

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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Jeff's Comments



Jeff Tobin CLU; ANZIIF (Snr Assoc)

\$360, in Australia it is \$1,000 and in Britain it is \$3,000 i Source: HFA

Often people who are introduced to me in a social environment ask me what I do, saying I am an insurance consultant or Financial adviser sounded pretty mundane to me so it made me think what do I do?

My reply now goes like this" If people didn't get sick or injured, die, borrow money, have families , get into a business, retire one day I wouldn't do anything, but as people do end up in these situations sooner or later, my job is to help them plan financially for these type of eventualities" So the next time someone asks you what you do for a job how will you reply?

Medical insurance premiums are on the rise again throughout the medical insurance sector. Costs in the medical sector are rising much faster than in other sectors of the economy. This is particularly true of hospital charges. Medical costs have outstripped the CPI for many years. When new medical technology becomes available, people naturally want to make use of it. This can significantly affect the expected costs of treatment.

In New Zealand health insurance premiums are comparatively still much cheaper than those in the U.S., Australia or Britain. The average premium in New Zealand is

Excesses are a good way to help control premium especially as we get older. Having a Hospital only cover is better value than having a GP cover which is expensive and involves the old dollar swapping exercise which will cost you more.

Having your own health cover ensures early access to healthcare when the public system doesn't deliver. Health insurance provides people with an alternative way of paying for treatment so that they can access private services and advice when they need it. This gives certainty of access, payment of your health care costs and insurability against future health conditions that may raise rates.

Feel free to call me to discuss your health insurance needs anytime,.

Want to get a better Mortgage Deal?

Who Doesn't!

If you are considering a new mortgage, refinancing an existing mortgage or just want some good qualified advice on the subject call me as our independent mortgage expert Baden Gray is available to you to discuss your mortgage needs. Baden has many years experience in this field and can make the job of finding the best deal for you much easier than on your own. We have recently pleasantly surprised a number of my clients with what competitive offers and good advice Baden

You know it's 2003 when...

- ❖ Your reason for not staying in touch with friends is they don't have an email address.
- ❖ You have a list of 15 phone numbers to reach your family of three.
- ❖ You email your buddy who works at the next desk to you.
- ❖ You've sat at the same desk for four years but worked for three different companies.
- ❖ Your current employer's sign is attached with Velcro.
- ❖ You carry your CV on a floppy disc in your pocket.

Definition Of Wealth.....

Wealth is defined as the number of days you can survive without working (or anyone else in your household) and still maintain your standard of living.

How do you do this if you lose your income?

CALL ME TO DISCUSS WAYS OF PROTECTING YOUR INCOME AND/OR CREATING WEALTH, INCLUDING ESTATE CONSERVATION!

Who is Promina?

- **Promina is the worlds biggest IPO (initial public offering) this year dual listing in the New Zealand and Australian stock exchanges on 12 May 03**
- **It comprises a number of companies well known to you such as Royal and Sun Alliance General Insurance, Royal and Sun Alliance Life and Disability Insurance, AA insurance and Guardian Assurance.**
- **It is a member of the NZSE50. Capitalisation \$2,465,287,256.**
- **Raised \$2.1 billion for the UK parent and paid UK parent off in full. UK parent disposed of its holdings.**
- **New Zealand retail investors paid \$1.90 per share. Price at close of trading on the NZSE on Tuesday 20 May- \$2.33**
- **Trans-Tasman revenue to 31 December 2002 was more than \$A2.5 billion.**
- **Promina insures more than 2 million cars and almost 1 million homes and has over 6,000 staff. It is New Zealand's biggest combined general and life insurer.**
- **The list price reflects an estimated price earning ratio of 10:1.**

The Promina listing is viewed as successful for the Royal and Sun Alliance Group and is well supported in the market.

Who is VERO?

After September the 1st Royal and Sun Alliance General insurance will be known as Vero. This is the Latin word meaning Certain, Assured and Truth.

Who is ASTERON?

After 1 July Royal and Sun Alliance Life & Disability will be known as Asteron. Asteron is a word coined from astron, the Greek word for star. The star theme was chosen for its reference to distinction, excellence and navigation (this is what the marketing people have come up with).

These name changes for Royal and Sun Alliance will not affect our relationship with the insurers or you the client in any way. You can be assured there will be no changes to your policies. Policy numbers, telephone numbers and staff remain the same, it is business as usual.

LAWSAFE A new Product Available to you at a heavily discounted price

Lawsafe is a legal defence insurance policy, which provides emergency legal advice at anytime, day or night, and meets your ongoing legal costs if you are wrongly sued or charged.

Legal defence is very expensive anywhere from \$200 to \$650 an hour in legal fees over many months to defend yourself or your family against unjustified claim or charge, and when you win you don't get your money back. Legal Aid is not available unless you have minimal income and non disposable assets. Legal Aid is usually a loan which you will have to repay later.

Lawsafe covers defence costs for workplace accusations, theft fraud, harassment, Personal Liability at home, at work, on the road, at parties, hunting!, disputes with tradesmen, car dealers, buying and selling your home, criminal prosecutions, zealous council bureaucrats etc.

Discounted annual premiums to Tobin Financial services clients are \$250 for a family (includes children normally at home) \$175 per couple, \$150 per individual inclusive of GST. No excess. For further information please refer to the brochure enclosed or call Jeff today for more information and the special discounted premium through Tobin Financial Services.

Jeff's Investment Tips Page

A Perspective on Global Markets

After one of the biggest booms in history, global gross domestic product GDP growth has suffered a sharp slowdown in the past two years and the mood in markets has swung from extremes of euphoria to deep depression.

The last three years have seen an unprecedented series of crisis: the bursting of the technology bubble, the September 11 2001 terrorist attacks, accounting and financial market scandals in early 2002, the Bali bombing, labour difficulties in Venezuela placing pressure on oil prices, the US led war with Iraq, rising tensions in North Korea, and the growing SARS crisis have all conspired to depress markets around the world. Having suffered three consecutive years of negative returns in the US and Europe, investors are questioning the future of equities.

In times like these, its worthwhile considering lessons learnt from the past. There have been three other occasions when markets have been down for more than two consecutive years: the Great Depression (1929-1932), World War Two (1939-1945), and the Oil Crisis (1973-1974). The following table and what would have happened to an initial \$10,000 investment if one of three different strategies had been implemented at the point the market reached the bottom.

	The Great Depression	World War II	Oil Crisis
Initial Investment (before the market crash)	\$10,000	\$10,000	\$10,000
Date of bottom of market	1 June 1932	28 April 1942	3 October 1974
Did nothing at the bottom (i.e held investment)	Recovered Investment in 52 months	Recovered investment in 9 months	Recovered investment in 20 months
Invested an additional \$10,000 at the bottom	Recovered investment in 3 months	Recovered investment in 4 months	Recovered investment in 5 months
Sold out at the bottom	Realised a 78% loss (-\$7,800)	Realised a 64% loss (-\$3,100)	Realised a 44% loss (-\$4,400)
Market Recovery 1 year after the bottom	+ 137.6%	+ 64.3%	+ 44.4%

The key lesson from history is that investors who, at the least, stayed invested, eventually recovered their investment. Those who invested more recovered their investment more quickly.

This is also true for investors who kept on regularly drip feeding or saving regularly. The units bought at a cheaper price when the markets were down will quickly add value to the portfolio as the market recovers and unit prices increase.

Looking ahead.

For the last 3 months equities have performed exceptionally well and investors will see their portfolio values have increased substantially. One market commentator has been quoted as saying we are now in a bull run. I'm not sure about that, but those of you who have held your investments like me are now being rewarded for our patience. It is time, not timing that will bring home the bacon.

Claims Corner -A 44 year old Heart Attack Victim shares his story

Mark (his real name) woke on the morning of 3 December 2002 gasping for air, with major pains in his neck and pain below his rib cage. He had a drink of water and the pain subsided. Off to work he went. By the time Mark got home he was feeling a bit off colour, he went to bed that night and felt as if he had heart burn or indigestion. The next morning Mark awoke with the same pain as he woke with the morning before and this time the water didn't make the pain go away. However, Mark still went to work.

A doctors appointment was made for 1.00pm. Around 11.00am that morning the air conditioning at Mark's work broke down which made his symptoms worse. The doctor's initial diagnosis was a gastro infection or indigestion, but decided to have Mark undergo a blood test. Mark then returned to work, not leaving until 5.00pm to make the drive across Auckland to get home at 6.00pm.

The message waiting for Mark on his answerphone from the Doctor was " Get immediate transport to hospital your tests show you have had a Heart Attack" One of the tests Mark had showed the Troponin levels indicated the death of tissue in Mark's Heart.

Mark was admitted to North Shore hospital after a 2 hour processing. Mark was closely monitored for the next few hours. Fortunately Marks condition stabilised enough that he could be admitted to Greenlane hospital for a balloon and Stent angioplasty the following Friday. What became apparent was that the arteries on the right side of Mark's heart were 95% blocked by cholesterol. A few days after the successful angioplasty, Mark was allowed home, a week after being admitted to North Shore hospital.

Mark says "When you are lying in a hospital bed and you are told there is something majorly wrong with you- life threatening, the last thing you need to be worried about is financial problems and how the bills are going to be paid if you become critically ill-or die."

Mark says "I knew the insurance policies we put in place a few years earlier would look after the family to the extent that I did not have to worry. That took away a lot of the stress that causes post-heart attack problems."

Mark is married and has three dependant teenage children. At the age of 44 there is still a lot of income earning potential that he and his family are relying on. Mark was off work for eight weeks. While off work Mark lost the concept of time and looks at life differently now. He fits more quality time into his life both for the family and for himself.

Mark attended rehabilitation classes at Waitakere hospital for six consecutive weeks, every Monday afternoon for two hours. At these classes subjects such as diet, medication, exercise, psychological aspects as well as other aspects of your life are discussed. At these rehabilitation classes most of the people stated financial problems were their biggest obstacle to making a full and/or timely recovery. Many had only debt to look forward to as some could not go back to work because of their illness.

Mark's heart drugs now cost an additional \$70 per month and will cost more as he gets older. This cost will be with him for life. Mark says "The prospect of paying for additional medication was initially very worrying. I lost two months wages, the heart attack happened right on Xmas holidays with extra costs of Xmas and holidays, it would have caused a lot of stress on my marriage, but I didn't have to worry- that is the difference."

Mark's AXA Trauma insurance and Income Protection insurance have effectively removed any financial worries he and his family might otherwise have had. With his lump sum Trauma payout and an additional income protection benefit paid for 18 weeks, Mark's future is looking healthy.

Thank you Mark for sharing your story with me and the best of health to you for a bright future.
The next Tobin Tribune will share the story of a client who lost a house by fire.

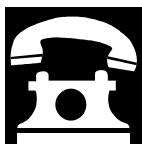
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When calling us please leave a message with our answer service or if you prefer try the mobile number. We will return your call just as soon as possible.

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.

