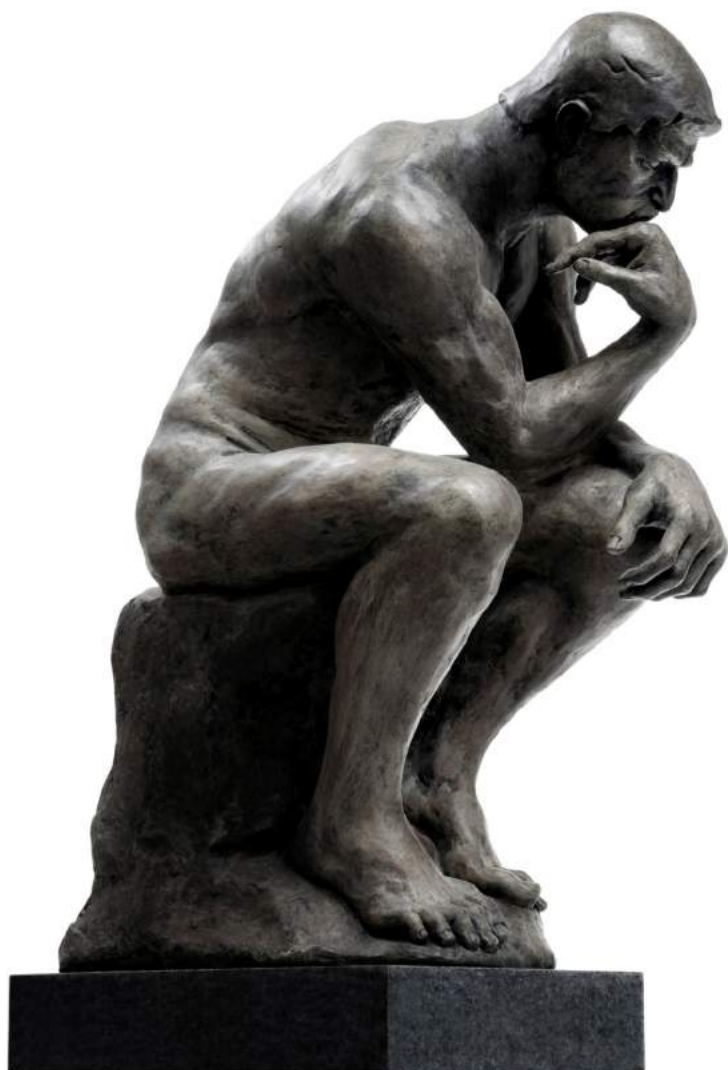


TIME TO THINK

CONTEMPLATION - AMUSEMENT - STIMULUS



HOW MUCH WILL YOU EARN DURING YOUR LIFETIME?

Most people earn a small fortune during their lifetime. Yet many of them are unaware of how their annual income adds up over the years.

Assuming that you start work at age 20 and retire at 65 you are likely to earn somewhere between **\$6 million** and **\$9 million** in your working career! As a married couple your combined earnings could be as high as \$12 million to \$15 million.

You can work out how much this could be for you at:

<https://www.calcxml.com/do/ins07>

If you have a bachelor's degree you will earn about three times as much money than an individual who dropped out of high school, and a bit under twice what a high school graduate might earn. Interestingly, a master's degree doesn't provide that much of a lifetime earnings premium over a basic bachelor's degree, nor does a PhD deliver much additional income over a master's degree.



Since 2011, 185 million 10c coins and 196 million 20c coins have been minted in NZ

TIME TO THINK WORDSEARCH

K	T	O	C	L	G	Y	C	N	A	D	N	U	D	E	R	T
I	N	C	O	M	E	P	R	O	T	E	C	T	I	O	N	T
W	A	K	O	S	N	V	O	W	L	B	E	N	D	E	G	A
I	B	D	E	V	S	T	E	R	M	T	A	O	M	N	N	N
S	T	E	L	Y	E	E	O	L	U	L	W	Y	T	O	E	O
A	R	P	A	M	R	R	C	R	P	I	A	E	Y	I	U	I
V	A	P	I	U	E	I	P	X	L	P	G	T	C	T	L	T
E	U	E	C	I	V	D	A	L	E	D	I	E	I	C	A	A
R	M	T	N	M	O	P	N	R	U	N	S	S	L	E	V	P
U	A	S	A	E	C	T	E	B	M	S	R	T	O	T	D	U
L	G	A	N	R	L	G	N	E	R	C	E	S	P	O	E	C
U	N	E	I	P	A	C	D	O	N	I	S	X	U	R	E	C
M	I	L	F	G	C	N	T	O	F	F	S	E	T	P	R	O
P	D	A	T	L	I	F	E	N	A	D	V	K	I	R	G	N
S	A	R	S	E	D	G	N	I	E	B	L	L	E	W	A	W
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M	L	M	U	I	M	E	R	P	F	O	R	E	V	I	A	W

ACC
ADVICE
AGREED VALUE
BUDGET
COVER PLUS EXTRA
DEBT
EXCESS
FINANCIAL
INCOME PROTECTION
INDEMNITY
KIWISAVER
LEVEL

LIFE
LOADING
LUMP SUM
MEDICAL COVER
MORTGAGE REPAYMENT
OFFSET
OWN OCCUPATION
PEACE OF MIND
PLAN
POLICY
PREMIUM
PROTECTION

REDUNDANCY
RISK
STEPPED
TERM
TESTS
TPD
TRAUMA
WAIVER OF PREMIUM
WELLBEING
WILL

Find the words in the grid, the letters not used will spell out some words of wisdom!

WHY USE AN INSURANCE ADVISOR?

In order of importance, these are the things that matter to people considering insurance: Cost - Ease - Speed - Peace of mind that everything is covered

Cost - Contrary to popular belief almost all of the packages and prices configured with the help of an experienced advisor are actually better than direct insurance pricing. Advisors are professionally trained to choose the right policy for their customers, and not to under insure, therefore avoiding unnecessary claims while maintaining the correct premium income.

Ease - Many people have the impression that buying policies on-line is the easiest option. Direct consultation with an advisor provides a significantly more pro-active relationship. Advisors answer queries face-to-face, by personal email or phone and help to reassure customers with a human service. Furthermore, most direct services completely fall down when queries or changes are required that were less common, particularly later in the policy life cycle. Advisors really shine here!

Speed - There is little difference between online and advisor speed. The direct services often fall back to large call centres whose staff have little or no real insurance knowledge. In this area advisors are more efficient, making highly useful suggestions and saving lots of time. Advisors generally manage policies throughout the policy life cycle.

Peace of mind that everything is covered - Advisors are far more efficient at cross checking policies than consumers, also very good at educating their customers, explaining what types of cover are available and answering queries. Direct processes put too much responsibility on the consumer to do this work themselves and cannot compete with the level of service provided by advisors.

Overall, advisors are far better trained and equipped to deal with specific insurance questions and used to a human discussion, give people a stronger feeling that they are in safe hands.



TRIVIA

American Airlines decided to omit one olive from each salad course in the first class. As a result, they made a savings of \$40,000.

Basil Brush's bushy tail was insured for \$1,600,000.

In the early 1990s a South African soap manufacturer insured Princess Diana for the \$60,000. The insurance covered an eight-week advertising campaign featuring a Princess Diana look-alike. The thinking behind the policy was that if anything were to happen to the real royal; the adverts would have to be shelved and the investment lost.



The electric chair was invented by a dentist.

More than 90% of cab drivers in New York are immigrants from other countries.

Philip Morris, the first owner of the Marlboro brand, died of lung cancer.

Comedian Rich Hall insured himself against a "permanent loss of humour", for \$1,600,000.

Kids in North America spend an average of about half a billion dollars annually on chewing gum.

Nicola Jones insured herself against becoming ugly, as determined by 10 random independent building workers.

A Tupperware party starts somewhere in the world every 23 seconds.

British Comedian Ken Dodd insured his teeth for \$6,000,000.

"Lord of the Dance" Michael Flatley insured his legs for \$40 million.

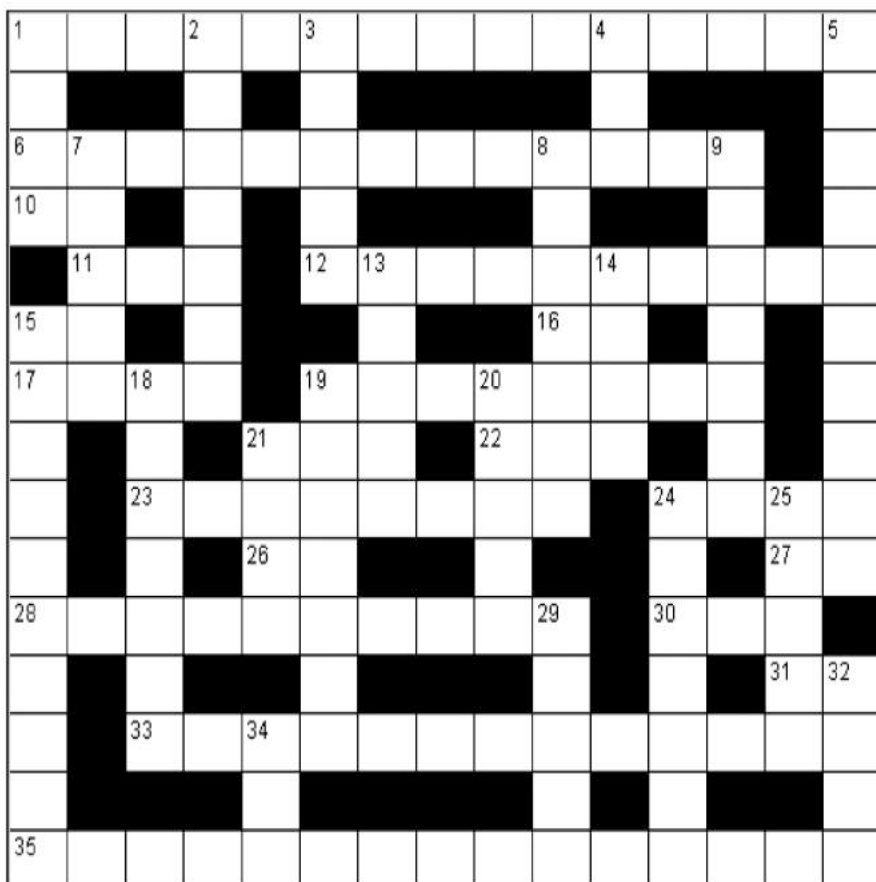
On average, women smile about 62 times a day compared to men who smile only 8 times a day.

The average human produces 25,000 quarts of saliva (spit) in a lifetime. That is enough saliva to fill 2 swimming pools!

More people use blue toothbrushes than red ones.

The very first car to be insured was covered under a maritime insurance policy issued by Lloyds of London. The vehicle was deemed to be a ship navigating on dry land.

TIME TO THINK CHALLENGER CRYPTIC CROSSWORD



This is a toughie! For those who enjoy a challenge, this one will call on all of your intellectual resources! When you crack it, call your adviser and they will have a reward for you – a prize that will acknowledge your cerebral achievement!



*Arthur Wynne, a journalist from Liverpool,
created the first known published crossword puzzle in December 21, 1913*

ACROSS

- 1 H (6,2,7)
6 GGSE (9,4)
10 Santa's greeting only 33.33% effective (2)
11 It's frightening once Wellington's last departs (3)
12 Always found in Tiffany's (10)
15 Sounds like either is held in admiration (2)
16 Small computer brain at the entrance to the airport (2)
17 Back to back articles about leavened bread (4)
19 One of the following? (8)
21 East Indies herb obtained from an opiate (3)
22 No phosphorus in pale beer (3)
23 (8)
24 Plastic wine (4)
26 Heading north, a short turn to the east (2)
27 Power one hundred (2)
28 O (4,6)
30 The write stuff (3)
31 The alien amongst the settlers (2)
33 E (13)
35 Ankoolger (4,4,2,5)

DOWN

- 1 Amunsden's forwarding address (4)
2 Military man has nothing to put into the magic Puff (7)
3 Mosander's Er_2O_3 (5)
4 Headpiece made of twigs (3)
5 Vain like Gregory? (10)
7 Venomous business support (5)
8 Requires salient disorder (7)
9 Press up, tumble and get meals (7)
13 By the sounds of it a small bottle was found in the toolbox (5)
14 Endless tripe is fresh (5)
15 Honestly, not stepped (2,3,5)
18 Recesses from arranging vocal directions (7)
19 Resisted mixed weight loss participants (7)
20 Actors given direction form a social group (5)
21 Do one of these after you knit one (4)
24 You end up in France by throwing gin in Stratford's river (7)
25 Removes diced steak (5)
29 Cue groomer (5)
32 Confused rodents in Moscow (4)
34 Pen essential found evenly in limbo (3)

LIFE STORY

The first company to offer life insurance was the Amicable Society for a Perpetual Assurance Office, founded in London in 1706 by William Talbot and Sir Thomas Allen.

The first plan of life insurance was that each member paid a fixed annual payment. At the end of the year a portion of the "amicable contribution" was divided among the wives and children of deceased members in proportion to the amount of shares the heirs owned.

The first life table was written by Edmund Halley in 1693, but it was only in the 1750s that the necessary mathematical and statistical tools were in place for the development of modern life insurance. James Dodson, a mathematician and actuary, tried to establish a new company that issued premiums aimed at correctly offsetting the risks of long term life assurance policies, after being refused admission to the Amicable Life Assurance Society because of his advanced age.

His disciple, Edward Rowe Mores was finally able to establish the Society for Equitable Assurances on Lives and Survivorship in 1762. It was the world's first mutual insurer and it pioneered age based premiums based on mortality rate laying the framework for scientific insurance practice and development and the basis of modern life assurance upon which all life assurance schemes were subsequently based.



Edmund Halley

NOT FEELING WELL?

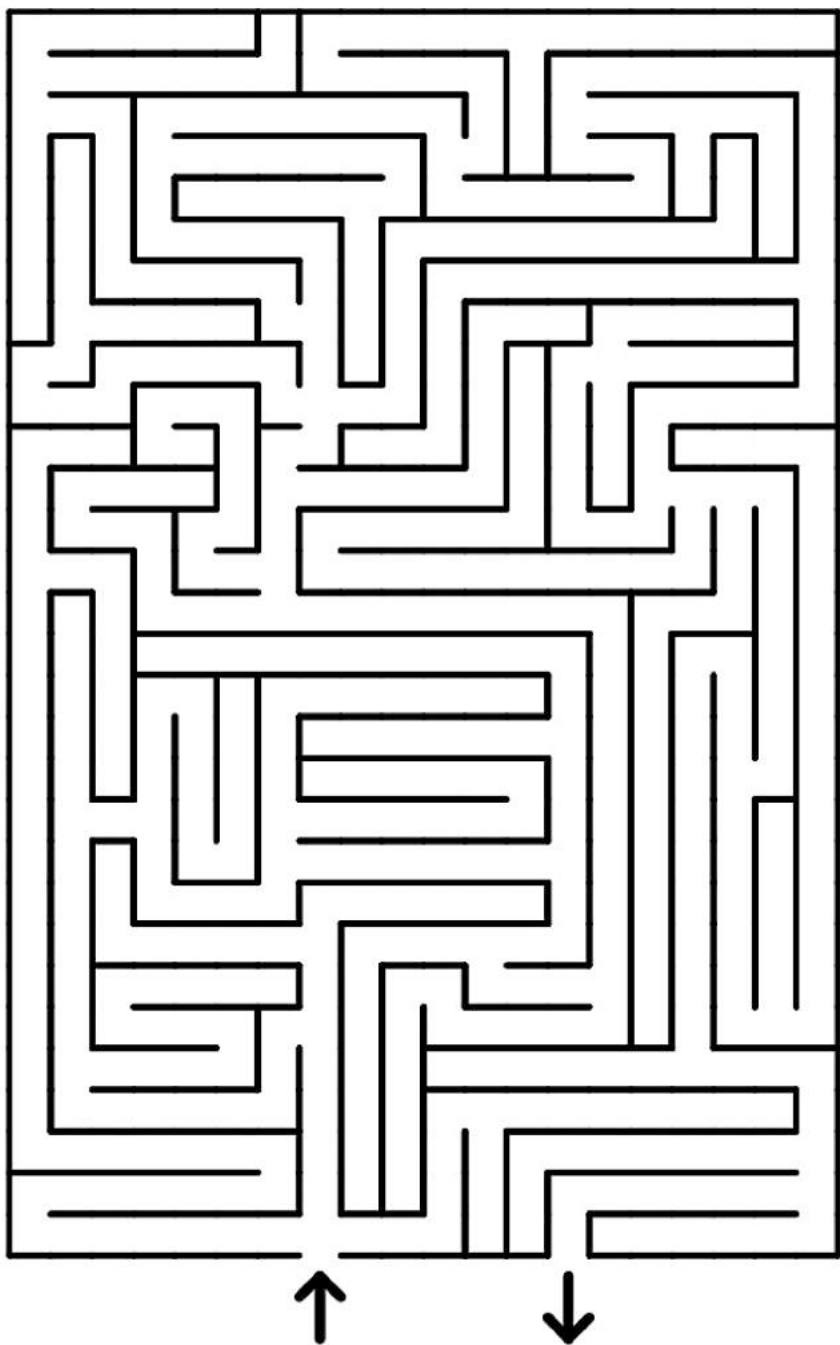


The leading cause of death for men in NZ is heart disease, followed by stroke, chronic lower respiratory diseases and lung cancer. The causes of death are in the same order for women, but the rate of heart disease among men is almost twice that of women. Death rates are considerably higher for Maori than non-Maori. Both transport accidents and suicide are significant causes of death among men, especially younger men. The male rate for these is almost three times the rate for women. Prostate cancer, an exclusively male condition, is the seventh most significant cause of men's death - a rate similar to breast cancer among women.

The major causes of sickness in NZ men mirror the leading causes of death, with the addition of mental health problems. Depression is the leading cause of mental ill-health in NZ men. As the population ages, various forms of dementia are likely to become more common. Your health is precious. If you fall sick and can't work you will need money to pay the bills. Insurance can help you make ends meet if you are unable to earn your normal income. There are many types of health-related policies such as:

- **Medical Insurance**, which covers private hospital care and specialist and test cover.
- **Trauma Insurance** (also called Critical Illness), which provides a lump sum if you are diagnosed with certain illnesses such as cancer, stroke, heart attack etc.
- **Income Protection Insurance** pays a percentage of your income on an on-going basis if you cannot work due to illness.
- **Disability Insurance**, which pays out a lump sum for permanent disablement through sickness or accident.
- **Mortgage Protection Insurance** to cover your mortgage if you can't work.

TIME TO THINK MAZE



STEPPED VS LEVEL PREMIUMS

Understanding stepped and level premiums is vital to determine just how much money you'll pay over time on your insurance policy.

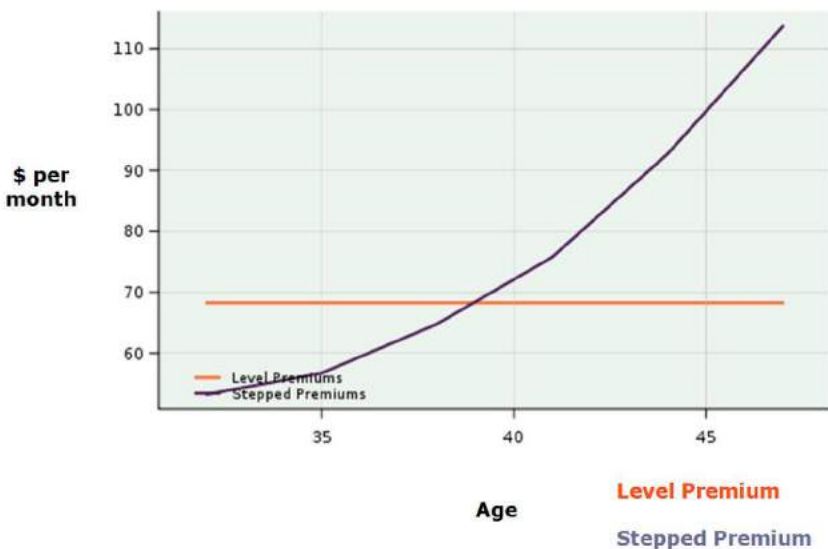
Stepped premiums

Stepped premiums are the most common way to pay insurance premiums. They're calculated on your age, with premiums generally increasing with your age. Premiums are typically higher the older you get, since you're considered more likely to fall ill or be seriously injured. Stepped premiums are recalculated annually at the policy anniversary. Although they are less expensive at the beginning, they will rise substantially the older you get.

Level premiums

With level premiums, you pay more in the beginning, but the premium costs average out over time so that you can end up saving money. Usually a level premium remains constant until the age of 65. Apart from the savings over the life of the policy, level premiums offer security – you know in advance what your premiums will be so you can guarantee you can afford it in the future. The premium doesn't increase annually and remains the same till the policy ends (except for modest yearly increases relating to inflation)

The savings with level premiums can be substantial:



Insurance surveys suggests only 20% of New Zealanders have income protection insurance compared with 95% who have their car and home covered

TIME TO THINK HUMOUR

What's the difference between a life insurance underwriter and a Mafia underwriter? A life insurance underwriter can predict how many people will die this year; a Mafia underwriter can name them.

A client calls up his insurance agent and tells him he needs to file a claim. The agent says "Tell me what happened?" The client tells him and the agent says "I'm sorry but that's not covered." The client says "well, let me explain better what happened." The agent says "I'm sorry but that's not covered either." The client says "I'll tell you what, you tell me what's covered and I'll tell you how it happened!"

Three guys are fishing in the Caribbean. One guy says, "I had a terrible fire; lost everything. Now the insurance company is paying for everything and that's why I'm here." The second guy says, "I had a terrible explosion; lost everything. Now the insurance company is paying for everything and that's why I'm here." The third guy says, "What a coincidence. I had a terrible flood; lost everything. Now the insurance company is paying for everything and that's why I'm here." The other guys turned to him with confusion and asked, "Flood? How do you start a flood?"

Jack Jones was assigned to the Army induction centre, where he advised new recruits about their government benefits, especially their military insurance. It wasn't long before his boss noticed that Jones had almost a 100% record for insurance sales, which had never happened before. Rather than ask about this, he stood in the back of the room and listened to Jones's sales pitch. Jones explained the basics of the military insurance to the new recruits and then said: "If you have military Insurance and go into battle and are killed, the government has to pay \$200,000 to your beneficiaries. If you don't have military insurance, and you go into battle and get killed, the government only has to pay a maximum of \$6,000." "Now," he concluded, "which bunch do you think they are going to send into battle first?"

Steve's barn burned down. Julie, his wife, called the insurance company and said, "We had that barn insured for fifty thousand and I want my money." "Whoa there, just a minute, Julie, it doesn't work like that. We will assess the value of the building and provide you with a new one of comparable worth." the agent replied. Julie, after a pause, said, "Well, in that case, I'd like to cancel the policy on my husband."



"No, sir, I'm afraid you can't collect on your fire insurance just because you got fired..."

TIME TO THINK SUDOKU

Fill the grid so that every row, every column and every 3 x 3 box contains the letters
C O V E R P L U S

				P			E	
			C					
U	R				O			
	L			V			S	E
			E		L	O	V	R
	O			R			U	L
O	U				S			
			L					
				U			C	

ACC CoverPlus Extra is an optional product that lets self-employed people and non PAYE shareholder employees negotiate a pre-agreed level of lost earnings compensation. This way you know exactly how much you'll receive each week if you are injured and can't work – whether the injury is work-related or not. Talk to your adviser about this option and how it should be combined with some income protection insurance. If you choose ACC CoverPlus Extra, this will replace your standard ACC CoverPlus product.

WAYS TO REDUCE YOUR RISK OF HEART DISEASE AND STROKE

- Ride your bike 20 minutes a day.
- Eat a piece of dark chocolate several times a week.
- Have a beer once a day.
- Take a B vitamin complex every morning.
- If you snore, make an appointment with your doctor.
- Go to bed an hour earlier tonight.
- Eat fish at least once a week.
- Eat a high-fibre breakfast cereal at least four times a week.
- Sprinkle one ounce of ground flaxseed on your cereal or yoghurt every day.
- Make fresh salad dressing with one tablespoon of flaxseed oil.
- Drink at least two cups of tea a day.
- Stir a handful of hazelnuts into a vegetable and chicken stir-fry
- Include beans or peas in four of your dishes every week.
- Take a baby aspirin every day.
- Eat 15 cherries a day.
- Eat one cup of beans per day.
- Eat an orange every day.
- Skip the soda and have orange juice instead.
- Drink an 8-ounce glass of water every two hours.
- Cook with ginger or turmeric twice a week.
- Go to the loo whenever you feel the urge.
- Ask for next Monday and Friday off.
- Drive with the windows closed and the air conditioning on.
- Use multivitamins

Disclaimer:
Please consult a medical
professional before
undertaking any advice given
on this page.



WHAT TO DO WHEN YOU FEEL UNPRODUCTIVE

Feeling stuck and unproductive is natural and it can be caused by overwork, lack of momentum, a bad mood, a success block, the weather and/or dozens of other factors.

1. Play the Check-In game. Call a friend/colleague and say, "I'm stuck/unproductive. Can I check in with you every hour for a couple of hours until I get cranking again?" This really works! And, your friend may want to play along too! Just share what you want to get done, specifically, between now and the next time you call in. Your friend would listen and accept what you're saying or ask you to increase/decrease the goal for the hour. In either case, keep the check in call to be less than 5 minutes.

2. Take a walk, go to the gym, go running, move your body. Increasing your body's metabolism also loosens up your mind and spirit, resulting in a greater energy flow. It's that simple.

3. Take a nap. Sometimes, your mind needs a break to work through an idea or block. Take a 1-3 hour nap and see if that helps.

4. Turn up the music. Use music as a prompter, especially when you're feeling draggy or alone. Rap, disco, instrumentals work well. And when you're really stuck, Frank Sinatra might do the trick.

5. Eat/drink something that you will respond to emotionally or physically. If you're REALLY stuck, have a couple of cups of coffee - caffeine is a great unblocker.

6. Completely clean up your work space. It's said that "stuff" around you that's not in its place, can be a drain of energy. When you get stuck, one of the first things you can do is take 10 minutes and put things in piles or file stuff away or clear your immediate work area so that there's less stuff dragging you down.

7. Work on another task or project. Don't be too willing to push yourself through a project that you're just not in the mood to work on. Find a project/idea that you DO want to work on and your productivity will pick right up!

8. Have a schedule/routine. A routine provides momentum and momentum will keep you from getting stuck. So, schedule in an hour or three of dedicated work between appointments, calls & meetings.

9. Play the reward game. This may not be spiritually healthy, but give yourself rewards when you finish a tough project. Like a vacation, a trip, a shirt, a massage, etc. Hey, whatever works!



TIME TO THINK TONGUE TWISTERS

Now that you've had time to give your eyes and brain a work-out, how about trying some of these delightful phrases – you're doing really well if you can say them more than three times without making a mistake!

Peggy Babcock

A big bug bit a bold bald bear and the bold bald bear bled blood badly

Does this shop stock short sport socks with spots?

Tim, the thin twin tinsmith

Brisk brave brigadiers brandished broad bright blades, blunderbusses, and bludgeons

How can a clam cram in a clean cream can?

Blue glue gun, green glue gun

Sheena leads, Sheila needs

Wayne went to Wales to watch walruses

Black background, brown background

I wish to wash my Irish wristwatch

A quick-witted cricket critic

Willy's real rear wheel

Wasps Nests

Stupid superstition!

Six thick thistle sticks

She sees cheese

Knapsack strap

Shine my city shoes!



"Wayne went to Wales to watch walruses"

TIME TO THINK COLOURING-IN

Colouring-in books for adults have become the latest trend, and unlike some fads, this one is actually really good for you. According to clinical psychologist Ben Michaelis, colouring is a stress-free activity that relaxes the amygdala — the fear centre of the brain — and allows your mind to get the rest it needs. Enjoy bringing this image to life.



THE BASICS OF GOAL SETTING

- **Set specific goals in terms that can be measured.** Specific goals are more effective in improving performance than are general “do your best” goals or no goals at all. An effective goal clearly indicates what a person needs to do to accomplish it.
- **Set difficult but realistic goals.** Difficult or challenging goals produce better performance than moderate or easy goals. The higher the goal, the higher the performance, as long as the goal does not exceed what the person is capable of doing.
- **Set short-term as well as long-range goals.** Breaking down any long-term goals into smaller more attainable goals helps to promote achievement and success.
- **Express goals in positive rather than negative terms.** It’s best to set goals positively (e.g., number of sales made) rather than negatively (e.g., number of mistakes reduced).
- **Set goals for both preparation and the event.** Setting goals for preparation is just as important as it is for the actual event.
- **Identify specific goal achievement strategies.** One of the main reasons why goals are not accomplished is that people fail to map-out and commit themselves to goal achievement strategies.
- **Record goals, achievement strategies, and target dates for attaining goals.** Once specific goals have been set, achievement strategies have been decided upon, and target dates for goal attainment have been established, these should be written down so they can be referred to frequently.
- **Set up a performance feedback or goal evaluation system.** Research indicates that performance feedback is absolutely necessary if goals are to enhance performance.
- **Goals should not be “set in stone.”** Goals should be made to be revised, and they should be used as a guide.



Olympos Xylofagou striker Panagiotis Pontikos banged in 16 goals against SEK Ayios Athanasios FC to help his side win 24-3 in Cypriot third division game on May 7, 2007.

TRUE STORIES

Like many people these days, Robert Carmichael is looking for ways to trim the family budget. He's using shopping coupons and shopping at discount supermarkets. He even traded in his gas guzzling SUV. But unlike many others, he's saving money to pay for his wife's funeral. The 40-year-old carpenter lost his wife in July. And that was just four days after she gave birth to their third child. "You go to the hospital to have a baby, and then this," he says. "You never know what life will throw at you." The unexpectedly single father-of-three has a \$9,000 funeral bill and many medical expenses that his insurance won't cover.

Carmichael's wife, Sue, 36, had an emergency C-section because of complications from her high blood pressure condition. The surgery went well, Robert said, and baby Daniel was born without a problem. But Sue contracted a bacterial infection not long after the operation. That led to pneumonia, Carmichael says. Sue died four days after the birth. "It's so unfair," he said. The couple had life insurance that would have easily paid for the funeral expenses, but they cancelled the policy a short time before Sue died. "Our money was really tight," Carmichael said. "We're both young and figured we could get by without it."

My husband is dead! Tim was such a wonderful father and friend. He got up so early every morning and commuted so far to give his family a great life. He was so compassionate and would help anyone. We will miss him dearly, but we know he is in heaven looking down on us.

Tim and I sat down two years ago with a life insurance adviser and he clearly educated us on life insurance and the different types of policies available. He did a thorough needs analysis and then made some recommendations. There is one eye opener that I remember to this day! Tim was making about \$250,000 a year and had two times his salary in Life Insurance provided by his employer. Sounds Great! Wrong! Our life insurance adviser explained that his insurance at work should only be considered as icing on the cake and to manage our life insurance policies outside work. The reason was, if he was laid off, his insurance would cease in most cases. Not to mention he would be much older or he could have developed a condition that would make him uninsurable.

This was the grace in saving my family today. It turns out Tim was laid off from his company and was driving into the city for an interview when he was killed in a fatal multi-car accident. Without the knowledge and insight of the life insurance agent, what we thought was adequate coverage would have left my family and I homeless considering Tim lost his life insurance benefits when he was laid off. There aren't many nights that go by that I do not thank God for bringing the life insurance agent into our lives. It's almost two years later and we are still getting over his death, but the three of us have enough money to handle any challenge that comes our way.

TIME TO THINK OPTICAL ILLUSION



Stare at the cross for 30 sec. and then look at the wall and blink once and you'll see something.

REALLY TIME TO THINK!

- A frog is at the bottom of a 30 metre well. It can climb up 3 metres during the day but slips back 2 metres each night. How many days does it take him to get out of the well?
- A steam train leaves London heading towards Oxford at 80 Km/hour at exactly the same time a diesel train leaves Oxford heading for London at 120 km/hour. When they meet, which train will be closest to London?
- A hunter walks 10 km due south, then 10 km due west and then 10 km due north - he is back where he started from - he fires a gun and kills a bear. What colour is the bear?
- Mary's mum has four children. The first child is called April. The second is called May. The third is called June. What is the name of the fourth child?
- A son and his real birth father were driving around and they got in an accident and the father died so the son gets brought to the hospital and the old doctor looks at him and says I can't perform surgery on this kid he is my son! Who is the doctor ?
- If a plane crashes exactly on the border between America and Canada - where do you bury the survivors?
- You're the pilot of an airplane that travels from New York to Chicago - a distance of 800 miles. The airplane travels at 200 m.p.h. and makes one stop for 30 minutes. What is the pilot's name?
- A rope-ladder is hanging over the side of a ship. The ladder is 12 feet long, and the rungs are one foot apart. The lowest rung is resting on the top of the ocean. The tide rises at the rate of four inches per hour. How long will it take before the first four rungs of the ladder are under water?
- If there are 6 apples and you take away 4, how many do you have?
- How many grooves are there on each side of a LP record?
- How much dirt is there in a hole 3 ft deep, 6 ft long and 4 ft wide?
- Can you name three consecutive days without using the words Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, or Sunday?
- A shop assistant at a butcher shop stands 1.89 metres tall and wears size 13 shoes. What does he weigh?
- Before Mt. Everest was discovered, what was the highest mountain in the world?
- What word in the English language is always spelled incorrectly?
- If you were running a race and you passed the person in 2nd place, what place would you be in now?
- A woman had two natural born sons (neither were adopted) who were born on the same hour of the same day of the same year. But they were not twins. How could this be so?
- A murderer is condemned to death. He has to choose between three rooms. The first is full of raging fires, the second of assassins with loaded guns, and the third of lions that haven't eaten in 3 years. Which room is the safest for him to go to?
- A bottle of wine cost \$10. The wine was worth \$9 more than the bottle. How much was the bottle worth?

TIME TO THINK ABOUT RISK

Risk is potential of losing something of value. Values (such as physical health, social status, emotional well-being or financial wealth) can be gained or lost when taking risk resulting from a given action, activity and/or inaction, foreseen or unforeseen. Risk can also be defined as the intentional interaction with uncertainty. Uncertainty is a potential, unpredictable, unmeasurable and uncontrollable outcome; risk is a consequence of action taken in spite of uncertainty. Risk perception is the subjective judgment people make about the severity and/or probability of a risk, and may vary person to person. Any human endeavour carries some risk, but some are much riskier than others. Risk is ubiquitous in all areas of life and risk management is something that we all must do, whether we are managing a major organisation or simply crossing the road. Economic risks can be manifested in lower incomes or higher expenditures than expected. Risks in personal health may be reduced by primary prevention actions that decrease early causes of illness. Insurance is a risk treatment option which involves risk sharing. It can be considered as a form of contingent capital and is akin to purchasing an option in which the buyer pays a small premium to be protected from a potential large loss. Insurance risk is often taken by insurance companies, who then bear a pool of risks including market risk, credit risk, operational risk, interest rate risk, mortality risk, longevity risks, etc.

It is common for people to dread some risks but not others: They tend to be very afraid of epidemic diseases, nuclear power plant failures, and plane accidents but are relatively unconcerned about some highly frequent and deadly events, such as traffic crashes, household accidents, and medical errors. One key distinction of dreadful risks seems to be their potential for catastrophic consequences, threatening to kill a large number of people within a short period of time. For example, immediately after the September 11 attacks, many Americans were afraid to fly and took their car instead, a decision that led to a significant increase in the number of fatal crashes in the time period following the 9/11 event compared with the same time period before the attacks. Insuring for risk management and therefore protecting your most important assets is an important step in creating a solid personal financial plan. The right insurance policies will go a long way toward helping you safeguard your earning power and your possessions.



INSURANCE POLICIES EVERYONE SHOULD HAVE

Long-Term Disability Insurance. The prospect of long-term disability is so frightening that some people simply choose to ignore it. While we all hope that, "nothing will happen to me," relying on hope to protect your future earning power is simply not a good idea. Instead, choose a disability policy that provides enough coverage to enable you to continue your current lifestyle, even if you can no longer continue working.



Life Insurance. Life insurance protects the people that are financially dependent on you. If your parents, spouse, children or other loved ones would face financial hardship if you died, life insurance should be high on your list of required insurance policies. Think about how much you earn each year (and the number of years you plan to remain employed), and purchase a policy that will replace that income in the event of your untimely demise. Factor in the cost of burial, too, as the unexpected cost is a burden for many families.

Health Insurance. The soaring cost of medical care is reason enough to make health insurance a necessity. Even a simple visit to the family doctor can result in a hefty bill. More serious injuries, that result in a hospital stay, can generate a bill that tops the price of a one-week stay at a luxury resort. Injuries that require surgery can quickly rack up five-figure costs. Although the ever-increasing cost of health insurance is a financial burden, for just about everyone, the potential cost of not having coverage is much higher.

Now's a great time to talk with an insurance adviser – they cost nothing, they offer experienced advice, they can help and support you towards a sensible portfolio of risk management that will work within your budget. See the back cover of this booklet!

