

# On the Pulse!

SwainWoodham Group Newsletter Summer



## Turning uncertainty into certainty

It's been an interesting year, with a lot of our clients uncertain of their job security, their ability to service debt and general financial state. This has led to conscious thought as to the consequences of medical disasters befalling them.

While this is often on people's minds, we have noticed a huge increase in the desire to create financial certainty this year. The traditional 'she'll be right' attitude is a little subdued right now.

Clients taking out new or increased insurances, particularly health insurance, is on a rapid rise right now. Also growing is the number taking out redundancy cover - which can offer substantial peace of mind knowing they will be fine when things go wrong.

Two new advisers joined us this year to swell the ranks in Christchurch. Corey and Lee (see the adviser profiles page of our web site) have excellent backgrounds and fit well into the service culture of SwainWoodhams. We hope you will meet them during the course of your dealing with us.

While the economy is not brilliant, it is looking stable, so we sincerely hope you have a great 2010. Keep safe and we look forward to being of continued value to you next year.

**Nigel Hickey, Director**  
SwainWoodham Group

## Real life story: "We don't just sell this stuff for fun"

Morrie Woodham, Principal of SwainWoodham, had been in the financial services business for 35 years and can vouch for the value of insurances first hand. Morrie, now in his late 60s and in retirement, very much enjoys his two acres of garden and 800 roses. Still active every day in the garden, his lifestyle block also allows him to keep horses, which require constant attention.

"And this means being able to get around freely," says Morrie, adding that "without the right insurances to cover the numerous medical procedures I have had to endure, my lifestyle would have been seriously compromised."

The operations have included knee surgery, a heart bypass and shoulder surgery. All of these would have impacted severely on his mobility if he had had to wait any length of time for the public system or not had the luxury of the required time off work to recuperate.

The two insurances that provide this are health insurance and trauma cover.

"We have a lot of clients that say health insurance is too expensive, particularly as they get older," says Morrie, "but when you put the numbers down on paper, it's the best investment you could ever make."

To explain this, over the many years he has held the policy, Morrie has paid \$32,500 in premiums

for health insurance. That sounds a lot - but when you realise that his claims have been in excess of \$120,000, it looks like a good deal.

The numbers of course don't explain the other aspect of medical issues, which is that with health insurance you can have the procedure done almost instantly.

There's no waiting months, or even years, for it to be done. And you can enjoy the 4 star luxury of a private hospital.


The other insurance, in Morrie's view, is trauma cover. This is a lump sum payment in the event of a serious illness such as cancer, a heart attack or stroke.

While the calculation as to the size of that lump sum payment is made on the

basis of individual circumstance, its purpose is to replace lost income, allow for modifications to the house if required and fund a 'welcome back to life' holiday following recovery.

In Morrie's case, this allowed him to take the required time off work with no financial pressure, to ensure a full recovery.

As Morrie says: "We don't just sell this stuff for fun, it was absolutely necessary in allowing me to maintain my lifestyle, despite the medical issues I suffered."

If you would like to know more about which health policy or trauma cover is best for you, please call to talk to one of our advisers. 



## Should I have Trauma Cover?

Not everyone needs Trauma Cover - a lump sum paid out in the event of you suffering a major illness/critical condition. If you have no debt and good cash reserves, you can cover the costs associated with your recovery. We can advise you on the appropriateness of the cover.


### What are the chances I will need Trauma Cover?

2 out of 5 people will suffer a critical illness before they reach 65. Prostate cancer and heart attacks are the most common for men, while breast cancer is the most common for women.

### How much Trauma Cover should I have?

That entirely depends on the cost to you of having prolonged time off work. Remember that ACC only covers accidents and not illnesses. Some clients have just \$50,000 while others have \$300,000 plus. We can calculate it for you.

### What can I do with the payout?

Anything you wish. Mostly it is used by claimants for medical treatment - some of which may be offshore, living expenses, income replacement, a holiday to count your blessings after you recover, home modifications and some banked for future medical issues as you will no longer be insurable. 

*Love your family, love your future, love your life!*

# “If I had had to wait a few months, or even just weeks, the outcome may have been very different”



Earlier this year, Invercargill based adviser, Peter Scully, went to Australia for a break, but found himself feeling quite tired most of the time. A holiday is normally designed to have the reverse effect, so when he returned he went to his GP for a check-up.

First the doctor suggested a colonoscopy, to try to work out a possible reason for Peter's tiredness.

This revealed the shocking news of a tumour on the bowel! Within four weeks Peter was in a Dunedin private hospital being operated on.


That was in April and Peter has not yet returned to work due to the huge toll such a procedure has on your body.

“I honestly thought I would be back at work in no time,” he says.

But eight months later, he now realises that that was impossible: “Your body takes such a hammering; you just have to take things slowly for quite a while.”

Now with time to reflect, Peter has come to a few realisations. If he had been in the public system, he has no idea how long he would have had to wait, but he now understands that unless this form of cancer is dealt with immediately, the complications may have resulted in a much direr outcome.

And as for the extended time to recover, without Income Protection and Trauma policies, the year off would have been financially devastating.

The lessons here are simple. Waiting time can be everything with some medical issues, which is averted with medical insurance. And any financial stress in the recovery time can also be averted with the right policies. 

## Special Gift **FREE** ONE HOUR CONSULTATION

I am interested in learning more about the following:  
(tick those topics that are of interest)

- Business Insurance
- Personal Life Insurances
- Mortgage Protection Insurance
- Medical Insurance
- Kiwisaver and Superannuation
- Full Financial Review

A FREE consultation on your insurances, superannuation or a full financial review. Just clip the coupon and tick the boxes and we will be in touch. Or feel free to pass it onto friends.

Name: .....  
Address: .....  
Contact phone number .....

Post to: SwainWoodham Group, P O Box 25-206, Christchurch  
Phone (03) 961 5461; Fax (03) 365 0048  
Email: info@swainwoodham.co.nz



## The working relationship between lawyers and financial advisers

By D'Arcy Thomson, Partner Cherry Kannangara Thomson

The simple fact is that lawyers have become very reactive and unless you ask, we don't tend to burden you with access to helpful information.

I'm not sure why we are so bad at it, but it may spring from our personality glands being removed in law school!


SwainWoodham's team has been invaluable to our clients in assessing their Risk and Insurance requirements and over the past three years we have learnt to work together to make sure your family is protected.

We like to ask people what their goals are, and if the worst happens, what position they would like their family to be in at that time. We ask who and what you want to protect, and give you the tools to protect it.

This often is as simple as updating your Will, or putting Powers of Attorney or a Trust Structure in place so your assets are not lost to asset testing, business partners or other creditors.

How much does it cost to get the information you need to protect your family?

Simple... it costs nothing! If you are a SwainWoodham client you get a FREE HOUR of our time so we can assess your risk from a legal perspective.


Please feel free to take advantage of our special offer. We look forward to seeing you. 

## Changes to ACC and how they affect you

Many of you may be confused with changes to ACC. We find that if we don't constantly stay current ourselves it can be a mission to understand it, or more importantly, the impact of the changes. Depending on your circumstances, recent changes may require you to take additional steps. We are happy to research this for you in terms of any impact on you or your business.

*“And then there was a great confusion” - Monty Python.*

ACC is in effect an insurance company that pays out for various unfortunate events and mishaps.

But it doesn't cover everything and you may think you are covered when you are not. We can help ensure that you have Risk Plans specific to your individual needs, offering certainty and control in the event of an accident, illness or death. Phone us for a free consultation. 

## At the heart of your insurance needs


Have you ever wondered how your advisor decides which is the best insurance product for you? Are they just recommending the product that pays the most commission?

And when you need insurance the most, when you experience a claim, will the insurance company pay out?

At SwainWoodham, our insurance process ensures you are recommended the best insurance products for your individual situation, irrespective of how much your advisor will get paid.

Once you have completed a SwainWoodham personal information booklet to identify your needs and objectives, your advisor will find which insurance products are the best for you and meet your needs from the providers we have selected.

Product selections are based on:

- The quality and comprehensiveness of the definitions;
- Exclusions that may negatively affect your particular situation
- The different benefits available under the policy;
- Price - the insurance premium payable based on your age and current health;
- The insurance companies' claims payment history. 

## Love Your Family -

### That will never happen to me!

Unfortunately, those are the famous last words of all too many under-insured New Zealanders who find themselves unable to work for a long period of time because of illness or injury.


Did you know that of a group of 100 New Zealanders aged 35 today research and experience shows that they will likely experience the following before the age of 65.

- 60% will be disabled for 30 days or more;
- 48% will have a major medical trauma;
- 19% will die before they reach 65;
- And only 3% of homes will be destroyed by fire.

This harsh reality is all too familiar to our team of advisors as they work with new client claims on an almost weekly basis. Our focus is always two-fold; we support you in putting a plan in place to manage your risk both personally and in your business if you are a business owner. And secondly we are in the business of paying claims, so we're there when you need us most.

Chances are that you may know someone who has made a claim recently or you may even know the harsh reality of illness or injury yourself and why having the right cover in place is so important.

What we suggest is that you choose to plan for the future rather than worry about it. One of our advisors would be delighted to spend an hour with you without obligation to support you in getting that plan in place. Even if you have cover in place are you absolutely sure that it is sufficient or even relevant?

If you haven't reviewed your cover in the last 12 months then we urge you to do so immediately, simply call your advisor today on 0800 355 444. 

## Planning advice with heart

### Love Your Business -


### Protect Your Business

When you own a business, the most obvious things you need to insure are your buildings, plant and stock. But is your business protected from loss of profits resulting from business interruptions, loss of a key employee, or death or disablement of a business partner?

SwainWoodham has specialist business insurance experts who can work with you to tailor the best insurance package to protect you and your business. We have access to all the leading insurance companies and business insurance products to cover your employees and business partners.

We can help protect you against the risks you would face if you, or one of your business partners, became ill or could no longer actively work within the business. We can also help you secure funds to buy out a business partner on their retirement, or their family or estate should they pass on.

One of the biggest risks your business can face is the loss of experience and intellectual property associated with key employees. SwainWoodham specialist business advisors can help you identify which employees have the greatest impact on financial performance, and protect your business from loss of revenue, profit, and possible business failure, should any of these key employees not be able to work.

We can also help reduce the cost of recruitment and training by increasing employee loyalty and satisfaction through employee superannuation and insurance packages. 

#### Business Insurance Products and Services

- Keyperson insurance
- Succession planning
- Partnership and shareholder insurance
- Employee group insurance
- Life insurance
- Trauma insurance
- Income protection
- Health and medical insurance

## An unusual approach to charity

A local service club realised that it had never received a donation from one of the town's most successful man, so the volunteer in charge of contributions called the millionaire to persuade him to contribute.

"We reckon that you must be making over a million a year, yet we are not aware of you ever giving a penny to charity. Could we persuade you to give back to the community in some way through our organisation?"

"Well," replied the millionaire, "First, my mother is dying after a long illness and has no medical cover, so her medical bills are several times her annual income. Second, my brother is blind and confined to a wheel chair. Third, my sister's husband died in a traffic accident and he didn't have life insurance, leaving her and the kids penniless."

The very embarrassed service club caller said simply: "I'm so sorry to have called, I had no idea ..."

But the rich man cut him off, saying: "And since I haven't given any money to them, why should I give any to you?" 



# SwainWoodham Group *Our Experienced Team*



Back Row Left to Right: Lee Barber; Corey Williams, David Hume; Paula Jones. Front Row Left to Right: Sharyn Colville; Nigel Hickey; Emily Neill; Kiri Talbot



## *Is your health insurance* **causing you pain... in the wallet**

It shouldn't be. In fact, for around the cost of a cup of coffee per day you can purchase comprehensive health insurance - covering private surgical and non-surgical hospitalisation - for your family.

Your health is your number one asset and when it comes to your family's health, you don't want to be left waiting when treatment is urgently needed.


Health insurance gives you peace of mind, letting you avoid public hospital waiting lists, putting you in the hospital you want, when it's convenient for you and your family.

And there has never been a better time to act.

A feature of today's health insurance policies is that they are flexible and can be tailored to suit you and your family's needs and budget.

Call your SwainWoodham adviser today to review the type of cover you currently have, and what you're paying. Our advisers can help you find the best financial solutions for you and your family in the event of ill health or injury. Some of the solutions we can help you with include:

- Health Insurance
- Trauma Insurance
- Income Protection Cover

And in many cases we will be able to reduce your costs painlessly – and that's got to be good for you. 

## **SwainWoodham Group - green at heart**

SwainWoodham Group are committed to caring for our environment. Part of that commitment relies on your support. Instead of receiving three printed newsletters per year delivered by post, you can receive them via email - the choice is yours.

If you are happy to move to email delivery, simply visit the news page of our website: [www.swainwoodham.co.nz](http://www.swainwoodham.co.nz) and click to subscribe.

*Together we can make a difference.*

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