

you will retain up to \$60,000 or 85 percent of the promised guaranteed amounts, whichever is higher.

Life insurance companies' deposit-type products (similar to GICs and term deposits issued by banks or credit unions), universal life overflow accounts, and dividend deposit accounts, will also be transferred to a solvent company, and Assuris guarantees you will retain 100 percent of accumulated value up to \$100,000.

If more than one policy is held within one failed company, all similar benefits are added together. Separate protection is provided for individuals, groups, registered and non-registered benefits, individual TFSA's and group TFSA's.

FULLY INSURED
Your Nakamun Advisor monitors your investments to ensure you are within the limits so that all your funds are insured. Once you have more than \$100,000 invested in any bank or credit union, we look for alternatives with the best returns.



SASKATCHEWAN REPEALS TAX ON INSURANCE PREMIUMS

In the Winter 2017 edition of this newsletter, we reported that the Province of Saskatchewan had introduced a 6% Provincial Sales Tax on insurance premiums. We're happy to report that in February 2018, the Saskatchewan government rescinded that tax and there is no longer Provincial Sales Tax on insurance premiums.



Nakamun
Good Advice | Well Given

The Advisor is published as a service of The Nakamun Financial Group for the general information of its readers. While our information is obtained from a variety of sources we consider to be reliable, we cannot guarantee accuracy. Basing decisions on the contents of this newsletter should only follow individual consultation with your financial advisor. © THE NAKAMUN FINANCIAL GROUP.

Nakamun ADVISOR

FALL 2018

PREPARE FOR THE UNEXPECTED



Leslie and Bob Challis at a conference in Rome in May 2017, after Bob finished chemo

For the past three decades, Bob and Leslie Challis and their company, Nakamun Financial Solutions, had been our partners in Winnipeg and regular contributors to the Nakamun Advisor newsletter.

In May 2016, the worst-case scenario for any small, family-run business unfolded. Bob was diagnosed with pancreatic cancer, a difficult and often terminal form of cancer. Fortunately, the cancer had not metastasized and was operable. After drastic "Whipple" surgery, more than a month in hospital, and 18 rounds of chemotherapy over six months, Bob is currently recovering well.

While Bob is in the business of planning for the future, he found out that in certain areas, he wasn't quite as prepared as he had been telling others to be. "When I was told to get my affairs in order, that was a stark reality," Bob says. "We had wills, Powers of Attorney, and healthcare directives in place, but hadn't reviewed or updated them in years. I would

recommend people revisit these documents every three years or so. If you don't have them in place now, get it done while you're fit and in the right frame of mind. Preparing for the unexpected also includes ensuring you are properly insured for life, disability, and critical illness."

A cancer diagnosis affects the whole family, and even more so when a small family business is involved. "At a time when we were dealing with so many emotions that an often-terminal cancer diagnosis brings, we were relieved to know that from a financial standpoint, we would be okay," says Leslie. "The monthly payments would be covered by the disability benefits Bob would receive, and life insurance was in place should he indeed pass away. Having our personal finances in order relieved a huge burden at a time when there was so much to deal with from a caregiver viewpoint, and from a business perspective of ensuring our clients' needs continued to be met."



SHAUNA BLACKBURN-COOK
BCOM, CEBS
shauna@ngebi.com

NAKAMUN GROUP EMPLOYEE BENEFITS INC.

3263 Parsons Road, 2nd Fl.
Edmonton, AB T6N 1B4
Phone (780) 469-6067
Fax (780) 469-6068
Toll Free 1-888-469-6068
shauna@ngebi.com
nakamunbenefits.ca

A MEMBER
OF THE NAKAMUN
FINANCIAL GROUP
VANCOUVER
EDMONTON

Independent Advisors in Retirement,
Financial and Estate Planning, Employee
Benefits and Corporate Insurance.

continued on page 2...

Small business owners in particular should have corporate contingency and succession plans to enable the business to continue seamlessly in their absence due to illness, and to deal with their untimely death. In the Challis' case, Bob and Leslie's son, Ryan, who is a Certified Financial Planner and Chartered Investment Manager, was able to take on most of Bob's clients, and the other Nakamun Group members stepped up to assist and support when needed. "We have always known the Nakamun Group was a special group of people," Bob says. "You often hear that when things are tough you find out who your friends are. Well, the Nakamun Group members are not just business colleagues, but friends as well.

"Once we got through the diagnosis, surgery, and chemotherapy, we recognized we needed a stronger succession plan. The load that would be put on both my wife and son in the event of my death would not be good for either them or our clients." So, a search began for an organization to ensure that if Bob became ill again or died, clients would be looked after.

"We looked for an independent organization with values and ethics similar to ours and our Nakamun partners," Bob says. Finding such a firm was difficult, but after almost a year of searching, Bob and Leslie found a match, and merged their business with Onyx Financial Group. Since January, Bob has been meeting with his clients to ensure a smooth transition to a new advisor. "We sought a soft landing for our clients," says Bob. "It was important that they not be left dangling. We feel very fortunate we are being given this time to make a smooth transition.

"My stamina is not what it was, so we are just taking it slow and steady. It now takes a large amount of mental effort for me to stay on pace. Yet, my brain is not quite ready to hang it up, and I want to remain involved, but we'll see."

Bob learned valuable life lessons, too, that he now shares with anyone who will listen. "I learned humility and gratitude, and to take pleasure in the moment rather than pleasure in activities," he says. "Hug the ones you love, and hug them often."

Bob survived the surgery and chemotherapy, and is recovering, all with the help and support of Leslie, family, friends, and colleagues. "I am thankful for the people, especially our Nakamun partners, who stepped up to the plate and put themselves out so far and so often to help me in any way they could. It's truly been life changing."

Bob is living life at a slower pace now, and working towards doing what he has been helping others do for more than 30 year — enjoying retirement. His final pieces of advice:

“

Keep your debt manageable; ensure your life is properly insured for death, disability, or critical illness; ensure your will, powers of attorney, and healthcare directives are up to date; and ensure a solid business succession plan is in place. Prepare for the unexpected and worst-case scenarios. You never know when they might happen to you.

”



ENSURE YOUR MONEY IS INSURED

Most Canadians pay little attention to the insurance on the money they deposit in financial institutions. Yet, two Canadian banks collapsed in the early 1990s, four life insurance companies failed since 1990, and over the years, multiple trust companies and credit unions have disappeared. So, despite Canadian financial institutions generally being solid and stable, there is always the possibility that in the future, one or more will run into difficulty. That's why insurance coverage exists — to protect your money in the event that your financial institution fails. However, there are limits to the coverage, and unless you have someone like your Nakamun advisor making sure all your funds are protected, you need to do so yourself.

In Canada, three organizations exist to protect your money.

Canadian Deposit Insurance Corporation (CDIC)

The CDIC is a Canadian federal crown corporation that protects deposits held at federal financial institutions such as banks, trust companies, and credit unions. CDIC insures Canadian deposits up to \$100,000 (principal plus interest), per depositor, per insured category, per insured institution.

A "depositor" could be:

- An individual or joint owner, so for example, a married couple could be three separate depositors — the wife, the husband, and the couple, if each has its own account, at a particular bank
- A registered account such as a Registered Retirement Savings Fund (RRSP), Registered Retirement Income Fund (RRIF), or TFSA — each account would qualify for its own \$100,000 limit
- A trust — each beneficiary named in the trust is insured separately
- A business or corporation
- An account that holds funds to pay for taxes on a mortgaged property
- An account transitioning from a provincial to federal credit union — this coverage is temporary

The insured categories include:

- Savings or chequing accounts
- Guaranteed Investment Certificates (GICs) or other term deposits with original term to maturity of five years or less
- Debentures issued to evidence deposits at CDIC member institutions other than banks
- Money orders, bank drafts, and certified cheques issued by CDIC members

A bank could have one or more subsidiary entities, and each would have its own CDIC coverage.

CDIC does not cover mutual funds, stocks, bonds, foreign currency, term deposits with an original term longer than five years, and other variable investments.

Provincial Credit Union Insurance

Each province has its own insurer that protects deposits in member credit unions, such as the Credit Union Deposit Insurance Corporation of British Columbia (CUDIC). While each provincial insurer has its own limits and coverages, provincial deposit insurance, similar to CDIC, does not cover investment vehicles such as mutual funds or RRSP equity plans. CUDIC BC provides unlimited deposit insurance protection on term deposits regardless of the length of time to maturity and includes deposits in foreign currency.

Assuris

Assuris is a member-funded organization that protects Canadian policyholders against the failure of their life insurance company. Every life insurance company authorized to sell insurance policies in Canada is required to be a member. Assuris ensures quick transfers of policies to a solvent company where protected benefits will continue, and guarantees policy holders will retain at least 85 percent of the insurance benefits they were promised, including death benefits, health expenses, monthly income, and cash value. For segregated fund policies, the actual value of the fund will be transferred to another company and the guarantees will continue if your insurance company fails. Assuris guarantees that

