



Derek Polson, CFP®, CEA

Your Independent Full-Service Financial Planners

When we describe Polson Bourbonniere Derby Wealth Management to a new client, we focus on three core elements: independence, full-service and financial planning. Let's look at what we mean by "independence" first. The general definition of independence incorporates the ideas that we are free from influence, not reliant on the care of others, and self-sufficient. In the context of the financial services industry it means that we are not employees of a bank or insurance company, and that we have made a choice to contract with HollisWealth for trade settlement and compliance support. We chose HollisWealth as an investment dealer because they promote independence and entrepreneurial businesses like ours.

We demonstrate our independence to our clients by "product neutrality" and we do this by removing any embedded compensation from the investment products we use. We are paid according to a separate, agreed upon fee schedule. While we have been consistently transparent about our compensation in the past, we made the deliberate decision some years ago to transition to this fee-based approach. This has allowed us to avoid any conflict of interest in making investment recommendations as we are not paid by product manufacturers. This neutrality allows us to recommend the products that are most suitable for your goals and objectives, completely unmotivated by issues of our own compensation.

The second core characteristic of the Polson Bourbonniere Derby team is that we provide a full-service offering. We carry registrations and licenses that allow us to recommend both investment and insurance products. If avoiding probate and being able to name a beneficiary are important to your estate planning, we can suggest a segregated fund product that is offered by life insurance companies, as we are life licensed. If risk management is a key feature in your financial planning, we can provide you with life and

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long-term care insurance. If low cost investing is your primary concern, we can offer you exchange traded funds (ETFs) and other individual securities in addition to mutual funds because we are registered to do so. We have made sure that our licensing provides the breadth needed to tailor products and solutions to meet your needs and that we have the training and education to enhance that licensing. Our team maintains a number of designations including the CIM® (Certified Investment Manager), CLU (Chartered Life Underwriter), CEA (Certified Executor Assistant), and EPC (Elder Planning Counsellor).

And lastly, at our core, we are CERTIFIED FINANCIAL PLANNER® professionals who focus on financial planning to ensure our clients achieve a Worry-Free Retirement Experience™. Our financial planning encompasses Estate planning, Retirement Income planning, Investment management and Tax planning. Each plan provides a customized roadmap to success that is designed to meet the unique needs of each client.

The team at Polson Bourbonniere Derby is committed to our independent culture and believe that a full service Investment Advisory and Financial Planning business should provide you with a breadth of products and services that are tailored to you and your needs.

Choose to be Worry-Free™. Let us show you how.



The Power behind a Power of Attorney

Ruth Ashton, CFP®

A Power of Attorney (POA) is a legal document in which you give someone you trust (called your “Attorney”) the right to make decisions for you during your lifetime. A Power of Attorney is an essential document in any financial and estate plan.

There are two types of Power of Attorney:

1. Power of Attorney for Property – is a legal document that gives your Attorney authority over your financial affairs, including paying your bills, collecting money owed to you, maintaining or selling your house, and managing your investments. There are two types:

A General Power of Attorney allows your Attorney to manage your finances while you are still mentally capable. It ends when you cancel it or when you become incapable of managing your own affairs. A General Power of Attorney is generally granted as a matter of convenience.

An Enduring Power of Attorney grants the same authority as a General Power of Attorney but will only start or continue when you become mentally incapable.

2. Power of Attorney for Personal Care – is a legal document that gives your Attorney authority to make decisions about your health care, housing and other aspects of your personal life (such as meals and clothing) if you become mentally incapable of making these decisions.

An Attorney for personal care is only allowed to make medical or long-term care decisions if a medical

professional or evaluator finds you mentally incapable of making the specific decision. For all other types of personal care decisions, the attorney can step in if they believe you are incapable, no assessment is required.

Choosing your Attorneys

Your good judgment is key to choosing a trustworthy person for this important responsibility. Practically speaking, your POA should be someone who knows you well and is capable of making decisions that are in your best interest.

Consider location when selecting a POA as it may be advantageous to have someone who lives nearby. Also consider whether you want one or more individuals named as your POA. If you appoint multiple POA's, do they all have to jointly sign documents, or is just one signature required?

The person you choose as your POA for personal care must be at least 16 years old. For a POA for property, the person must be at least 18 years old.

Anyone given Power of Attorney must be considered mentally capable when they are appointed. Likewise, you must also be considered mentally capable at the time you make the appointment.

Choosing your Attorney for Property

When appointing this kind of Attorney, make sure the person you choose understands your wishes and agrees to this important responsibility, which includes keeping detailed records of all transactions involving your money and assets.

To be considered mentally capable of giving a Power of Attorney for property, it must be clear that:

- you know about your assets (what you own and the value)
- you are aware of your obligations to your dependants, and

- you understand the authority and power you are giving to the person holding Power of Attorney.

One option to consider is the use of a trust company to act as your Attorney. The trust company charges a fee (as can any Attorney) but will be professional, impartial and capable and will alleviate this burden from family and friends.



Choosing your Attorney for Personal Care

The person you decide to appoint as your Attorney for personal care should be someone you trust to make decisions about your housing, food, health, safety, hygiene and clothing. This could be a family member or a close friend. Talk to the person first to make sure that he or she is willing to take on this responsibility if needed.

Certain people are not allowed to be your Attorney for personal care. Do not name any of the following people if they are paid (by you or someone else) to provide services to you, unless that person is also a family member:

- your landlord
- any person who provides care for you in the place where you live
- your social worker, counsellor, teacher
- your doctor, nurse, therapist, or other health care provider
- your homemaker or attendant

To be considered mentally capable of giving a Power of Attorney for personal care, it must be clear that i) you understand the need to choose someone with genuine concern for your welfare, and ii) that there may be a need for that person to make personal care decisions for you.

Cross-border POAs

Consider for a moment what would happen if you were to become incapable of making decisions regarding care or property due to an accident or sudden illness while outside of your home province or Canada. Are there Powers of Attorney in place that would allow someone else to act on your behalf in that jurisdiction?

You may be surprised to learn that few foreign jurisdictions will automatically recognize a POA that was drafted elsewhere. Most provinces and some US states recognize foreign POAs, but issues arise when you actually try to use them. To use two examples, Florida and Arizona have legislation that will recognize POAs, but only from other US jurisdictions.

Further complications may arise from local banks and title companies that may require your POA to conform to local law. They may even want their own forms used.

There are efforts being made to achieve harmonization, but a practical solution for a person who spends a great deal of time or owns property in a foreign jurisdiction is to prepare a local POA to avoid delays or expenses in the event they become incapacitated. If you have assets or property in foreign jurisdictions, more attention needs to be paid to incapacity planning.

We strongly suggest you create a Power of Attorney with your lawyer, taking into consideration the above issues. In the absence of a POA, arrangements would have to be made for you and may not reflect your wishes. A family member may have the right to make certain personal care decisions, but would have to apply to become the guardian of your property. Alternatively, someone else, like a close friend, could apply to the court to be authorized to act for you.

Take a minute to think about your wishes and talk to your Polson Bourbonniere Derby advisor about your Power of Attorney at your next meeting.

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