# Institute

# The biggest life events that can derail your financial plan

Although Canadians are concerned about the events that can negatively impact their lifestyle and financial plans...

...there are ways to reduce the impact of these events.

#### Stress-test the financial plan against:

- → death or disability of a spouse, partner or family member
- → divorce

The mortality rate of Canadians aged 45 to 64 is:

Between the ages of disabled and unable to work are:

**17.3**%

45 to 64, the chances of becoming

**19.3**%

marriages in Canada will end in divorce

What would hit you the hardest financially?

**84**% say divorce/ separation

76% say death of spouse/partner

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Top financial resources in event of death of spouse

Personal \*\* Insurance

Government

Employer Group Insurance

Personal Savings

#### Life event disruptions can cause

- → Early draw down on savings
- → Loss of income; and
- → Unplanned spending

64% of Canadians
have a financial plan

80% said that having a financial plan has helped them achieve their financial goals.

## Suddenly Single or Divorced?



#### Review and update your:

- → Individual financial plan
- → Beneficiary designations
- → Wills and powers of attorney
- Ownership of properties or accounts
- → Insurance needs and health benefits coverage
- → Credit responsibilities and quarantees

## Top financial resources in event of divorce

Personal

Credit/

# Be prepared!

#### Establish an emergency fund and look into insurance for:



- → Disability income replacement
- → Critical illness lump sum
- → Long-term care funding

Source: BMO Wealth Institute, The biggest life events that can derail your financial plan, May 2013.

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