

The Tobin Tribune



Oxford Dictionary Meaning
 “TRIBUNE of the people”
 meaning official in ancient
 Rome chosen by the people
 to protect their interests.

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INSURANCE THAT CAN SAVE YOUR LIFE

Recently there was a program on TV about wonder drug called Glivec, that appears to cure people from Chronic Myeloid Leukemia.

Cost of this drug is around \$60,000-\$80,000. As at the date of this newsletter this drug is not funded by the government agency Pharmac or covered by medical insurance.

However if you have Trauma insurance (sometimes called Critical care insurance/living insurance) You could be insured for an appropriate lump sum payment which can be made to you upon being diagnosed with one of the 30 major illnesses or injuries covered. The proceeds of this insurance payout could be used to purchase this wonder drug in such a situation and give the sufferer a very real chance of living a full life. But, without the ability to purchase these new drugs- the outcome is not likely to be as good.

As an example a 40 year old male non smoker insuring himself for \$80,000 Trauma insurance would cost \$29.98 per month first years premium.

Please call me if you want more information on this product.

Jeff's Comments



Jeff Tobin CLU; ANZIIF (Snr Assoc)

Well here we are over half way through the year already. The election is over and Spring is around the corner.

The effects of September 11 last year have now had a real flow on impact on commercial insurance rates as the world reinsurance markets have suffered from the biggest insurance loss in history reported in excess of well over \$100 Billion. The New Zealand insurance market is very small by world standards and New Zealand insurers must buy their catastrophe and reinsurance covers from the same places the rest of the world does. Initial reports of up to 100% increase in insurance premiums in fact have been in reality increases of around 20-25% throughout the New Zealand insurance market.

The terrorist attacks exacerbated an already weak reinsurance sector dealing with poor underwriting results and large claims from weather related disasters.

Insurance companies are predicting a 20% a year rise in premiums over the next couple of years, but say that household insurance premiums will not rise as much as business rates because the risks are far less.

Meanwhile we all must plan ahead for financial contingencies such as death, disability, illness and retirement.

Put it this way...

All income earners are primarily occupied with earning income for themselves and/or their families.

Personal income has two sources and only two – it comes from a person at work or from capital at work.

When that person's earning power is reduced or lost as a result of the onset of old age, or destroyed earlier by death, or disablement, there must be income from capital at work or there will be no income. It is as simple as that.

It is therefore an inescapable fact of economic life that someday, whether by death, disability, or retirement, every individual must replace the earning power of themselves at work with the earning power of their capital at work.

Such realities demand that this need for income be satisfied and life insurance is supreme in that it is the only means of guaranteeing capital to replace income lost on death, disability or retirement.

You can meet this demand for income ensuring peace of mind for the present and for your future by investing in an up to date insurance program and a disciplined savings program.

If you would like an **AUDIT** on your insurances, investments and or mortgage please

WHAT DOES 18165 MEAN TO YOU?.....



If you're a male, that's the approximate number of meals you are going to eat between 65 and your normal life expectancy. If an average meal costs \$5 it will cost you \$93,075 just to eat what amounts to McDonalds hamburgers three times a day between age 65 and your normal life expectancy. If you are married you have to more than double because men typically pre decease their partners who have a longer life expectancy. So you may need \$200,000 - \$250,000 just to eat!

The Ideal way to Grow Old

“For me, the ideal way to grow old is to be so occupied with doing something useful and enjoyable that it doesn't even occur to you that you're old.

“The older people who impress me are those who have so many interests that they're unretireable. If they retire from one set of activities, its only to do something else“. Alex Comfort

Some Thoughts on Stress

“The confusion created when one's mind overrides the body's desire to choke the living daylight out of someone who desperately needs it”.

“ Stress is the spice of life...It is not stress that kills us, it is our reaction to it”.

“ Who of you by worrying can add a single hour to his life? Since you can not do this very little thing, why worry about the rest?”

-Luke 12:25-26.

“Quotes” of the month

“Wise men learn by others men's mistakes, fools by their own” - Anonymous.

“Minds are like parachutes– they only function when open”. Thomas Dewar.

“The grass is not, in fact, always greener on the other side of the fence. No, not at all. Fences have nothing to do with it. The grass is greenest where it is watered. When crossing over fences, carry water with you and tend the grass where ever you may be”.

Robert Fulghum.

Whoever said, “ It's not whether you win or lose that counts,” probably lost”. Martina Navratilova.

An Ode to Jeff?

As I lay me down to snore.

Insured for several thousand more,

If I should die before I wake

My wife would get her first real break,

But should I live for 20 years,

My wife and I need shed no tears,

We can retire and fish and rest,

Back comes our money with interest,

In our old age we can keep our house,

And not live with our daughters spouse,

So, thank God for the great endurance,

Of the person who sold me life insurance

Author Unknown

SOME FACTS

⇒ Every year over a quarter of a million New Zealanders age between 15 and 64 are prevented from working for more than a month due to sickness or injury. (1)

⇒95,593 ordinary New Zealanders were on the sickness and Invalid Benefit in August 2001. (1)

⇒Most of us insure our cars. Nearly all of us insure our houses. And we wouldn't dream of not insuring these.

⇒Yet statistics indicate only 3.3% of New Zealanders insure their income.

⇒Around 30% of all disabilities suffered by workers are caused by “non-accidents” - and are therefore not covered by Accident Compensation.

⇒Around 60% of the workers disabled for more than 12 months are disabled by “non-accidents.(3)

⇒29% of New Zealanders have a diagnosed long term illness or disability. (2)

⇒2 out of 5 people will be unable to work for 6 months or more because of sickness or an accident at some time between the age of 30 and 65. (3).

⇒In NZ it is estimated there will be one death every 19 minutes.(1)

Source:

1. Statistics NZ 2. NZ Health Information Service. 3. ACC Berl report Nov 1996

Jeff's Investment Tips Page

Get Volatility Working For you

When investment values go up or down, it does not necessarily mean that anything relating to the actual operation of the investment has changed.

For example, in the 1987 sharemarket crash, the prices of all shares-good and bad-fell substantially. That did not mean that companies such as General Electric had ceased to do the things that create profit-far from it. It simply meant that because of the market sentiment at that time, buyers were only prepared to pay a certain amount for shares. Suddenly there were some real bargains available.

If you invest regular amounts in a quality investment that has a volatile price, contributions automatically buy more of the investment when the price is low and less when the price is high. Over a long period this strategy, called DOLLAR COST AVERAGING, will minimise the average purchase cost of your investment. If you build up your investment by direct payment from your salary or bank account, this will happen automatically for you. The accompanying table shows how this investment strategy could play out over the next six months. In the Volatile fund, more units are purchased when the price falls during August, September and October. A partial price recovery around Christmas sees fewer units purchased for every \$100 invested. The Stable fund

VOLITILE FUND \$100 invested each month			STABLE FUND \$100 invested each month		
	Unit Price	Nos of Units Bought		Unit Price	Nos of Units Bought
AUGUST	90c	111.1	AUGUST	\$1.00	100
SEPTEMBER	60c	166.6	SEPTEMBER	\$1.100	90.9
OCTOBER	\$1.00	100.0	OCTOBER	\$1.15	86.9
NOVEMBER	\$1.10	90.9	NOVEMBER	\$1.10	90.9
DECEMBER	\$1.60	62.5	DECEMBER	\$1.00	100
JANUARY	\$1.10	90.9	JANUARY	\$1.10	90.9
	Total Value	Total Number of Units bought		Total Value	Total Number of Units bought
	\$684	622		\$615.56	559.6

reflects a more consistent market price, with fewer units bought after six months with the total value nearly 10% less than what was achieved in the Volatile fund.

Time not Timing

Ideally, you should buy into an investment when its price is low and sell when the price peaks. However, because of the many factors that impact on the price of any share, it is virtually impossible to do this on a regular basis. Exactly the same philosophy applies to the selection of managed fund investments. Establishing a sound plan and staying the course during the markets highs and lows can help you reach your financial goals.

The table below shows what would have happened to an investor's investment performance if the investor tried timing the market and missed the best time to invest. The Standard and Poors top 500 shares listed on the US exchange has been used as an indicator.

Ten Years ended 30 June 2002	S&P 500
<u>Period of Investment</u>	<u>Average annual total return</u>
Stayed Fully Invested	9.15%
Missed the 10 best days	1.49%
Missed the 20 best days	-15.98%

Source: Bloomberg.

Returns include reinvested dividends and are before tax.

Tobin Financial Services – Strategic Alliances

To help better serve your one stop financial planning needs, I have over recent years established working relationships with like minded professionals who can specialise in certain areas, that compliment the insurance and risk management service that I offer. Some of you will have already met these people and found them of great help to you.



By having specialists help you in particular financial areas you stand a much better chance of getting the right advice, after all you wouldn't let your GP Doctor perform heart surgery on you would you?, unless of course your GP is also a trained and practicing cardiologist surgeon. The same philosophy applies equally to the very wide and all encompassing financial services sector.

Introducing Ian McLay: Lump Sum Investment Adviser.

For lump sum investment planning advice I recommend a colleague of mine called Ian McLay. Ian whom I have know for over 16 years specialises in the area of giving advice on investing and monitoring lump sums of \$50,000 or more. Ian can meet with you and prepare a written investment strategy to suit your particular needs. Prior to establishing McLay and Co in 1994, Ian worked in the financial services and insurance industry. Ian spent 10 years in management roles with National Mutual. During this time Ian developed a financial planning company as part of National Mutual's Southland branch. Ian's qualifications are NZ Diploma in Life Insurance and Diploma in Business Studies (endorsement in Personal Financial Planning) 1998. A personal introduction via myself will be the best way to introduce Ian to you to discuss any lump sum investment inquiries you may have.

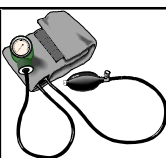
Introducing Baden Gray:/ Mortgage Express: Mortgage Broker.

I have worked with Baden for over 4 years now and he will be already known to a number of you. Baden provides an excellent independent mobile mortgage service. Some of Baden's lenders include, ANZ, ASB, BNZ, National Bank, Westpactrust, AMP, The Home Mortgage Company, SBS. Many home finance consultants maintain a strong affiliation with just one lending institution. Being independent, means Baden can offer products from all major lenders and is unbiased. In fact due to the large volumes of mortgages Baden places, even if you already have a good relationship with a bank, it can pay to get Baden to talk with you before signing up with your bank as Baden can often get a better deal than you or I could by our own. Baden will also save you a lot of legwork and time. If you would like to speak to Baden, contact me and I will arrange a free consultation with Baden for you.

I have other excellent contacts in the areas of Law, in particular Trusts, Wills and general conveyancing and of course in the field of Accountancy. Should you have any questions about Insurances, Investing, Mortgages, Trusts, Wills, and/or Risk Management in general for yourself, your family or business, please make the one easy call to me to get you on the right track first time!

END PIECE

It is unwise to pay too much, but it is unwise to pay too little. When you pay too much you lose a little money, that is all. When you pay too little, you sometimes lose everything, because the thing you bought was incapable of doing the thing you bought it to do. The common law of business prohibits paying a little and getting a lot. It cannot be done. If you deal with the lowest bidder, it is well to add something for the risk you run. And if you do that, you will have enough to pay for something better.



Elderly and Medical Insurance

Many of you may be in the position or know of someone who by their age is finding medical insurance an unaffordable or very expensive option.

I have sourced a very competitive 100% Hospital cover that can be made affordable for most people regardless of their age.

If you are interested, please call me to discuss, you have nothing to lose, except your cover or your health or your savings, by not having the right cover at an affordable price.

TOBIN INSURANCE SERVICES

Life, Medical, Fire & General Insurance.

Mail to: FREEPOST
PO BOX 83-183
EDMONTON
AUCKLAND

Telephone: 09-4125997

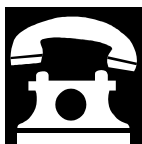
Fax: 09-4125996

Email: info@tobininsuranceservices.co.nz

When calling us please leave a message with our answer service or if you prefer try the mobile number. We will return your call just as soon as possible.

Your call is important to us and will be treated with priority,

Thank you!



As a general guide on office hours, I can return your call during normal business hours of 9.00am to 5.00pm Mon-Thurs. If your call is not returned immediately it is because I am in a meeting with clients like you. Fridays, I aim to leave the office by 4.00pm at the latest –Jeff.