



The Personal Financial Advisor

In This Issue

THE ADVENTURE OF OVERSEAS TRAVEL 1

CHOICES FOR WOMEN TRAVELLING ALONE!..... 2

FREQUENT FLYER PLANS – ARE THEY WORTH IT? .. 3

TIMESHARING: A HOLIDAY OPTION 5

WHO WE ARE 5

TRAVEL MEDICAL INSURANCE – IT'S WORTH IT! 6



Since the winter months are a time for many to get away, we are doing a special edition of our newsletter focused on travel.

We hope you do travel! We also hope what follows will help you enjoy your travel!

THE ADVENTURE OF OVERSEAS TRAVEL

J. Christopher Snyder, CFP, RFP

A generation or so ago, travelling to Europe, let alone any other place, was an unusual thing to do. If you were to travel to the continent once or twice in your lifetime, you were indeed one of the fortunate.

Trips were long in those days since you usually travelled by boat, taking approximately a week each way. Now one can fly to Europe and back in a matter of hours — in fact, it is not unusual to fly to London and other destinations for a long weekend. Today, many people are blasé about travelling to Europe. Now you can travel to virtually any place in the world and the means of travel are almost as numerous as the places to which you can go.

In general, costs have come down in the past decades. I recall travelling on a charter to England in the 1960s for \$300. Today, you can take the same trip for as little as \$500. Given inflation and the cost of fuel, the real price is much less than it was 40 years ago.

If not properly planned, the variety of options and the rigorous security regulations can make travel today expensive, confusing and tiring. What follows is an outline of ways to plan a

successful trip — but remember, you get what you pay for. An astronaut travelling into space was asked what he thought about just before blastoff. His reply was that “he was sitting on top of several thousand parts that came in at the lowest possible price.” As with space travel, cheapest is not always best. Herewith are a few ideas, which we hope will make your trip both economical and enjoyable.

Frequent Flyer Points

Many people have accumulated a substantial number of frequent flyer points, most commonly through their credit cards. Frequent flyer points are, in effect, a travel bank account but there are many caveats and frustrations that

continued on page 3

SEASON'S GREETINGS

Christmas is a special time for many of us — a time to reflect on the wonderful country we live in and the opportunities we have. It is also a time to share and as in the past, instead of sending Christmas cards, we will be making a donation to the Yonge Street Mission.

As always, we hope that this season and 2007 will be a time of joy, of fulfillment and health to you and your families.

CHOICES FOR WOMEN TRAVELLING ALONE!

Ian G. Johnson, CFP, PRP

“How are you, Mrs. Bennett?” I asked my client. I was concerned, since she had lost her husband not quite a year ago and while she had family, they were scattered across the country.

“I’m doing a bit better now,” she said “but I would like to get away for a while — you know, take a nice vacation where it’s warm. But,” she added wistfully “I don’t have anyone to travel with now that Peter has died. I did go on a short trip this summer to a resort in Muskoka with my good friend Madeline, but her health has deteriorated lately and her doctor has advised her not to fly or go overseas. And my children are all so busy with their work and families.”

This little scenario is all too common. Many of our older, female clients want to enjoy their later years while they are relatively active, and they want to have something to look forward to, especially during our cold winters. In many cases, it is not the cost that restricts them, but they find the idea of travelling alone and having to become friendly with strangers overwhelming.

This article is geared to senior women. We apologize to senior men, but travelling alone or in a group does not appear to present the same problem for them. As a matter of fact, searching the Internet for “Senior Men’s Travel” does not produce specific men’s travel tour websites but does include topics such as sports, health and dating.

In discussing this dilemma with some female clients, we found there are many ways to overcome the hurdle to single travel. Accordingly, we have gathered together some ideas to help those “wannabe” travellers overcome their concerns.

One of the best ways to find a person or a group of people with whom you would like to travel is to identify your hobbies or interests such as cooking and cuisine, bridge, books, art, theatre or history. Then seek out and join such a group or organization in your local area. After a while, you will probably hit it off with one or more people who may want to combine travel with your common interests.

If you have no specific interest, you could consider joining a women’s group, such as a local chapter of the Red Hat Society (www.redhatladies.com) where ladies aged 50 or older wear red hats and purple outfits and have a jolly good time, including travel.

If you do happen to travel alone, work with a travel agent who understands your status and can advise you on steps to

take. For example, you will want to book hotels very close to amenities and introduce yourself to the hotel managers and privately let them know you are travelling alone.

Cruises

Cruises seem to be the most popular and enjoyable method of travelling for seniors, and cruise tours and cruise lines offer wonderful, worry-free trips to beautiful places around the world. They do cater to single seniors, especially women, and while there is a surcharge for those who travel alone, some cruise tours will arrange for another single to share your cabin if you desire.

Many cruise tours will book groups and hold pre-voyage gatherings to allow participants to get to know each other. On board, ambassador hosts assist the uninitiated in finding the right activities for their interests. And, if you like dancing, some cruise ships will have retired “gentlemen hosts” on board who are hired, on a strictly regulated basis, to dance (and only dance) with the single senior ladies.

There are huge ships and small freighter-type ships. If you are not travelling with a group or a companion, you are best to be in a medium-sized ship with full amenities but fewer passengers.

One client praised Crystal Luxury Cruises (www.crystalcruises.com). She went alone on her first cruise with them and now goes every winter. The ships are grand but not huge, the service impeccable, and the crew and passengers terrific. The trips are expensive but she considers the safe and fun experience well worth the money.

Bus Tours

At the other end of the spectrum are bus travel tours. Luxury coaches come with complete bathrooms, hotel stops, sleeping spaces and relaxation areas. One example is DeNure Tours (www.denuretours.com), who cover North America and countries overseas. Tours include items such as accommodations, meals, admission to buildings or events, expert DeNure or local guides and luggage handling.

They also have a singles registry to help singles find a suitable travelling companion.

Other Options

There are many travel options if you have access to a computer. Quite a few are geared to the single senior or those who are willing to take a bit of a chance in order to do some memorable travelling. Here is a sample:

Transitions Abroad (www.transitionsabroad.com) – has the “Best Senior Travel” website using the phrase, “Travel Alone but not Lonely”.

Connecting. Solo Travel News (info@cst.org) - geared to the 50+ range, of which 60% are women. They advertise no singles premium or very low ones. They also produce a newsletter and annual directory.

Seniors Go Travel (www.seniorsgotravel.com) – offer all forms of trips and tours for seniors.

continued on page 4

continued from page 1

The Adventure of Overseas Travel

go with using them. A separate article below outlines some of these.

Discount Travel Centers

Organizations such as The Flight Centre will guarantee you the lowest fare. If you can get a better fare elsewhere, they will match it. Make sure, however, you know where you want to go. The Flight Centre is not in the business of creating a trip itinerary for you, unless it is through a package. Keep in mind that they do not get a commission on many flights and may charge you a fee instead.

Online

You can book online with the airlines or through groups such as Expedia.com. These groups usually offer great prices, but check the cancellation policy. You may wish to buy separate cancellation insurance. A good way to use services on the Internet is to find out the cost online and then go to someone such as the Flight Centre to ensure you are getting a good price.

Packages

There are plenty of travel and hotel packages. Normally, you travel on a charter airline, often leaving and coming back late at night. If there are delays, they can be long. While the exception, I have been on charter flights that were almost 24 hours late. In general, charter companies have few back up planes. They also pack passengers in tightly. On the other hand, the prices are usually excellent and the accommodation quite good.

Travel Companies in Other Countries

If you know where you want to go and are experienced, you may want to use a good travel agent in the part of the world you are visiting and save money. In bypassing the Canadian travel agent, you eliminate one level of commissions since Canadian agents usually book the packages and accommodations through another agent. Make sure, however, that you are dealing with a reputable organization and one with whom you can communicate easily.

Specialized Travel Agencies

Some travel agents specialize in travel to certain areas. As a result, they often have good ideas and suggestions. They could also be acting as a wholesaler, buying a number of seats on the plane for example, and reselling to individuals or other agents. Since they buy a number of seats, they get a good price. Ask the travel agent if they are wholesalers and compare their price with other prices. A good travel agent can be worth their weight in gold and it is often a great idea to use a good agent and pay a slightly higher price.

High-End and Specialized Tours

There are many specialized tours. They can range from guided tours to China or camel riding in Morocco to trekking in Nepal or cruising through the Baltic. These tours are probably the easiest to arrange and also, not surprisingly, the most expensive. Typically, the tour agent arranges the hotels and air travel and puts together great itineraries. You will travel in a group but you will be limited if you want to do things on your own. With cruises, check the line, the number of people on board, the destinations and activities.

continued on page 4

FREQUENT FLYER PLANS – ARE THEY WORTH IT?

J. Christopher Snyder, CFP, RFP

Frequent flyer points are, in reality, a travel bank account — but they come with a price tag.

While you may accumulate plenty of points, just booking a flight can take a lot of time. If you want to book by phone, a 30- to 40-minute wait to speak to an agent is not unusual. If you can book online, it may save you time.

Most bank-sponsored programs charge you an annual fee. For example, CIBC, Royal Bank and TD Canada Trust Visa travel cards are \$120 plus \$50 for each supplemental card.

The airlines normally set aside a limited number of seats for frequent flyers (at Air Canada this ranges from 8% to 10% of the seats). They may make more seats available for frequent flyers but require more points. A typical trip to Florida from Toronto might cost 25,000 points but after those seats are gone, the airline may make others available at a cost of 45,000 points.

Here are some things to bear in mind when you use your

frequent flyer points;

- Book well in advance. For example, I tried to book a flight to one international destination three months in advance and another flight six months in advance. In the first case, there were no seats available, and in the other, I had to use extra points.
- If you have to cancel, normally you can do so for a fee or alternatively you can use the ticket anytime within a year. Make sure you know the limitations.
- All taxes are extra.
- Frequent flyer points can be transferred to other family members or, if you are an Aeroplan member, to selected charities. The Aeroplan website www.aeroplan.com gives you a complete list, which includes respected organizations such as Street Kids International (through Air Canada Kids' Horizons) and Doctors Without Borders.

While frequent flyer points can be useful and save you money, plan ahead and be prepared to be frustrated in trying to use them.

continued from page 3

The Adventure of Overseas Travel

Last Minute Trips

If you are flexible and willing to roll with uncertainty, you can often find last-minute or stand-by flights at a fraction of the normal cost. You can find out about these from the Internet, in newspapers or through a travel agent.

Information

There are a number of travel magazines that provide a host of ideas and great information about trips. They include the CARP Magazine (Canadian Association of Retired People), The National Geographic special travel magazine and Condé Nast. The Internet is an amazing tool for finding out information, and booking online can also save you money. I like to find out about things online but when booking, I prefer to speak to someone in person. Don't forget the library and if you want a real experience, visit Pioneer Books on Toronto Street in downtown Toronto. They have travel books and maps to everywhere. If you need a travel guide, Lonely Planet Rough Guide, Fodor and Frommer are usually good places to start. Your friends can also provide suggestions, as can the travel section of the major newspapers.

Here are a few more tips:

Some General Advice

- First, determine the place you want to visit.
- Decide how much of your travel you want to arrange yourself.
- If you do want to book your trip yourself, you can do it online or at least use the Internet as a benchmark for prices as well as a place to obtain some great ideas.
- Make sure your passport is up-to-date and is good for six months after the date of your return.
- Check to see if you need visas. You should get these before you go. Although visas can often be obtained at the border, it will take time and in some countries it can be a long, arduous and bureaucratic process.
- I think the days of travellers cheques are gone since most large communities around the world have ATM

continued from page 2

Choices for Women Travelling Alone!

Seniors Home Exchange (www.seniorshomeexchange.com) or Homestays and Hospitality Exchanges (elcdonline.org) - for seniors 50+ only. You visit and are hosted by your exchange partners and in return they will visit and be hosted by you in your home. Less expensive and you both get to savour the local atmosphere.

Gutsy Women Travel (www.gutsywomentravel.com) - created to celebrate the indomitable spirit within every woman to experience the world. Ages from 30 to 80 can join to gain access to fully escorted, safe trips, tours or cruises. You can meet like-minded women and have a great time.

Elder Hostel (www.elderhostel.org) - this not-for-profit organization for persons aged 55+ provides learning

machines. It is always a good idea, if possible, to take some local currency before you go and some U.S. dollars. However, with the weakening of the U.S. dollar and the strengthening of the euro, some countries prefer euros. In most of the world you can use Visa, Mastercard and to a lesser extent, American Express, but in some developing countries you cannot. Bring small-denominated U.S. bills for tips when you first arrive. You can exchange money after your arrival but check that out ahead of time. Banks are the safest place to exchange your money and while hotels will do it, they are more expensive. There are also currency exchanges at all airports.

- Many articles are written on what clothes to take. Your travel agent can help. Travelling light is usually best and remember to respect the cultural differences. Short shorts are usually a no-no. Make sure you know what the weather is likely to be — you can always find out online.
- While away, be sensible with the food. Outside Europe and North America, drink only bottled water and eat only peeled fruit. Stay away from the vegetables unless they have been cooked.
- Make sure you get all of your travel shots before you go, and if needed, your malaria pills. A bout of malaria can be no fun and can be very costly if you end up in the hospital.
- If you are travelling to Africa, take your own hypodermic needles (obtainable at the drug store) and first aid kit. Also make sure you have your medications. Visit your doctor first and he/she will ensure you are well equipped.
- Make sure you have out-of-country medical insurance and consider cancellation insurance. See the information in the article on **page 6**.
- Many people expect the place they visit to have accommodation and food similar to home. While some modes of travel, such as cruises, offer this, going to different places and experiencing different cultures and foods is part of the travel experience.

The world is a fascinating place and travel experiences can be priceless. If you are flexible, tolerant and respectful of differences, you will enjoy.

adventures close to home or around the world. With expert guides, they offer all-inclusive tours that incorporate learning about a variety of topics including archaeology, music, crafts, history and theatre.

Senior Womens Travel (www.poshnosh.com) - travel tours for women aged 50+.

Senior Tours – Canada (www.seniortours.ca) - all-inclusive escorted tours, including cruises and motor coaches.

So, there are opportunities out there. A small leap in courage could lead you to new and exciting experiences in a safe and friendly environment.

TIMESHARING: A HOLIDAY OPTION

Fabio N. Ventolini, CFP, CDEA
Ian G. Johnson, CFP, PRP

First of all, what is timesharing? Timesharing is the purchase of a period of usable time in a vacation property. Normally you purchase one week of time, although you can buy more weeks if you wish, and you have use of the same week every year. Many timeshares are deeded for life, so you can will your timeshare to your beneficiaries.

Timeshare is like having your own condo — fully furnished accommodations range from bachelor to three bedrooms, with full kitchen and all appliances, towels, linens, television, DVD player and resort facilities such as a pool, barbecue, games room and spa.

Timesharing is all about location. If you find a location you really enjoy, having a timeshare for a week or more can ensure that you have a place to stay when you are there. If you don't wish to go to your chosen timeshare resort every year, you can pay a small exchange fee and “bank” your week, exchanging it for another location offered by the timeshare exchange company associated with your resort.

Two of the leading timeshare exchange companies are Resort Condominiums International (R.C.I.) and Interval Vacations. They are affiliated with thousands of first-class resorts and offer not only timeshare exchange services, but also related travel benefits such as points for cruises and car rentals, travel rewards and discounts, travel magazines, last call specials and guest certificates that can be used for your week by family or friends. If you buy into a new timeshare resort, the price may include automatic enrolment as a member of a timeshare exchange company. If you buy a timeshare second-hand, you will probably have to pay to join the timeshare group. There is a modest initiation fee and an annual cost of less than \$100.

The following points we hope will be helpful if you are considering the purchase of a timeshare.

You can purchase a timeshare by cash, credit card or a

financial loan but be careful of the rates, terms and conditions. Seek legal advice.

Timeshare salespeople are notoriously aggressive and often entice you with gifts or free weeks. Before you sign, be sure you wish to buy and that timeshare is your type of vacation. All-inclusive trips may be more your style.

The least expensive way to purchase timeshare is second-hand, which carries the added advantage of no heavy-handed, aggressive sales pitch. Whereas the average timeshare costs US\$14,800 for one week, buying from an existing timeshare owner (which can be organized through the resort involved) can be done for a fraction of the price. There are many offerings online, for example Vacation Timeshare and Rentals, but check them out carefully. Call the resort or visit if possible. Find out if the resort is a member of RCI or Interval Vacations or another timeshare exchange group, and the rating it carries — for example, Gold Crown, four star or more. Maybe you can experience the resort before you purchase by arranging a specially priced two- or three-day “sampler.”

When purchasing a timeshare, it is best to buy a week or two in high season (Red Week). While more expensive, it gives you more trading power. For example a Red Week is easier to exchange for high season locations in other resorts around the world.

Since you own your property for a week or so, don't forget there are real estate taxes for that period. These aren't onerous, since you are owning for one week out of 52, but there are also maintenance fees, which can be pricey — for example, up to US\$500 a week or more depending on the unit size, location, resort rating and season. When considering the purchase of a timeshare, also remember to include the cost of your transportation to get there and back.

Timeshare is a lifestyle decision and should not be considered as an investment. While you can sell your timeshare, it is difficult. If you can sell it, be prepared to lose money — up to as much as 45% of the value of the property.

For those who enjoy the lifestyle, timeshare is a great way to obtain excellent accommodations in world-class resorts without putting up a lot of money or worrying about upkeep.

WHO WE ARE

At ECC, we bring considerable consulting depth to the work we do. There are five Certified Financial Planner designations among our staff, as well as a number of other designations.

Teamwork is an integral part of our working relationships at ECC and we pride ourselves on the way in which we work together on behalf of you, our client. At the first of the year, we added two wonderful new members to our team: Julie Dunaiskis and Alina Luca.

Julie Dunaiskis is our Administrative Assistant, coming to us from Hershey Canada and, prior to that, a law firm. Julie is very musical and sings in a choir that spent several weeks this summer singing in cathedrals in England. Julie and her husband, Phillip live in Brampton.

Alina Luca is from Romania via the USA. She and her husband Adrian moved here about two years ago. A keen student and a diligent worker, Alina is working in our Investment Department with Nadira and Vicki. Adrian has his own painting business.

Nadira Lai Harvey has been with us for seven years and is a seasoned pro. As anyone who works with her knows, she bends over backwards to help clients. She is married to Stuart and has two daughters, Amy and Lauren.

Vicki Lungu oversees the Investment Department. She is also doing an increasing amount of consulting and income tax work, having earned her Certified Financial Planner designation in her spare time some two years ago. Vicki is our main researcher.

Gyuszi Berki continues to do our accounting, as well as some of our income tax return work. He recently completed his 24th year with St. John Ambulance and his 16th with ECC. He is married to Nilma and has a very special relationship with his son Edward, who shares his many interests in architecture and things historical.

Robert DeMelo, CFP, has moved his office closer to his home. We miss his daily presence in our office but thank goodness for the Internet. The move allows Bob to spend more time with Carolyn and their children Brianna and Lukas.

continued on page 6

TRAVEL MEDICAL INSURANCE – IT’S WORTH IT!

Robert DeMelo, CFP

We all take our Canadian health care system for granted — we get sick or injured, we use the system. But this complacency can lead to unexpected financial hardship for some unfortunate travellers who neglect to buy out-of-country medical insurance. You travel uninsured at your peril.

Ontario residents traveling abroad without the luxury of a comprehensive employer-provided benefit plan may choose to gamble and “go-it-alone.” They think they can rely on OHIP to cover any out-of-country medical costs, but they are making themselves financially vulnerable. While Ontario residents can be out of the province for up to 212 days in any 12-month period and still be eligible for OHIP coverage, it may not be adequate to cover the cost of an illness or accident. The plan’s coverage for emergency health services is based upon a set fee schedule and can be drastically short of the actual cost of medical care in any given country. If you require medical care in the United States, OHIP covers very little.

Many travel insurance plans vary according to their policies but generally speaking coverage can be obtained for individuals up to age 85. Suppliers include Manulife, Liberty Mutual, TD and RBC. The following is a sample of coverage offered by one group — Travel Guard International:

Benefits include coverage for:

- Trip cancellation, interruption and delays
- Emergency accident and sickness
- Accidental death and dismemberment
- Lost, damaged or delayed baggage
- 24-hour emergency medical assistance
- Exclusive Travel Guard benefits

The cancellation benefit reimburses you for a portion of the costs if, for any reason, you decide not to travel after you have paid for your trip in full. This benefit is not valid if your policy has been purchased after your trip has been fully paid.

Travel Guard provides 24/7 emergency assistance for rebooking flights, making hotel reservations and solving virtually any travel-related problem. It includes 24/7 concierge service for making restaurant reservations, booking tee-times and arranging tickets for theatre, music or sporting events.

Under the policy, the company provides its own luggage tracing service that delivers your lost luggage directly to you.

Travel Guard also offers other plans. The Multi-Trip Annual Plan covers you for an unlimited number of individual trips during a 12-month period. The Flight Guard Plan provides up to \$100,000 in accidental death and dismemberment benefits for policyholders in, on, boarding or alighting from a certified, multi-engine passenger plane.

It is important to review travel policy provisions for

exclusions (such as pre-existing medical conditions) and de-listed travel suppliers (often insurers will exclude certain operators for various reasons).

If there is a dispute about a claim, it is sent to a mediator for review and Travel Guard will honour the mediator’s decision.

You can obtain travel medical insurance online or through your travel agent. You also may wish to discuss cancellation insurance with your travel agent and if necessary, purchase this separately.

At tax time, remember that you can claim travel medical insurance premiums as a medical expense. Medical expenses incurred in any 12-month period ending in 2006 and not claimed for 2005 are eligible for a tax credit. Generally, you can claim all amounts paid, even if they were not paid in Canada. Your total expenses have to be more than either 3% of your net income or (in 2005) \$1,844, whichever is less.

For information about the services covered by OHIP while outside Ontario or Canada you may contact the Ministry of Health and Long-term Care infoline at 1-800-268-1154. You can contact the Canadian Life and Health Insurance Association to obtain additional information about health carriers at 1-800-268-8099.

Fabio Ventolini, CFP, is now the president of ECC. He is also a member of the Rotary Club of Toronto and recently organized a very successful fundraiser for Gift of Life – a program that brings children from the developing world to Toronto for life-saving heart surgery.

Ian Johnson, CFP, is a recent grandfather. His daughter, Leanne recently gave birth to a little boy Tenzin. Ian trades grandfatherly notes with Chris Snyder, who in August also had a new grandson, Ethan, born to daughter Heather and her husband Jon Henderson.

Chris Snyder, CFP, RFP is the chairman of ECC. He is heavily involved in international development work. This January, he is once again leading a group to build an HIV centre and school in the Mt. Kilimanjaro area of Tanzania.

The Personal Financial **Advisor**

The Personal Financial Advisor is published by the ECC Group.

The ECC Group are fee-based financial advisors, and have offices and affiliates in Toronto, Montreal and Vancouver. We are affiliated with The Investment Planning Counsel of Canada network who have offices in all 10 provinces.

The information contained in this letter is obtained from various sources believed to be reliable, but cannot be guaranteed.

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