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Summer 2008

Dear #First Name#,

Welcome to the Summer edition of our regular newsletter. We hope you had a relaxing break over the holiday period and are having a great start to 2008.

The recently completed [Retirement Income Policy review](#) by the Retirement Commissioner has identified that New Zealand's retirement income policy is "working reasonably well for the currently retired and those approaching retirement". However the rising cost of home ownership and ageing population are issues that will need addressing - you can [read the summary here](#).

For those who have overspent during the Christmas period, we have an [exercise programme for your cash](#) designed to remove overdraft flab, trim your consumption and add muscle-tone to your wallet.

Again we hope that you find this newsletter useful - but if you'd rather not receive it - simply click on the 'unsubscribe' link at the bottom of this email.

If you have a friend that would enjoy reading our newsletter, you can also [send them a copy](#) to read.

Kind regards

The team at Marlborough Financial Services

Retirement Income Policy Review identifies new concerns

Diana Crossan, the Retirement Commissioner, has completed the 2007 Retirement Income Policy Review - an independent assessment of government retirement income policies that is statutorily required every three years.

Ms Crossan said this year's report was an opportunity to assess the effectiveness and stability of current retirement income policy. The report says New Zealand's retirement income policy is "working reasonably well for the currently retired and those approaching retirement", but to ensure continuity of effective policy this review noted areas requiring both monitoring and potential adjustment in the future – including the financing of New Zealand Superannuation.

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KiwiSaver enrollments surge past 300,000

The number of people joining KiwiSaver continues to defy initial expectations with over 316,000 New Zealanders signing up in just the first five months.

As at 30 November, 316,865 New Zealanders were actively

The Review examines the possibility that people may live for a lot longer than current policy planning expects, which would result in the New Zealand Superannuation scheme costing much more. [Read more.....](#)

Annual check-up. An exercise programme for your cash.

WORDS FROM YOUR PERSONAL FINANCIAL TRAINER by **Susanna Stuart**

You know it's the New Year when all those weight-loss ads appear on television. Just as weight loss depends on a good daily diet and plenty of regular exercise, so too, your financial objectives can be greatly enhanced through a regular fitness programme. As your personal (financial) trainer I suggest you try our Debt-Buster programme designed to remove overdraft flab, trim your consumption and add muscle-tone to your wallet.

1. Fitness check. Check your post-Christmas credit card balance. How much did you owe? \$1500 perhaps? Or \$2000? This is your overdraft flab – and your goal is to eliminate this by next Christmas so that a year from now you have zero debt.

2. Savings exercise programme. Take that figure for credit card debt and add \$500. Let's suppose this adds up to \$2,400. Now divide by 12 (\$200) and this is the amount you should be saving each month. Set up an automatic payment to divert this money out of your main account and into an untouchable savings account. [Read more.....](#)

Disclosing is the best policy

by **Susanna Stuart**

Insurance may seem like a waste of resources to some - spending money on something that may or may not happen. But since you can't predict the future, Disclosing is the best policy.

By and large very few insurance matters become matters of complaint, but I find it a good thing that in New Zealand we have reasonable, independent avenues should a dispute arise. The same is true of the banking industry where the Banking Ombudsman provides impartial consideration of problems that consumers may have with their banks.

It is a good sign that the office of the Insurance & Savings Ombudsman (the ISO) handles only half as many disputes as their Banking counterpart. In a year there may be around 300 complaints taken to the ISO, and between 20 and 30 per cent of these cases are upheld in favour of the customer.

What I find fascinating from an Adviser's point of view is the nature of complaints that don't get upheld. What can we learn as consumers? In going over case studies from the ISO a major theme is that of disclosure.

The ISO offers three plain pieces of advice:

1. Read carefully and keep a safe copy of all your insurance policy wording. If any aspect of the policy is unclear, discuss this with your insurer. [Read more...](#)

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saving for their retirement through KiwiSaver. This news comes just a month after KiwiSaver numbers reached the quarter million mark.

"New Zealanders are embracing KiwiSaver in huge numbers," Government Ministers Michael Cullen & Peter Dunne said. "They know that KiwiSaver makes saving for retirement easier than ever before.

"One of the most encouraging signs is the large numbers of younger New Zealanders who are joining the scheme". [Read more....](#)

Low vs High insurance excesses

By **Mary Holm**

People who prefer low excesses on their insurance are probably different personality types from those who prefer high excesses.

Excesses apply to several different types of insurance. Under your house, contents or car insurance, if you suffer a loss and you have a low excess, you might have to pay the first \$100 for repair or replacement. With a high excess, you might pay the first \$500.

The word "excess" may not be used for other types of insurance, but the principle is the same.

With disability or loss of income insurance, your payments might start a month after you stop working, or they might not kick in until three months.

With health insurance, you might have coverage for most medical expenses, including visits to a GP, or you might be covered only for major medical costs. [Read more.....](#)

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Recommended website

Visit the Institute of Financial Advisers website for information on choosing a Financial Adviser and what to expect from them - check out www.ifa.org.nz

Thought for the day

"A bank is a place that will lend you money if you can prove that you don't need it"

~Bob Hope