years earlier, at age 30, she would have been paying about \$82/mo). 30 days after the diagnosis of her breast cancer Diane would have submitted her claim and then received a lump-sum cheque for \$155,000 — tax-free!

- They can now afford to try some non-insured treatment
- Wayne can either
 - stay home and care for Diane because part of the \$155,000 replaces his lost income
 - stay at work and hire a private-duty nurse to care for Diane
- Wayne and Diane could hire a nanny to properly care for their young children
- Diane and Wayne don't need to touch their RRSP savings. If they never deposited another \$1 to their RRSPs, and with an average 5% compounded interest over the next 20 years, their RRSPs will grow to nearly \$500,000
- If any insurance funds are left over, after Diane is healthy again, they could use the money to help fund their children's education or pay down their mortgage.

What are YOU doing to better protect your finances?

RECIPE

Halibut with Pumpkin Seed Crust

It's healthy and easy to prepare!

2lbs of Halibut will serve 4.
Leave fish uncut, pat dry.
Spray sheet of foil with non-stick spray and lay fish, skin-side down.

Pumpkin Seed Crust:

2/3 cup Roasted green pumpkin seeds
1 tsp olive oil
1 tsp truffle oil (or walnut oil)
½ tsp salt (optional)
2 tsp butter

Add seeds, oil & salt to food processor, whirl until coarsely chopped. Spread over fish. Dot with tiny pieces of butter. If prepared ahead (up to ½ day) tightly cover fish with plastic wrap then store low-down and toward back of fridge. Remove about 15min before cooking.

Bake at 350 degrees or BBQ over med-low heat. Place foil, with fish skin-side down on either a baking sheet (if going in oven) or directly on BBQ rack. Foil should be completely open. Do not turn fish during cooking. Centre will start to split when done – approx 30 minutes.

Suggested Accompaniments:

- Grilled vegetables served over baby greens, topped with goat cheese & balsamic vinaigrette
- Roasted Potatoes or Wild Rice



OMA Insurance

Working Together to Secure Your Future

Any opinions expressed in articles are the opinions of the authors and do not imply endorsement by the Ontario Medical Association.

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DO YOU HAVE ANY COMMENTS/SUGGESTIONS? OR STORIES/ARTICLES TO SHARE?*

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*The Editor reserves the right to make editorial changes

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