

AUTUMN 2008

IDENTIFIER



Build your future wisely

Building a healthy, balanced and happy life requires a little bit of planning. And, as with the best recipe, there are certain ingredients you shouldn't be without. Your plans, for you and your family, need to attend to both your physical and financial wellbeing. In this issue of Identifier, we look at a few of the basic building blocks – making a will, getting yourself properly insured, eating healthily, investing wisely and getting yourself into a first home you can afford.

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Why make a will?

Although wills are simple to create, many New Zealanders die without one, leaving the court to distribute their personal property, according to the law.

An up-to-date will is an important accompaniment to taking out life insurance and safeguarding the interests of your family and dependants. A will ensures that whatever assets you possess are given to the beneficiaries you choose.

A will is especially important if you have young children as it gives you the opportunity to choose a guardian for them. Without a will, the court will appoint one. You should discuss this with the person you are considering appointing – being a guardian does not necessarily mean supporting the child financially and may not mean having custody of the child.

It is preferable to have a will drawn up professionally. Although it is easy to write your wishes down on paper or use a standard form, if this document is not prepared properly and there is a dispute, your wishes may not be carried out as you intended them to be. Remember also to update your will as your circumstances change.

Source: www.publictrust.co.nz





How far does your cover go?

So you've taken out life cover, in case the unthinkable should happen. Your partner and family will get the financial support they'll need if you're no longer around. Life insurance is about taking the lead – and that's a great first step in looking out for your loved ones. However, have you considered the financial strain you might be under if you were unable to work for an extended period?

Most insurance products are designed to alleviate your financial concerns, should you suffer an illness or accident that prevents you from earning a living. As well as life cover, there is a whole range of other flexible insurance products to cover every situation, whatever your lifestyle or circumstance.

If you were unable to work, would you be able to maintain your current lifestyle and still afford expenses such as:

- Medical expenses
- Daily living expenses
- Mortgage repayments
- Business debts and running costs
- Hire purchase payments
- Saving for a holiday
- Counselling costs
- Child care
- Children's school fees
- Retirement fund contributions

Adding to your basic life cover will ensure you and your family enjoy long-term peace of mind, whatever the future has in store. We all need to reconsider our insurance needs from time to time, especially at pivotal times in our lives such as marriage, starting a family, buying a house or setting up a business.

It's also important to take account of the escalating costs of medical treatment and rehabilitation, and the amount you might realistically need to provide for your family while you recover completely from your serious illness or injury.

CONSIDER THE FOLLOWING TYPES OF COVER AVAILABLE TO YOU:

Critical Illness Insurance	Pays a lump sum on the actual occurrence of a defined critical condition covered by your policy. Examples of these conditions include serious cancer, heart disease and stroke.
Income Protection	Provides a monthly income if you are unable to work due to sickness or injury. Policies can include a number of features that can be used for rehabilitation or occupational retraining.
Permanent Income Protection	Pays a lump sum in the event of total and permanent disablement caused by accident or illness. Choose a policy that's right for you, as some are available for individuals with businesses and others for individuals with families.
Business Expenses Protection	Pays the owner or partner of a small business a monthly benefit to cover ongoing expenses and/or the cost of finding a replacement (either permanently or with a locum) should the owner (or key person) become totally disabled.

The scope of these products can differ from insurer to insurer, and it's a good idea to get some professional advice on which is best for you and your family. So give us a call today.



Give your diet a boost with organic food and vitamins

WHAT IS ORGANIC FOOD?

Organic crops are grown without the use of conventional pesticides, herbicides, fungicides, growth regulators or artificial fertilisers. They are processed without food additives, preservatives, colour or flavour enhancers. For animals, it means they are reared without the regular use of antibiotics or growth hormones. In most countries organic food is not genetically modified.

In our increasingly health-conscious society, new ways are constantly being sought to improve our health and limit the levels of toxins in our bodies.

More people than ever before are choosing organic food because it is safer, more nutritious and has a better flavour than does conventional produce. And organic farming practices are certainly better for the environment. Three new European research projects recently reported that organic peaches, tomatoes and apples all have higher nutritional quality than does non-organic produce.¹





Housing affordability – is it really all doom and gloom?

We've all heard the horror stories. December figures show it now takes 82% of the median income¹ to service the median house price of \$340,000.² Demographia's latest study found that New Zealand had the least affordable housing when compared to the United States, Canada, Britain, Ireland and Australia. Auckland is one of the worst cities – where 6.9 times the average annual income, and 18 years and six months are needed to pay off the average mortgage.³

So, in such an unforgiving environment, how on earth can an ordinary person on an average wage expect to get into the property market? You want a nice house in a pleasant area... but you also want to pay your bills and have food to eat!

The situation is not all doom and gloom, however. Housing prices don't look to be on the rise again any time soon. With the housing market stagnant and rents predicted to rise at 6% per annum,* many are saying it's becoming a buyers' market. Lower volumes of mortgages should mean there will be some better deals out there if you hunt around.

Employment is at its lowest in years, and many experts are saying there's little chance of instability in the job market: wages have been predicted to grow at 5% per annum*. And with KiwiSaver offering help to first home buyers, you now have that little bit of extra help to get you on your way.

1. Fairfax Media Monthly Home Loan Affordability Report – January 2008
 2. "Residential Property Market Affected By Holiday Season" – REINZ – retrieved from: www.reinz.org.nz/Reinz/index.cfm
 3. 2008 Demographia Survey: 'New Zealand & Australia: Worst housing affordability in anglo world' 2008 4th Edition – Demographia International Housing Affordability Survey
- * Westpac Inflation Report: 'Housing down, but inflation not out'



HOW TO GET ON THE PROPERTY LADDER:

Save Save Save. Now is the time to save for that deposit. In the past it seemed as though saving was pointless with house prices skyrocketing, but now with the housing market stalling, you have time to get your financial house in order before going for the real thing.

Don't forget KiwiSaver.

You could get a government subsidy of up to \$5,000. Check out www.KiwiSaver.govt.nz to see what you're eligible for.

Be realistic. Your first home isn't going to be a mansion. Start out small: buy a two-bedroomed unit and work your way up to build your equity.

Family help. It's surprising how many people are taking out loans with parents, rather than with a bank. It's a win-win situation: the homebuyer pays a lower interest rate than the banks would ask and the loan provider receives a higher rate of interest than they would on a fixed-term deposit. However, it is important to have comprehensive legal documents drawn up to clarify everyone's responsibilities.

Organic food is popular for its low pesticide residue – but you should still thoroughly wash fruit and vegetables to remove any dirt and bacteria. It also doesn't hurt to peel them too, just to be sure. If you can't get organic then it's best to buy local seasonal fruit and vegetables, as these will be the freshest.

When it comes to organic meat and dairy, there are benefits too. A study published in the British Journal of Nutrition revealed that breast-feeding mothers who ate organic products improved the nutritional quality of their breast milk by increasing beneficial fatty acids. The research proves that dairy and meat from organically reared animals can contain more antioxidants and other nutritionally beneficial compounds.² If you can't afford the extra cost of organic food, another way to give your diet a boost is to take multivitamin supplements. Many dieticians agree we simply are not getting enough important vitamins in our current diet.

Healthyonline.co.nz recommends that New Zealanders take a multivitamin a day as there is evidence to suggest we are not getting the nutrients we need. New Zealand soils are deficient of many minerals like zinc, cobalt and selenium. If it's not in the soil, it won't be in the vegetables. Farmers know this and supplement the diets of their livestock with these important minerals.

According to a study last year by Nutrition Research, multivitamins with trace minerals may even improve immune function. This supplementation "offered a safe, cost-effective approach to preventing disease and contributing to a better quality of life."³

1. Schulzová, Věra and Hajslová, Jana (2007) Biologically active compounds in tomatoes from various fertilisation systems
 2. Rembiaowska, Ewa; Hallmann, Ewelina and Rusaczek, Anna (2007) Influence of Processing on Bioactive Substances Content and Antioxidant Properties of Apple Purée from Organic and Conventional Production in Poland
 3. Fauriel, J; Bellon, S; Plenet, D and Amiot, M-J. (2007) On-farm influence of production patterns on total polyphenol content in peach
2. A copy of the full report is available on The Cornucopia Institute website at www.cornucopia.org/Rist_2007_study.pdf
3. Nutrition Research 2007

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Taking care of business...

Life is full of risks and pitfalls – and business especially so. Succeeding in any given venture is challenging enough, without having to worry about the unexpected consequences of illness, injury or death.

There are more than 463,000 registered businesses in New Zealand* – most of them small to medium-sized – and each gives its owners and their families an income, a career, security, and eventually an investment to sell.

While most people are aware of the need to protect a business against property loss or damage, what about the threat to your most valuable human resource – you, or the people who are vital to the continuing success of your business? The loss or temporary loss of key personnel can have a dramatic effect on any business, and can even be terminal.

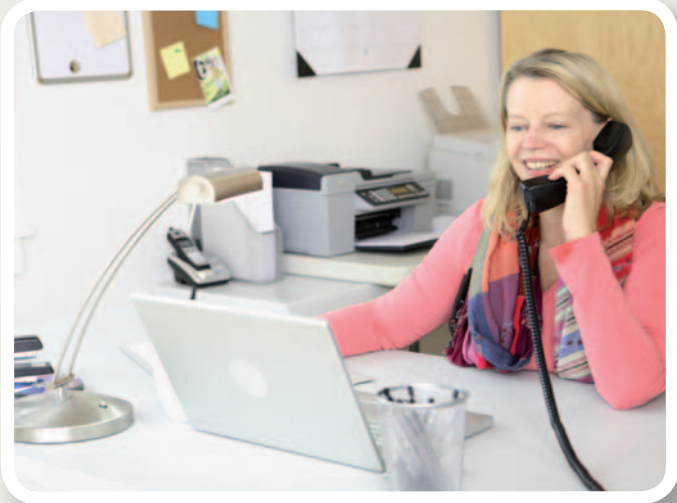
Business continuity is essential for keeping your customers happy, paying your bills, and preserving your family's lifestyle. So, whatever the size and nature of your business, you need to give full consideration to your insurance needs. Where are you most vulnerable? Could you or your business survive, and prosper, in the absence of one or more key players? Would the loss of a partner leave the others with significant debt?

Finding or training a suitable replacement can be both expensive and inconvenient. In the longer term, without a proper succession plan, the future of your company might well be at stake.

Life cover, as well as protecting your family's lifestyle, can also be a valuable tool in safeguarding the long-term prospects of your business enterprise. Similarly, critical illness and income protection cover can provide for your business, as well as personal, needs.

In addition to these versatile life insurance products, there are a variety of business-specific insurance products available.

**IF YOU'D LIKE TO KNOW MORE
ABOUT HOW YOU CAN PROTECT YOUR
BUSINESS FROM THE UNEXPECTED,
GIVE US A CALL TODAY.**



* Statistics New Zealand, 2007

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