

WALL STREET JOURNAL

GETTING PERSONAL CANADA: When Waiting Isn't An Option

By Andy Georgiades

Of DOW JONES NEWSWIRES

Toronto (Dow Jones)--There was a time Canadians would balk at the idea of hospital wait-time insurance, but illnessPROTECTION.COM Inc. thinks it's a product they're more willing to buy now.

The firm is launching a new insurance product called ELITE U.S. Healthcare, which provides Canadians timely care at U.S. medical centers, such as Cleveland Clinic and Sloan-Kettering, for an illness or injury that has a wait time in Canada.

Certified financial planner Mark Halpern, founder and president of illnessPROTECTION.COM, said many of his clients have expressed concerns about the emotional and financial challenges of "languishing" in line for treatment,

which can range from 13 to 28 weeks at Canadian hospitals.

"Can you afford to have either yourself, or a family member, or a key person in your company, sitting in the queue for that period of time?" he asked.

Nadeem Esmail, senior health policy analyst at the Fraser Institute, said wait times in Canada have flattened out over the last five years. That may sound good on the surface, but the reality is that they're up more than 80% since 1993, despite significant increases in health-care expenditures.

He estimates "tens of thousands" of Canadians seek health care outside the country every year, and he sees those numbers rising as the population ages and more people are dissatisfied with the lack of timely health care in Canada.

Halpern acknowledged his company's product isn't a first, but he noted the success of the others has been limited due to insufficient consumer awareness, poor distribution, and "thin" compensation for sellers. He says ELITE U.S. Healthcare has addressed these issues.

The product will be distributed largely through managing general agencies, as well as wealth managers and financial planners. The cost varies by age. For instance, a 40-year-old male non-smoker would pay C\$1,250 a year, while a 50-year-old would pay a little more than C\$2,000. If set up properly by a company, the premiums could be a deduction by the corporation, a non-taxable benefit to the employee, and benefits received by policyholders could be

tax-free.

In addition to eliminating the waiting period, the insurance has a lifetime benefit of US\$5 million, can be used for multiple occurrences, and covers business-class travel expenses for the insured and a companion.

"The system is not going to get any better, so that's why this product really has a place in everybody's planning," Halpern said.

When Acure Health Corp. of Calgary launched a similar policy, it received questions from authorities in British Columbia, Alberta and Ontario regarding its legality. Acure's president, Jim Viccars, recently said in an e-mail message that Alberta and Ontario approved the program, and it's heard nothing from British Columbia in more than six months.

-Andy Georgiades, Dow Jones Newswires

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