



Trauma & Income Replacement Insurance claims

SPRING 2019

In the past year or so, some of our clients have experienced tough times after they've suffered a critical illness.

Some examples are heart attacks, coronary artery bypass surgery, prostate cancer, testicular cancer, breast cancer, multiple myeloma and kidney cancer.

Collectively, these have resulted in millions of dollars in claims' payments which wouldn't have happened had our clients not taken some financial advice from one of our

Authorised Financial Advisers.

Over the industry as a whole, last year over \$400 million has been paid out for Income Replacement and Trauma claims.

In our practice, we seem to pay out more claims in these two areas than anything else.

"In 2018, AMP customers received \$233 million [total] in claims payments".
—Blair Vernon, Managing Director AMP

Would you recognise a scam phone call?

What to listen out for — Scammers often call to tell you about an urgent problem they need your help with, such as catching computer hackers or removing a virus from your computer. It's common for them to tell you a story about how you could suffer badly if you don't take immediate action. The only 'immediate action' you need to take however, is to **hang up**.

What to do (and what not to do) — If you feel the person on the phone is trying to pressure you into giving them remote access to your computer, or handing over password details, hang up immediately. If they say they're from a particular institution, offer to call them back on the

organisation's published phone number. If they're a scammer, they'll decline.

Don't download any software onto your computer, even if instructed to by the caller. Warning: they can be very persuasive, so put the phone down.

Stop and think. Is this for real? — If you receive a call, email or text message you're not sure about

"Stop and think: Is this for real?"

Hang up! That's the message.

STROKE—What are the chances?

Most strokes occur in people aged 65 and up, but the disabling condition is not unheard of in younger people. Among white men aged 45 to 54, the chance of a stroke in a given year is 2.4 out of 1000, according to the American Heart Association. The risk in black men of that age group is four times as high.

In New Zealand, a study headed by Auckland University of Technology professor Valery Feigin, in February of this year, that Kiwis aged 25 have a one-in-four chance of suffering a stroke in their lifetime – the second-highest lifetime risk in the developed world. New Zealand's 25 per cent, was only behind Finland's 29.3 per cent.

At the time of releasing the report, Feigin said healthcare systems needed to focus on stroke prevention at a much earlier age than 40, which was how it currently operates.

"Stroke is getting younger... young adults need to think about long-term health risks," he said.

The high risk could be related to the Māori and Pacific population in New Zealand, who had double the risk of stroke compared to Europeans, Feigin said.

Feigin said young adults could reduce their risk of a stroke by eating healthier, avoiding tobacco and alcohol, exercising more and maintaining a healthy weight.

According to 2017 Ministry of Health data, stroke is the country's second-biggest killer behind heart disease. In New Zealand Stroke Foundation's Chief Executive, Mark Vivian's opinion, he said around 9000 people every year were affected by a stroke. Most of those are ischemic strokes, meaning blood flow to the brain has been blocked,

generally as the result of a clot. The remainder are haemorrhagic strokes, defined as bleeding in the brain.

"Sixty thousand New Zealanders are stroke survivors, and while it runs through every community, stroke is particularly prevalent amongst Māori and Pacific Islanders." Vivian wrote.

Both he and America's Centres for Disease Control and Prevention (CDC) say that fast action is essential for improving the patient's chance of survival.

When the stroke is caused by a clot, physicians may administer a clot-busting drug called tissue plasminogen activator (tPA). The drug must be given within a few hours.

Another option is using a catheter to extract the clot, in a procedure called a thrombectomy.

The following warning signs may indicate a stroke, according to the CDC:

- Sudden numbness or weakness in the face, arm, or leg, especially on one side of the body
- Sudden confusion, trouble speaking, or difficulty understanding speech
- Sudden difficulty seeing with one or both eyes
- Sudden dizziness, loss of balance, or lack of coordination
- Sudden severe headache with no apparent cause

High blood pressure, elevated cholesterol, diabetes, obesity, cigarette smoking, and drug use can increase a person's risk of stroke.

—Tom Avril - Stuff, March 2019

"In my house I'm the boss, my wife is just the decision maker".

—Woody Allen

"Money is a terrible master but an excellent servant".

—B T Barnum

I don't understand how a funeral home can raise its prices and blame it on the cost of living.

RESIDENTIAL CARE SUBSIDY

On 1 July this year, the annual changes to the Residential Care Subsidy Rates will come into effect. If you need long-term residential care in a rest home or hospital, you may now qualify for a subsidy. The asset thresholds have increased to:

- **\$230,495** for a single person
- **\$230,495** for a couple where both partners are in care
- **\$230,495** for a couple where one partner is in residential care, including the value of their house and car
- **\$126,224** for a couple where one partner is in care, not including the combined value of their house and car. (The house is only exempt when it's the main place where your partner who is not in care or a dependent child lives).

The income-from-assets exemptions have increased to:

- **\$1,005** a year for a single person
- **\$2,009** a year for a couple assessed as needing care
- **\$3,013** a year for a couple where one partner has been assessed as needing care.

Your assets and income will be assessed by Work and Income. All other eligibility is assessed by the Ministry of Health.

To find out if you're eligible go to the Work and Income website at www.workandincome.govt.nz

Tune in tonight at 8 for the premiere of 'The Palindrome Family' featuring Mum, Pop, Anna, Bob, Eve and their pup Otto, as they pop Xanax and take kayak trips.

THE MFAS TEAM OF FINANCIAL ADVISERS



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Insurance & KiwiSaver 'Class' Advice

Has it been a while since you have been in touch with your Financial Adviser?

If you would like to have a chat with your Adviser please contact us anytime at office@mackay.co.nz or on 0800 622 529.

Spotlight on KiwiSaver—Booster Geared Growth Fund

	PIR 17.5%	PIR 28%
Range of expected gross returns in any one year (after tax & fees)	-21% to 47%	-22% to 46%
Range of expected gross returns in any rolling ten year period (after tax & fees)	-3% pa to 19% pa	-3% pa to 19% pa
Range of expected long term return forecast (after tax & fees)	8.4% pa	8.0% pa
Recommended minimum investment period:	15 years	

The ranges have been calculated using 2.5 standard deviations of return volatility. For each return period shown (1 year or rolling 10 years), actual return outcomes would be expected to fall outside these ranges in only one period out of 100. Statistically, this means that actual return outcomes are expected to fall within these ranges with 99% confidence. The estimates are not guaranteed.

For the March 2019 year, the Booster Geared Growth Fund was the Number One performing KiwiSaver multi sector fund at 11.7% before tax according to Morningstar's survey. It was Number One for 3 years (12.9% pa) and also 5 years (11.9% pa). Note that past performance isn't indicative of future results.

* This fund is an 'aggressive' portfolio and is potentially very volatile. Talk to your Adviser to see if it's appropriate for you.

Please note our company has six preferred KiwiSaver providers:

AMP, ANZ, Booster, Fisher Funds, Generate & NZ Funds

If you would like to review your KiwiSaver Plan, call or email your Adviser here at MacKays

STATISTICS

- The average household expenditure is around **\$1,300** per week.
- In 2018, the Jobseeker Support Benefit was **\$215** per week for a single person aged 25+ or **\$358** for a couple.
- 24% of the general population in NZ have a disability.
- In 2017 the average weekly household mortgage repayment expenditure was **\$436** per week.
- During the June 2018 quarter, there were **92,642** people aged between 18—64 in receipt of Support Living Payment.
- There are an estimated **60,000** stroke survivors in NZ; many are disabled and in need of significant daily support

"Look at market fluctuations as your friend rather than your enemy."
— Warren Buffett



Income Securities Portfolio (ISP) *

On call	2.00% p.a.
3 months	2.75% p.a.
6 months	2.90% p.a.
9 months	2.90% p.a.
12 months	2.90% p.a.

* Ask for a Product Disclosure Statement

"When the moon hits your eye like a big pizza pie, that's amoré. When you swim in the creek and an eel bites your cheek, that's a moray."
—with apologies to Dean Martin

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Disclosure Statements are available on request and free of charge