

Welcome from the team

Welcome to the new look CFS newsletter, a minor change in colour and pictures but a new logo! It's been quite a tumultuous start to the year with some of our clients directly caught up in the Christchurch earthquake and all of us affected in some way indirectly. In an effort to provide some light relief in these times of calamity we include some

different views on insurance and investment opportunities as well as include a little education about the new financial service environment as well as opportunities for all the self employed business owners to use their ACC levies to buy an income replacement policy.

Will your income continue if you are sick or injured?

Are you running a successful small business and is your accountant doing a marvellous job reducing your taxable income and hence tax liability? If you suffer an injury did you know that any ACC payment is directly calculated on your declared taxable income and may be well below the amount that you actually earn?

Typically this affects most small businesses where the sole revenue generator splits the income with their administrative partner/wife i.e. \$90,000 income split \$60,000 and \$30,000 with \$5,000 less tax to pay. Unfortunately if an ACC claim is made the payment is determined

solely on the \$60K and \$30K declared income i.e. 80% of \$60K or \$30K. A further problem becomes a major issue if you cannot work because of an illness or degenerative condition, because no ACC payment will be payable.

Don't worry - we have a solution - acc cover plus extra.

You can elect an agreed benefit which will be payable if an accident causes loss of income; this benefit can be a minimum amount with equally reduced ACC levies. This saving in ACC levies can be used to implement a business or income protection policy and ensure you



have continued income whether you are off work due to injury/illness or degenerative condition (as defined by ACC doctors).

Financial Advice - 'What's it all about?'

For those of you still able to follow the nightly 'infomercials' masquerading as 'news', you are about to see even more on opinion pieces attempting to make sense of the changing 'financial advice' landscape. Essentially by 1 July 2011

the CFS advisers, Adam, Daniel, Donna and Nicola will be either Registered or Authorised Financial Advisers (RFA, AFA). As a RFA we will be providing an insurance assessment only service and as an AFA we will continue our traditional

investment and insurance advice service. Basically the main reason for raising this is that whatever you read or hear in the news please be assured we will continue to offer the same service that we have for the last 29 years.

Life Goals

Opportunity or Disaster



An American investment banker was at the pier of a small coastal Greek village when a small boat with just one fisherman docked. Inside the small boat were several large yellow fin tuna.

The American complimented the Greek on the quality of his fish and asked, "How long does it take to catch them?" The Greek replied: "Only a little while."

The American then asked why didn't he stay out longer and catch more fish? The Greek said he had enough to support his family's immediate needs. The American then asked, "But what do you do with the rest of your time?"

The Greek fisherman said, "I sleep late, fish a little, play with my children, take siesta with my wife, Maria, stroll into the village each evening where I sip wine and play cards with my friends, I have a full and busy life."

The American scoffed, "I am a Harvard MBA and could help you. You should spend more time fishing and with the proceeds, buy a bigger boat with the proceeds from the bigger boat you could buy several boats, eventually you would have a

fleet of fishing boats.

Instead of selling your catch to a middleman you would sell directly to the processor, eventually opening your own cannery. You would control the product, processing and distribution.

You would need to leave this small coastal fishing village and move to Athens, then London and eventually New York where you will run your expanding enterprise."

The Greek fisherman asked, "But, how long will this all take?" To which the American replied, "15-25 years." "But what then?" The American laughed and said that's the best part. "When the time is right you would announce an IPO and sell your company stock to the public and become very rich, you would make millions."

"Millions ... Then what?" The American said, "Then you would retire. Move to a small coastal fishing village where you would sleep late, fish a little, play with your kids, take siesta with your wife, stroll to the village in the evenings where you could sip wine and play cards with your friends."

Young Charles moved from the city to Cambridge and bought a horse from a farmer for \$1,000. The farmer agreed to deliver the horse the next day.

The next day he drove up and said, "Sorry son, but I have some bad news, the horse died." Charles replied, "Well, then just give me my money back." The farmer said, "Can't do that. I went and spent it already." Charles said, "Ok, then, just bring me the dead horse."

The farmer asked, "What ya gonna do with him?" Charles said, "I'm going to raffle him off." The farmer said "You can't raffle off a dead horse!" Charles said, "Sure I can. Watch me. I just won't tell anybody he's dead."

A month later, the farmer met up with Charles and asked, "What happened with that dead horse?" Charles said, "I raffled him off. I sold 500 tickets at \$5 a piece and made a profit of \$1,495." The farmer said, "Didn't anyone complain?" Charles said, "Just the guy who won. So I gave him his \$5 dollars back."

(Charles is working as a commercial lawyer).

Life Insurance

Airman Smithy was assigned to the army induction center, where he advised new army recruits about their government benefits, especially their GI life insurance policies.

It wasn't long before Captain Brown noticed that Airman Smithy was having a staggeringly high success-rate, selling army life insurance to nearly 100% of the army recruits he advised.

Rather than ask about this, the Captain stood in the back of the room and listened to Smithy's life insurance sales pitch.

Smithy explained the basics of the GI life insurance policy to the new army recruits, and then said: "If you have the GI life insurance policy and go into battle and are killed, the government has to pay \$200,000 to your beneficiaries. If you don't have GI life insurance, and you go into battle and get killed, the government only has to pay a maximum of \$6,000.

Now," he concluded, "which group of soldiers do you think they are going to send into battle first?"

CFS represents the following insurance companies:

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