



Protecting what matters most

What matters most to you? If you're a typical New Zealander, then family, lifestyle, good health and financial security are high on the list. And if you value something, then naturally you'll want to protect it in any way you can. It's all too easy to be wise in hindsight, so if you're serious about securing your future and that of your family, the time to put together a personal protection plan is now. In this issue of Identifier, there's information on getting your affairs in order, choosing the right type of life insurance, consolidating your debts with a smart mortgage, reducing your risk of heart disease, and reviewing your investments in these testing times.

Lodestone – Caglan Bagci



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

If you were to lose capacity 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'.

Your 'property EPA' allows an appointed individual or corporate trustee to manage your property assets should you become incapacitated. Similarly, your 'personal care and welfare EPA' allows an appointed individual to be responsible for non-property matters, e.g. rest home or hospital care, or choices 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 may take over 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.



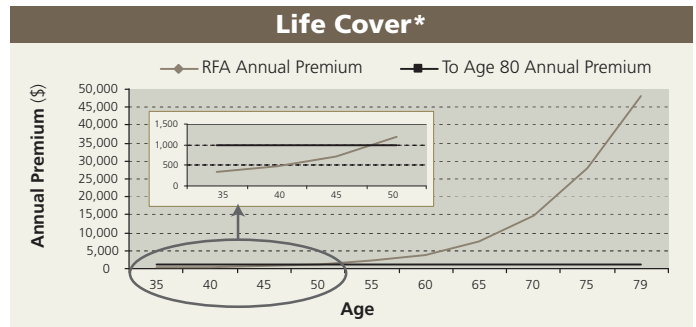
For more information visit:
www.publictrust.co.nz



Level Premiums – certainty and long-term affordability

If you're looking for a simpler life insurance solution, you may wish to consider a level premium policy.

With this type of policy, the premiums don't change as you get older, and increase only if you decide to extend your cover or choose to protect the sum assured against inflation – great for anyone who wants the certainty of knowing exactly how much their premiums will be, year on year.



A level premium policy is more expensive than the regular 'rate for age' protection in the early years of the policy, but costs less in the later years. The total cost of the policy is considerably reduced.

Another advantage with a level premium policy is that you are required to undergo one health check only, at the policy's inception.

To find out more about this policy option, talk to us today.

Premium Waiver – because every little bit helps

What would happen if you were unable to work due to an illness or injury leaving you partially or totally disabled? Could you still pay the bills and support your family?

You may already have chosen to take out life insurance and other forms of insurance, to protect you from the unexpected.

But does your cover include a premium waiver? Most insurance companies offer this additional cover, which removes the burden of paying premiums or contributions should you be unable to work.

The length of cover varies and a 'waiting period' usually applies – you can select your preferred timeframe at the point of purchase. So, for example, if you choose an eight-week waiting period your premium waiver would not take effect until eight weeks after you became disabled, providing your claim has been submitted and approved. Age eligibility and occupational status also impact on the cover available to you; some high-risk occupations are uninsurable.

Call us today for more information on this excellent option, which gives you a little extra in your pocket, at a time when you need it most.



Heart disease – what's the risk to you?

The three biggest risk factors for cardiovascular disease are high blood pressure, smoking and raised cholesterol – and your chances of a heart attack or stroke greatly increase with each additional risk factor.

So if, for example, you have high blood pressure, you smoke and have a family history of coronary heart disease, you'll be at much higher risk than someone with none of those factors

– and that will mean you paying higher health insurance premiums.

Most heart attacks and strokes are caused by a blood clot blocking off an already narrow vein or artery. So what can you do to cut your risk?

Stop smoking. While it's easier said than done, this will halve the risk of you suffering a heart attack or stroke.



Feeling the squeeze? ...then make your mortgage work smarter for you!

Like most New Zealanders, you may be feeling the pinch of record-high fuel prices, rising food costs and high mortgage rates. And, like many, you may be wondering how to manage these spiralling costs, and minimise the impact on your lifestyle and long-term financial goals.

The good news is there's something you can do to put yourself back in the driver's seat. It's time to make your mortgage work smarter for you!

Your mortgage is a powerful tool for managing your finances, and a professional mortgage broker can help you make a few simple changes that could go a long way to 'easing the squeeze'.

Refinance to ease the burden

There are a number of refinancing options available to help you manage your budget through the tough times. The most obvious of these is to extend the term of your loan, and so reduce your monthly repayments, giving you some valuable breathing space. When economic pressures ease, you can, of course, reconsider your commitments. So why not talk to a professional adviser about adjusting your mortgage repayments to a more appropriate level?

Consolidate your debts

If you're struggling to meet your home loan, credit card, hire purchase or other financial commitments, you need a home loan that can consolidate these debts and minimise your monthly outgoings. Why continue to pay higher interest on your credit card and other repayments?

One of the best ways to manage your mortgage is to have some or all of your loan on a floating rate in a revolving credit type mortgage. While these mortgages are at a marginally higher interest rate, you have the flexibility to make extra repayments when you can and, more importantly, to have your salary paid directly into the account to reduce the loan. By using the account for all your day-to-day banking transactions, the amount of interest accruing is substantially reduced.

If you use your credit card for all your everyday purchases, you can keep your account balance lower for even longer.

In choosing a mortgage that suits you, it's important to remember that it's not the rate you pay, but the rate you pay off your mortgage that matters.

Talk to your mortgage broker today about making your mortgage work smarter for you.

Exercise for half an hour 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 can 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, get your GP to assess your cardiac risk.

Remember, cardiovascular disease is preventable. Working out your risk factors and taking action now could stop you from having a heart attack or stroke – and you'll also have a better quality of life.

Source: The National Heart Foundation, www.nhf.org.nz

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Patience can be a virtue in volatile times

This is one of those years that tests our resolve. Markets have been volatile, with some of the largest daily and weekly share-price movements for some years. Fixed-interest investments have also been undergoing some dramatic and mostly unpleasant changes as a result of finance company failures and what is known as the 'sub-prime crisis' in the United States.

Investors who have been around for a while will have been through similar times before. They will know that markets do recover and, with them, diversified investment portfolios. The graph below puts previous share-market dips into perspective showing how the market invariably recovers.

Analysis of the 10 sharpest monthly declines in the MSCI (the world share-market index) over the last 20 years shows that, apart from the 2001/2 period, the world share markets have made substantial gains in the 12 months immediately following a major fall.

Near full employment in most developed countries, and high commodity prices driven in large part by the large and emerging economies, provide some commentators with confidence that markets will recover. Those who have the resolve and the patience to weather these 'economic storms' could end up being rewarded in the long run.

"As a wise man once said: 'In times of uncertainty, value passes from the impatient to the patient'".



The information contained in this publication is general in nature. It may not be relevant to individual circumstances. Before making any investment, insurance or financial planning decision, you should consult a professional adviser. Copies of our disclosure documents are available on request, free of charge.

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