

Insurance & Financial Group Inc.

JSJ

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Autumn/Winter 2006

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"Knowledge is of two kinds. We can know a subject ourselves, or we know where we can find information on it."

Samuel Johnson
1709-1784

100 Years Of Knowledge Working For You!

The year is 2006 and society finds itself bombarded with the marketing of insurance. We all need it to legally drive an automobile, to cover a mortgage with a lender when buying a home, and to ensure our loved ones are not burdened with our final expenses. There are advertisements on television, in magazines and newspapers, and in your banking and lending institutions. This did not evolve overnight. It was one hundred years ago, on June 4, 1906, that the first professional organization for life insurance advisors was formed. The *Life Underwriters Association of Canada* (LUAC) was formed in order to provide a protection to the consumer, a standardized code of practice amongst all life insurance agents, and to be a collective voice where changes in the Insurance and Bank Acts in Canada are concerned.

The past hundred years has seen so many changes in both the economy, and society as a whole. The world has grown only to become smaller, and seen technological advancements take on such a large part of our everyday life now. With those advancements have come treatments and cures for once debilitating diseases. Despite that, one thing rings as true today as it did in 1906: it is inevitable that we will get sick, grow old, and die... someday. This is something that insurance advisors have always and will continue to encourage clients to come to terms with. All the advancements in the past 100 years have only paved the way for further needs to be met by insurance products in the marketplace. Survival rates from cancer, heart attack and stroke are up... forcing people to look at a lifestyle choice. The focus lies very much now on insuring your LIFE, not death.

With such an influx of insurance products available everywhere you turn, the consumer has to be aware of who can offer the best service to them. Who would have the added value to offer. With the Canadian Bankers Association seeking changes to the Canadian Bank Act in 1988, this allowed for in-branch marketing and sales of insurance. This all tied in perfectly with the need to insure loans and mortgages - the convenient "one-stop shopping" concept.

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We appreciate your comments!

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However, who would be able to provide the most knowledge to the prospective consumer: someone with 18 years experience with insurance, or an insurance advisor with 100 years of accumulated experience available?

The answer seems pretty clear.

Banks are creating product moulds that don't necessarily fit every clients' individual needs. They market to the middle-income families who perhaps are not investment savvy but understand the need for life insurance. These consumers are being left in the dark as to what other options may be available to them. That's where the insurance advisor becomes the better choice for the consumer. Unlike a bank employee selling the bank's insurance product to a client, the insurance advisor works FOR the client, and will hold contracts with many different insurance providers. This allows the advisor to scour the marketplace to find the product best suited to your needs.

An insurance advisor becomes a part of your life, and you a part of theirs. As you work together to build an effective financial plan for you and your family, the advisor is able to consult on more than just insurance. Estate and tax planning, retirement planning and guaranteed investing for your future are just some of the services a bank would unlikely offer. You'll be told at the bank to invest in in-branch RRSP's or GIC's, but what protection does that provide you?

As we look back on the past hundred years of insurance advisors working with clients, the bigger picture is clear. More services. More flexibility. More knowledge.

For more information on services, please go to www.jsjgroup.com

For information on CLUA (Advocis), please go to www.Advocis.ca

ALSO IN 1906...

- The first edition of the *Atlas of Canada* is published
- The Toronto Symphony Orchestra plays its first concert as the Toronto Conservatory Symphony Orchestra
- L.M. Montgomery, author of *Anne of Green Gables*, earns over \$700 for her writing. Three years later, her bestseller hits the shelves.
- Canada's first movie theatre, the Ouimetoscope, opens in Montreal.
- Ontario Hydro is created
- Saskatchewan decrees Regina as its official capital
- Construction on Toronto's Royal Alexandra Theatre gets underway
- "Oh Canada!" musical score is published
- Carnegie Library, Ottawa's first public library, opens its doors for the first time
- By June 1, 1906, over 22,000 immigrants settle in Toronto
- Queens' Country, P.E.I., voting in favour of prohibition, brings the whole island under the law
- One hundred thousand shares of Silver Bar Mining company stock are valued at \$1 each.
- An advertisement for Eatons in Toronto boasts a men's \$1.25 boot sale. Women's nightgowns are sold for 69 cents.
- A *Globe and Mail* want ad reads: Bartender - for a commercial hotel; wages \$30.00 per month; must be sober and honest and willing to work.
- A new double-breasted suit sells for \$12.50.

References include:

Advocis Forum June 2006 (Special Anniversary Issue)

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SCHOOL DAY'S OVER... NOW WHAT?

KEEPING YOUR KIDS ACTIVE DOESN'T HAVE TO BE EXPENSIVE

With back-to-school sales coming to a close, and children fully equipped to tackle the fashion and scholastic needs of another school year, one major spending season is over. But right around the corner comes another.

The school day's over, the kids are home from school and they're bored. How do you keep them busy without parking them in front of the television until dinner is ready? Many parents opt to have their children engaged in extra-curricular activities, which are viewed as an integral part of any child's upbringing. These activities come at a cost however.

According to a calculator tool provided by SunLife Financial (www.sunlife-usa.com/tool/tl_5.cfm), it now costs about \$160,000 to raise one child to the age of 18, not factoring in inflation and based on an average annual gross household income of \$60,000. Out of that total, about \$16,000 is spent on childcare and education/recreation. That's a lot, but there are ways to keep your kids busy while keeping your costs down. First, estimate the cost of your children's extracurricular programs and pursuits for the entire school year. Look at what your child was involved in last year, and the costs involved. Most importantly, talk to your child about which programs they'd like to pursue again this year, and any others they might be interested in exploring. When calculating all the potential costs, look beyond the usual costs of being a part of a team or taking lessons. Factor in all equipment and outside costs incurred for related items such as meets and competitions, as well as instruction books or supplies.

After looking at how your cash flow will be affected by these fees incurred with extracurricular activities, what if you're still finding yourself strapped? Here are some ideas of how to curb some spending that brings little or no

value to your life, and that you may not even have thought of!

- **Make Your Magazine Mountain a Molehill**
Signing up for magazine subscriptions can be exciting and impulsive. But are you really getting the most out of the materials you're paying for? Look at the newspapers and magazines in your home and determine which ones you'll really have the time to enjoy. Cancel the subscriptions to those you don't.
- **Take a Cut out of Your Car Insurance**
Got a second car that largely sits idle? You're likely paying a lot more in insurance than you need to. Consider bumping up the deductible. This can often free up some substantial dollars in terms of reduced premiums.
- **Don't be a Bank Machine Spender**
Take a look at how many transactions you do a month, and review the fees you pay. You may be able to save quite a few dollars a month either by changing how often you use the ATM, or by switching to a different service plan with your financial institution. Also, try to stick to machines operated by your own financial institution, saving that extra \$1.50 in transaction charges!

Home-based activities to keep kids busy!

Another simple way to keep costs manageable is to not overdo it. Often times parents want their child to be in any and all extracurricular activities that they show interest in, but keeping it limited to one or two will cost less and may actually be better for your children. There are so many other activities children can engage in around the house - at little or no cost to the parents. ... 4

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Online games sites such as www.funbrain.com has something for every age, every level of difficulty and can be fun for the entire family! Other great sites include www.funschool.com and www.funology.com.

When they've had enough computer time, why not head for the kitchen? Most kids have a natural curiosity

Oreo Sand & Dirt Cups!

Digging for worms just became more fun, 'cause these worms are gummies buried in pudding and cookie crumb dirt. Yum!

Prepare 1 pkg. each (4-serving size) Jell-O Vanilla Instant Pudding and Jell-O Chocolate Instant Pudding separately, with 2 cups each cold milk, as directed on packages. Let stand 5 min.

Gently stir 1/2 cup of Cool Whip Whipped Topping into each bowl of pudding. Finely crush 20 Oreo Chocolate Sandwich Cookies, then sprinkle 1 Tbsp. into bottom of 8 (6-oz.) dessert cups. Top each with 1/4 cup vanilla pudding, 1 Tbsp. cookie crumbs and 1/4 cup chocolate pudding. Sprinkle evenly with remaining cookie crumbs. Refrigerate at least 1 hr. or until ready to serve.

Insert 2 gummy worms into each dessert cup just before serving. Makes 8 Oreo Sand and Dirt Cups.

For more recipes go to <http://www.kraftfoods.com/jello/>

about cooking, and what better way to start them off than Jello! It's fun and easy to make.

A job jar can be a great way to get things done around the house and give the kids a little extra spending money at the same time. Look for chores that can be done in less than 30 minutes and with minimal supervision.

This helps develop initiative and builds self-reliance. To help keep them keen, put the value of the job right on the job tag. You'll be surprised at how quickly those \$5 jobs get done!

Web references include:
www.sunlife.ca;
Manulife Investments
Wealthstyles publication,
www.kraftfoods.com,
and those directly
referenced within the
above

FOR BUSINESS OWNERS

THE BUY-SELL AGREEMENT :

HAVE YOU REVIEWED YOURS LATELY?

As a responsible business owner and/or shareholder of a corporation, you and your partners would have been advised to draw up a shareholders buy-sell agreement to lay out the agreement to purchase shares upon a shareholder's death or disability. Although this legal document is often drafted upon inception of a company - a business "prenup" if you will -- how often is it reviewed? Has the document simply been filed away for safekeeping and forgotten about?

Shareholders will focus more on building the corporation into a successful and profitable business. The last thing on the minds of business owners is the agreement. But ongoing considerations are to be kept in mind. Are new developments within the corporation accounted for in the agreement? Is the agreement an accurate statement of the value of the business today?

The most important consideration with the buy-sell agreement is proper funding. Without a way to fund the agreement, it will surely fall apart. Life and disability insurance is the most effective funding idea, however is everything being set up properly? Personal life insurance is something that expands with your life as needs change and your family grows. This is the same with corporate life insurance, as the corporation changes and grows.

Shareholders should dust off their shareholders agreements and see if it is truly reflective of where the company stands today. Your financial advisor should also recommend a review periodically, or upon any major company changes. It's vital to work with your financial advisor to keep the agreement accurate and properly funded in order to ensure a smooth transition upon the departure or death of a shareholder.

References include: Advocis Forum Magainze, April 2006 "Shareholders Agreements: Which areas advisors should focus on" By Glenn Stephens & Kevin Wark

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YOU NEED TO KNOW...

TOP 10 MONEY SAVERS

With Christmas around the corner, here are some money-saving tips to help!

1. Reduce your high-interest, non-deductible debt (like credit card balances) by paying it off with a lower-interest line of credit.
2. Make the biggest RRSP contribution you can afford every year in order to maximize your potential tax return.
3. For any large purchase – especially one that you intend to finance – try to negotiate the purchase price and/or the financing conditions.
4. Cut back on impulse buys by spending a few days considering any purchase over \$50.
5. Shop when items are on sale and buy on-sale groceries in bulk.
6. When deciding to buy or lease a new car, work out the math carefully before you choose. A monthly lease payment may appear to cost less, but in the long run a leased car may cost you more, depending on your circumstances.
7. Take advantage of last-minute vacation package sell-offs rather than paying the full cost in advance.
8. If you receive a holiday bonus – ask if you can receive it in January as opposed to December. This way you can defer the tax for almost a year.
9. Negotiate for non-taxable benefits at your job, such as on-site daycare, extra vacation time or better health benefits.
10. Transfer cash balances to a high interest savings account and/or an account with low fees.

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GROUP CORNER

BUILDING A HEALTHY WORKPLACE

The definition of a 'healthy workplace' is all encompassing, however the Public Health Agency of Canada has pinpointed some major components to focus on. By their definition, a healthy workplace is one that:

- supports the psychological, physical and psychosocial health of its employees (i.e. it has a supportive culture);
- has a measurement and accountability system in place that visibly supports people-management practices;
- makes sound people-management and workplace health a priority; and
- views employee health, work-life conflict and well-being as strategic issues.

Employers should have a clear understanding of the benefits of a healthy workplace. Statistics Canada reports that stress-related absences cost employers an estimated \$3.5 billion every year. A healthy workplace focuses on prevention, rather than reaction. That preventative strategy will bring results including improved productivity, encouraged higher staff morale, and a containment of benefit costs.

There are many ways in which a business can create and maintain a healthy work environment. It's understandable that not all companies would have the means to install on-site daycare facilities, an employee-use exercise facility, or non-smoking incentive program, but there are smaller scales on which a healthy workplace can be achieved. Group benefits providers, and an employee benefits program in itself, is a key initial step. For employers already involved in providing group benefits, the option of analyzing your plan to see if the drug formulary and components of the healthcare and disability benefits are best suited for your organization. Simple changes to these few things can be cost-effective and make a great impact among employees.

Other programs can be introduced over time to employees. Many group insurance providers offer an *Employee Assistance Program (EAP)* to policyholders. EAP's offer short-term counseling to assist an employee with a full range of personal issues such as job stress; marital issues; anger management; weight, smoking and general health issues to name a few. Like any other counseling service, there is guaranteed confidentiality. Many programs also offer additional services to aid in legal issues, financial/debt management, childcare and eldercare access, etc.

Other management services are offered as well, to aid in the improvement and maintenance of a healthy workplace from a people-management standpoint.

Making even the smallest of changes can have a ripple effect on the workplace. Creating that base for a healthy workplace is key. After all, your employees are your most valuable resource!

To learn more, visit www.jsjgroup.com