



AUTUMN – WINTER | 2013

lifelines

Do you have a plan for 2013?

If you set yourself some new personal goals this year, we hope they're still intact. If not, now's a good time to renew those resolutions. In this first *Lifelines* of the year, we look at a few of the 'basics' you can aim for to improve your health, wealth and lifestyle. There's advice on: reviewing your personal risk insurance; how to improve your heart health and lower your premiums; and why seeking the help of an adviser can make a big difference when looking for the best home loan deal.

We hope 2013 is a year to remember, for all the right reasons.



BILLING & ASSOCIATES INSURANCE SERVICES LTD

Chris & Carole Billing

**1st Floor
3 Milford Rd
Milford
Auckland 0630**

**Ph: (09) 486 3266
Fax: (09) 486 3265
Mob: 021 826 409
Mob: 021 338 121
admin@billinginsurance.co.nz
www.billinginsurance.co.nz**

BEGINNER'S GUIDE



A NEW SURVEY HAS CONFIRMED WHAT WE ALREADY KNEW – MOST WORKING NEW ZEALANDERS ARE UNDERINSURED AND ARE PUTTING THEIR FAMILIES AND FUTURES AT RISK.

Don't get caught in the 'insurance gap'...

ONLY ONE-FIFTH OF NEW ZEALAND HOUSEHOLDS HAVE INCOME PROTECTION THAT COVERS THEM FOR ILLNESS, COMPARED WITH THE 100% COVERAGE FOR ACCIDENT PROVIDED BY ACC, ACCORDING TO THE LATEST RESEARCH CARRIED OUT BY THE FINANCIAL SERVICES COUNCIL.

This is despite the fact that sickness is two to three times more likely than accident to result in a period of six months or more off work.

The study has shown that, every year the primary income earner in each of nearly 15,000 families will fall seriously ill and be unable to earn a living for at least six months. This inevitably leads to financial hardship as sick leave, holiday pay and savings run out; within a month, the majority of households are unable to cover their expenses.

Two-income households are particularly vulnerable, finding themselves "too rich" for a sickness benefit, but too poor to pay the rent or mortgage.

Underinsurance has long been a concern for New Zealanders. While most people insure their cars and properties against damage and loss, too many neglect to insure their lives and livelihoods. And those who have thought to protect their lifestyles may not have the levels of cover they need.

Ultimately, having the right level of income protection insurance is a must have, not a nice-to-have. So, when was the last time you assessed the risks to you and your family?

Talk to us and we can take you through a lifestyle check which can show whether you have the right kind of insurance for your stage of life. We'll help you understand the risks you are carrying, and provide advice on how to best manage these risks within your budget.

Are you taking care of business?

BEING THE BOSS MIGHT GIVE YOU GREATER FREEDOM AND EARNING POTENTIAL BUT IT ALSO MEANS YOU HAVE MORE RESPONSIBILITIES AND NEED TO PLAN FOR ALL EVENTUALITIES. THAT'S WHY IT'S IMPORTANT TO HAVE INSURANCE.

Chances are you've protected your business against property loss or damage, but what about the threat to your most valuable assets – yourself and the people you rely on?

Within most businesses, there are people who provide essential skills and resources. So the loss, or temporary loss, of these key personnel can have a dramatic impact – and can even cause a business to fail.

Succeeding in business is challenging enough, without having to worry about the unexpected consequences of illness, injury or death. So, whatever the size and nature of your business, you need to think carefully about your insurance needs.

There is a variety of insurance solutions you can choose from to protect your business in the short and long term.

Key person cover can help keep your business running, covering the cost of replacement staff and other necessary arrangements.

Life cover for your business, meanwhile, can secure its long-term survival, providing a lump sum if you or an insured key person dies. The money can be used to reduce business debt or replace income that would have been generated by the key person.

For new businesses or those which have been operating only a short time, start-up income protection is available from some insurance providers, requiring no financial records.

If you run a farm or have a rural occupation, there are insurance solutions tailored to your special needs.

If you'd like help planning the right protection for your business, give us a call today.



Food for thought...

- In 2008, it was estimated that 1,880 businesses ceased operation partly due to an injury to the owner or a key staff member.¹
- Two out of five people have been unable to work for six months or more owing to sickness or an accident at some time between the ages of 30 and 65.²
- Every day, 16 New Zealanders are injured on a farm.³
- In New Zealand, it has been estimated that there will be one death every 18 minutes.⁴

¹ ACC Statistics, 2008

² ACC Berl Report, 2010

³ ACC Statistics, 2010

⁴ Statistics New Zealand, 2010



Who would look after your affairs if you couldn't?

IF YOU WERE TO LOSE THE ABILITY TO MAKE DECISIONS ABOUT YOUR WELLBEING OR FINANCIAL AFFAIRS, SOMEONE WOULD NEED TO MAKE THOSE DECISIONS FOR YOU. BUT WHO?

Decisions made by another person could, during this time, be crucial to ensuring your security and stability, and that of your family – so wouldn't you want to nominate that person in advance? To do this, it's necessary to establish an Enduring Power of Attorney or 'EPA'.

A 'property EPA' allows an appointed individual or corporate trustee to manage your property assets should you become incapacitated. Similarly, a 'personal care and welfare EPA' allows an appointed individual to be responsible for non-property matters, e.g. rest home or hospital care, or decisions on medication for any condition you may have.

Without an EPA, a family member would need to apply to the Family Court to be appointed property manager and/or welfare guardian under the Protection of Personal and Property Rights Act 1988. This is a costly process and it may take more than two months before anyone is authorised to deal with your assets – not ideal if an immediate decision is required.

To establish an EPA, you can talk to your lawyer or contact the Public Trust.

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The heart of the matter...

ARE YOU LEADING A HEART-HEALTHY LIFESTYLE?

Cardiovascular disease (heart, stroke and blood-vessel disease) is the leading cause of death in New Zealand, accounting for 40% of deaths annually.* But don't worry – the good news is there are many things you can do to prevent it.

The three biggest risk factors for cardiovascular disease are high blood pressure, smoking and raised cholesterol. The chances of a heart attack or stroke increase with each additional risk factor. If, for example, you were a smoker with high blood pressure, and had relatives with coronary heart disease, you'd be at much higher risk than someone with none of those factors – and it would also mean higher health insurance premiums.

Most heart attacks and strokes are caused by blood clots blocking off already-narrow veins or arteries. So what can you do to cut your risk?

- **Stop smoking.** While it's easier said than done, this will halve your risk of a heart attack or stroke.
- **Do moderately intense exercise** for half an hour on most days. This means raising your heart rate to 65–85% of its maximum and keeping it there for half an hour. (You can work out your maximum heart rate by subtracting your age from 220.) Exercise will help lower your blood pressure and heart rate, and increase your level of 'good' cholesterol, which helps to unclog blood vessels.
- **Eat healthily.** Cut down on salt and animal fats, and increase the amount of fibre you eat. Fibre contains antioxidants, which may help to prevent blood clots. It also helps reduce the amount of fat we absorb.
- **Look at other risk factors** such as how much alcohol you drink and your blood pressure. If you're over 30, ask your GP to assess your cardiac risk.

Remember, working out your risk factors and taking action now could prevent you from having a heart attack or stroke – and you'll also enjoy a better quality of life.

* Hay, D. 2004. Cardiovascular Disease in New Zealand. 2004. A Summary of Recent Statistical Information. National Heart Foundation of New Zealand.





BUYING A HOME IS
ONE OF THE BIGGEST
DECISIONS YOU'LL
EVER MAKE

A tailor-made home loan at no added cost

WE'RE ALL DIFFERENT – AND OUR CIRCUMSTANCES, NEEDS AND ASPIRATIONS MAY VARY. HOME LOANS DIFFER TOO, SO FINDING THE BEST SOLUTION FOR YOUR OWN PARTICULAR NEEDS MEANS SHOPPING AROUND – AND BETTER STILL, GETTING SOME PROFESSIONAL ADVICE. AFTER ALL, IT'S ONE OF THE MOST IMPORTANT DECISIONS YOU'LL EVER MAKE.

Opting for a home loan provider that offers just the one solution is like choosing to wear an off-the-rack dress or suit at your wedding, when a tailor-made outfit is available – at no additional cost.

Home loan advisers know the market and what's available, and can match you with the home loan that's right for you. They'll do the 'leg work' for you, researching the best deals and saving you the time and effort in comparing offers from the different providers.

This could also save you a significant amount of money and give you greater financial flexibility to do the things you want to in life. For some, it could be the difference between success and failure in finding an affordable home loan to get you into your own place.

Of course, it's not only new borrowers who need to find the 'best home loan fit'. Home loan borrowers nearing the ends of their fixed-rate terms could well benefit by talking through the alternatives available and, similarly, those on floating rates may want to consider which fixed-rate packages would be best for them.

If you'd like help finding a home loan that's right for you or making a change to your existing home loan, give us a call today. If we can't help you, we'll know someone who can.

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