

These requirements are not related to residency for tax purposes. You can lose your entitlement to provincial health care and still be liable for both federal and provincial income taxes. If you lose your provincial health-care coverage, you may have to wait three months to requalify for coverage after your return. Check with your provincial health-care authorities to find out the specific conditions that will apply to you. Ask for information on the length of time you can be out of the country without losing your health-care coverage.

Supplementary Insurance

Even if you plan to return to Canada soon enough to avoid losing your provincial health-care coverage, it is still advisable to have private health-care insurance, mainly to cover the extra cost of medical services received abroad. Supplementary insurance offers benefits for people covered by a Canadian provincial health-care plan. This type of insurance is relatively inexpensive since it covers only unexpected short-term health problems. You are expected to return to Canada for treatment of pre-existing medical conditions or long-term health problems. Most of these policies

include coverage for emergency evacuation to Canada and, in many cases, evacuation is mandatory for serious problems. You can claim the cost of foreign medical expenses, including insurance premiums, as an income-tax deduction.

You should obtain supplementary insurance before you leave Canada. Check the following points when purchasing such health-care insurance:

- Will the insurance plan pay foreign hospital and related medical costs directly?
- Is medical evacuation to Canada covered?
- Are pre-existing medical conditions covered?
- Will the insurer provide the cash deposits required by some hospitals?
- Are costs associated with a death abroad, including the return of remains to Canada, covered?
- Is service available on a round-the-clock basis?

Some travellers' insurance packages also cover flight cancellations for medical reasons.