



Financial Insight

2004

With compliments from your TOWER Adviser

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Welcome to the Spring Edition of Financial Insight News

This newsletter has been designed to share with our valued clients, the secrets of money management and wealth creation that will provide a firm base for your future financial well being.

Managing money and finance can be very complex. Through Financial Insight we provide information that will help to de-mystify some of the complexities associated with financial services, and be of practical use in setting strategies and achieving personal goals.

Of course, a consultation with your Financial Adviser will supplement the information we provide in this newsletter with detailed advice related to your individual circumstances.

If you would like any additional information on any topic covered in this and previous publications, please feel free to contact your Financial Adviser.



Less Stress – Better Business

Let's face it. We are all a little tense these days.

And when we are stressed, all kinds of problems come into play – sleeping problems, lack of confidence, less clarity of thought, easily annoyed, depression, panic, etc.

Sound familiar?

In general, those in business or life who are moving too tensely are not winning many games. We lose our empathy and our rapport with colleagues and clients... and business performance and productivity suffers.

Sit down, twice each day before and after work, a quiet five minutes or so and let the mind have a little rest. It's called "relaxing the mind" and you are not wasting time – because when you are stressed, you waste time dithering, fussing and procrastinating.

It's a time out to allow the mind rest and regenerate. Sit quietly, close your eyes and let the mind wander.

After five minutes or so, let your eyes open gradually and regather yourself... and away you go... back into the fray.

It's pretty simple and the benefits are quite profound including:

- Less psychosomatic problems
- More confidence and self esteem
- Better affinity with colleagues and clients
- Enriched personal and business life
- Better capacity for work and more energy
- A deeper understanding and enhanced quality of life.

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Successful Retirement Starts with a Plan

Retirement is a milestone in our lives that we look forward to with great anticipation – on the other hand, for many the prospect of retirement is the source of great anxiety.

These feelings are quite normal and understandable.

For those that have prepared themselves financially and emotionally, it is a time to indulge in your favourite pastimes, spending time with the grandchildren, to travel and enjoy this unique time in your life.

However, if you are apprehensive about the future, you can address these concerns by assessing the manner in which you are preparing for retirement.

Naturally, having sufficient money to fund a life of retirement is the biggest concern that most people will have to confront – so having a clear picture of your financial situation can help to put your mind at ease.

Unfortunately, some people don't start thinking about the future as a retiree until they are on the threshold of their retirement.

Of course that's going to add a lot of unnecessary stress to their lives.

But, by establishing your retirement plans early you can avoid retirement sneaking up on you.

The sooner you start preparing for retirement, and the more thoroughly you plan and prepare yourself to ensure an enjoyable and stress free life in retirement, the better off you will be.

What is retirement planning?

Retirement planning is all about arranging your assets and savings into a plan that will meet your retirement goals.

However, the key to a successful retirement plan is to obtain advice from a professional financial services adviser.

Together with your adviser, you will take into account your present circumstances, lifestyle, goals for the future and the impact of government legislation, taxation, social security requirements and economic factors.



Other factors that will be addressed during the consultation with your financial adviser will include–

- The age you are planning to retire
- What you would like to do in retirement – including hobbies, travel, community service or working part-time
- The need to be debt free with your home loan and have other significant debts repaid
- What expenses you will incur on retirement such as the purchase of a new car, holiday home, repairs – including the provision for unexpected expenses
- The most effective way to invest any payments, benefits, and investments that mature on retirement – including how to maximise income streams in retirement and the various options available
- How to obtain and maximise your social security entitlements

Dr. Marius Barnard – Medical and Insurance Pioneer

Recently, renowned South African surgeon, Dr. Marius Barnard visited Australia to participate in a national roadshow that was sponsored by TOWER and visited all Australian capital cities.

In 1967 Dr. Marius Barnard helped launch a brave new era by developing life-saving heart transplant technology while assisting his brother, Christian, during the first successful heart transplant surgery.

Performing life-saving operations in South Africa, Dr. Marius Barnard could not accept that his surviving patients were unable to return to work and support their families.

In 1983, the first Critical Illness insurance policy was launched in South Africa. What made it very strange was that a cardiac surgeon with no previous knowledge of insurance – Dr. Marius Barnard, developed it

What motivated him was his experience with the financial plight of many of his patients following the diagnosis and treatment of a critical illness.

Their financial resources were not only threatened by the increasing cost of medical treatment but also by their decreasing ability to earn the money needed to fulfill their monthly financial needs, this

often lead to them having to make many sacrifices e.g. take children out of private schools, sell their house and bankruptcy.

All these financial concerns impacted on their health.

Recovery was delayed and stress aggravated their poor health and even sometimes ended in suicide.

What was needed was money to provide financial health when their physical health could no longer adequately provide for this.

After searching for possible solutions he looked at insurance. Insurance has for decades already accepted the need for money following a catastrophic health event.

The trouble was however, that due to the modern miracle of medical progress his patients no longer died, but survived for many years after the treatment of heart attack, stroke and cancer; but financially they died!

It became obvious to him that a new insurance product was necessary that would pay out on the diagnosis of death, because that was the time his patients needed it most.

From South Africa the product has now spread to the United Kingdom, Ireland, Australia, New Zealand, the Far East, North America and to many other countries.

Today Critical Illness insurance is not only accepted as a most successful risk product but also that it is most needed.



Crisis Insurance – The TOWER insight

Crisis Insurance goes by many names. You may have heard it being referred to as Critical Illness Insurance or Trauma Insurance.

But what exactly is Crisis Insurance?

Crisis Insurance as the name implies, offers financial protection in the case of one of life's major catastrophes: a medical trauma.



Crisis insurance protects your lifestyle, as the benefit is paid as a lump sum and used to maintain your lifestyle when a serious medical trauma strikes.

Why do you need crisis insurance?

No one is immune to traumatic medical conditions, whether it is illness such as heart attack and cancer, or accidents that can result in major trauma.

We can take preventative action by living a healthy lifestyle, but in the end, we cannot totally quarantine ourselves against the threat and impact of trauma.

While there is no way to guarantee that you will never suffer a traumatic condition, there is a way to help protect your financial wellbeing and security if trauma occurs.

Trauma insurance offers a simple and cost efficient way of doing this.

It won't happen to me!

Well – here are some very sobering statistics:

Each year approximately 350,000 new cancer cases are diagnosed.*

1 in 3 men and 1 in 4 women are expected to be directly affected by cancer before age 75*.

1 in 11 women are likely to develop breast cancer*.

1 in 2 men and 1 in 3 women aged 40 are at risk of having a coronary heart disease at some time in their future lives+.

Better survival rates

Today, Australians are living longer lives – however, for many they will face a long-term illness as a result of living longer.

Survival rates after serious illness have increased dramatically over recent years – for example, males and females aged between 30 and 64 who suffer a critical condition have an 82% to 95% chance of survival#.

However, the incidence of illness has been on the rise.

The Australian market is beginning to appreciate that the power of crisis insurance as it bridges the gap and alleviates the financial strain of both medical and non-medical expenses not covered by health insurance and life protection.

To find out more about TOWER Crisis Protection Insurance, contact your professional financial adviser today.

*Source: Australian Institute of Health and Welfare, *Cancer in Australia 1998*.

+Source: Australian Institute of Health and Welfare, *Heart, Stroke and Vascular Diseases Australian Facts 2001*

#Source: Fabrizio & Gratton 1994 "Pricing Dread Disease Report"

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