



James B. Famme  
President

110 King Street East, Oshawa, ON L1H 1B6 • Phone: 905-576-6400  
Toll Free: 1-877-727-0757 • Fax: 905-576-1367  
email: wbwhite@wbwhite.com • web: www.wbwhite.com

# W.B. WHITE INSURANCE & FINANCIAL SERVICES

*News and Tips to Make Your Life Easier and Safer for our friends and clients*

## Inside This Issue ...

How do you decide which of your Mutual Funds are keepers and which are not?...Page 2

Are YOU The Client of the Month? See Page 2 to find out if you won!

RRSP season is here. Have you considered the options? ...On Page 3

\*\*\*\*\*

## Disability Insurance... Advice & Tips

### EST ADVICE:

To cover fixed living expenses you need enough to replace just over half of your after-tax employment income. Since 35 to 45 years old are far more likely to become disabled before age 65 than die, disability insurance is more expensive than life insurance.

Your employer or union may have an inexpensive group plan, and if you contribute to the Canada Pension Plan, you may be eligible for disability benefits. Private plans are recommended if you're self-employed or want to augment your employer's plan.

### SMART TIPS:

Look for an experienced broker; Disability policies should represent a significant portion of their business. Few companies write these policies, and online quotes are hard to find.

## W.B.White's Financial Division Continues It's Rapid Growth & Expansion!

W.B.White's Financial division (W.B.White Financial Ltd.) is entering it's 5th year since inception in 2000.



Dwayne F. Day, CLU, CH.F.C.  
Managing Partner

Although W.B.White Insurance has been offering financial products and services since 1984, the increasing demand by our clients for providing advice and service for all their financial needs, has created the need for change. Developing a new division and a unique 'Integrated Planning Process' was all part of our commitment to provide value added products and services to meet that demand.

**What is Integrated Planning?** An approach to wealth accumulation and preservation consisting of;

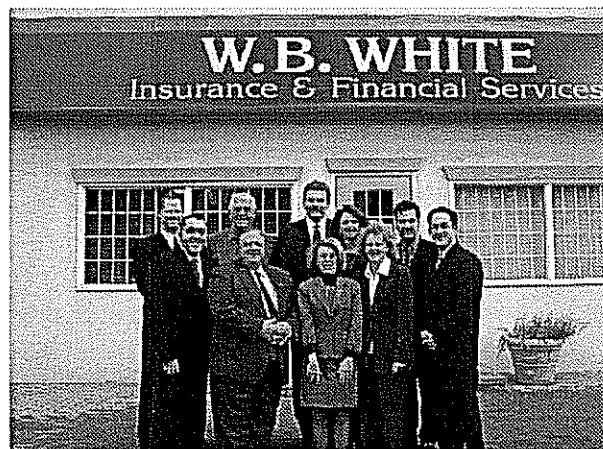
*Risk Management, Retirement & Investment Planning, Estate Planning, Tax Planning, and Succession Planning for Business Owners.*

Integrated Planning is a continuous process of:

1. updating financial goals and objectives
2. identifying gaps and opportunities and
3. implementing & monitoring a course of action.

With 10 associates including 5 Financial Advisors, W.B.White Financial is located at the newly renovated W.B.White Head Office in downtown Oshawa.

With over 70 years of history in protecting second and third generation clients, W.B.White remains committed to providing insurance and financial solutions for all your needs.



### W.B.White Financial Ltd.

- Back row, left to right*  
 Jeff Wright, CFP, Financial Advisor  
 Jim Famme, President  
 Dwayne F. Day, CLU, CH.F.C.,  
 Managing Partner  
 Catherine Rose, Administrative Assistant  
 Mark Bull, CFP, Financial Advisor  
 Darren Hanser, Financial Advisor  
*Front row, left to right*  
 Jim Lao, Financial Advisor  
 Don Sabean, Financial Advisor  
 Yvonne McDonald,  
 Client Relationship Manager  
 Sherryl Smith,  
 Accounting & Human Resource Manager



Working in partnership with:



- Dominion of Canada
- Royal & Sun Alliance
- Optimum Frontier
- Western Assurance Co.

- Framers' Mutual Ins. (Lindsay)
- Aviva (formerly CGU)
- ING Insurance Company
- York Fire & Casualty Insurance

Know what you'll get and when. How does the insurance company define a disability? Are you covered if you can't work at your occupation, or would you be expected to clean houses or deliver pizza? Is there a waiting period before you can collect? Since one in three Canadians will be disabled for 90 days or longer before age 65, some companies insist on 90-day or even 120-day waiting periods, so try to set aside enough money to cover at least three months with no income.

Consider all your options. One option, for example, refunds a percentage of premiums if you don't make any claims within a specific time period.

### Critical Illness Insurance... Advice & Tips

**BEST ADVICE:**

In any critical illness, you face many extra expenses. This newer type of insurance provides a one-time payment of \$25,000.00 to \$2 million, a minimum of 30 days after your diagnosis. You can use it for experimental treatments, mortgage payments, hired help or a family vacation, among other things. For a ten-year term of critical-illness coverage of say, \$100,000.00 a healthy 40-year-old non-smoker will pay approximately \$400.00 a year.

You may choose it to supplement your life insurance. It makes good sense to apply for something that will also pay benefits while you're alive rather than just the traditional approach that provides for survivors in the event of death.

Critical illness insurance is also good for those who don't work outside the home and therefore don't qualify for disability insurance. You could use it to replace disability coverage when it ends at age 65. However, the older you are, the higher the premiums so you should buy it before age 65.

## How do you decide which of your Mutual Funds are keepers and which aren't?



Jim Lao  
Financial Advisor

You have a money-losing mutual fund on your hands, but you're sticking with it. Are you a sensibly patient investor or a patsy? Learn to know the difference and you can save yourself from losses in your portfolio that may take years to heal. Here's an idea of the mathematical logic in play here: If you invest \$1,000 and lose 25 per cent, it takes a 33-per-cent gain just to break even.

Dealing with underperforming mutual funds is a matter that rarely comes up in the world of mutual fund companies, the advisers who sell funds and the analysts who rate them. You can fill a room with reports recommending various funds, but clear sell recommendations are virtually unheard of.

This disparity is partly a reflection of the fact that there's nothing more lucrative to fund companies and advisers than clients who buy and hold forever, thereby creating a continuing stream of free revenue. But it also highlights how much harder it is to make a case to sell a fund as opposed to buying it.

### Are You The Client of the Month?

Our brokerage is nothing without your loyalty and faith in us. Even if your name doesn't appear below this month, please accept our heartfelt "thanks" for your support. We truly appreciate it.

For outstanding work telling others about our brokerage, this month we honor **Petronella Van Heugten** as our Client of the Month!

**Petronella** will receive a gift certificate from us in recognition of this honour.

Thanks for your continued business!

(Who's next? Hint ... it could be you! Watch this space for the announcement.)

As a mutual fund investor, you have to get a feel for assessing underperforming funds using mostly facts, but also a little of what your gut tells you. Ideally, you should address a slumping fund before you run into a five-year stretch of losses.

Whether you work with a financial adviser or invest on your own, annual portfolio reviews are a must. Do not sell a fund because of a bad year, but make a note to keep an eye on it.

After two years of significantly below-average returns, your scrutiny is no longer casual. After three years, you have a choice to make. If your fund doesn't have a solid record, make a commitment to buy better funds. If a fund has good returns and the manager is still in place, you may want to hang on.

Just as important as the decision to jump a sinking fund is the matter of where you're going to land. Never discard a low-down fund for one you've chosen because it's among the performance leaders for the past year. Selling low and buying high can lock you into a repetitive cycle of disappointing investments.

One consideration in dealing with a disappointing fund is whether you'll face a redemption fee if you sell. A way around this may be to switch to another fund at the same company.

Now it's time to get out your latest investment or registered retirement account statement to check how your funds are doing. Are any of them on the list of five-year losers, or have they been below average for a couple of years in a row? If so, then you have a question to answer: Are you being sensibly patient in owning these funds, or are you a patsy?

**Free Report**

"Liability Coverage.....what you should know about what's not covered with Umbrella Insurance!"  
Call 905-576-6400 or e-mail us at [wwhite@wwhite.com](mailto:wwhite@wwhite.com) now to receive your free copy!

**SMART TIPS:**

Consider the coverage you want. A basic policy covers stroke, heart attack and life-threatening cancers. You'll pay more for one that covers about 20 major diseases and conditions.

Look for this. Many policies will still offer a return-of-premium rider allowing you a refund before you die if you haven't made a claim. For more advice you can contact the Insurance Bureau of Canada ([www.ibc.ca](http://www.ibc.ca)).

For advice about life and health insurance, contact the Canadian Life and Health Insurance Association at 1-800-268-8099 ([www.clhia.ca](http://www.clhia.ca)). ([www.ibc.ca](http://www.ibc.ca)).

**Tell Others About Us And Win a Prize**

Thanks to all our clients who graciously referred their family, friends and associates to our brokerage. We build our brokerage on your positive comments. This month, we honor:

**Wesley Kwong** who spread the word of our brokerage and brought us new clients. For this referral, we present **Wesley** with a "dinner for two" gift certificate.

Thank you, *Wesley*.

Next month's referral business prize winner could be you. Just mention W.B.White to a friend, relative, colleague, whomever. Thank you in advance.

**RRSP Season Is Here ... Have You Considered The Options?**



Mark Bull, CFP  
Financial Advisor

For many Canadians, Mutual Funds are still the preferred choice of investing for RRSP Contributions. Recent events over that past few years however have affected our current economic and political climate, resulting in historically high levels of volatility. As a result the traditional alternative of Term Deposits or GIC's that can provide guaranteed returns are offering returns that are dismal in to-day's low interest rate environment.

Many Canadians are now looking at Segregated Funds, an alternative that offers the investment choices of Mutual Funds combined with the low risk advantage of Term Deposits. For a higher management expense ratio, Segregated Funds guarantee your principle (usually no less than 75%) and some even carry a stock market guarantee that protects 100% of your deposits and market gains achieved by the plan up to ten years prior to your chosen retirement date. Another unique feature is that by naming certain family members as beneficiary, your savings could be protected from the claims of creditors. Here is a brief comparison:

|                             |  |
|-----------------------------|--|
| <b>Term Deposits, GIC's</b> | Low risk, removes market volatility out of the picture. Flexible in that investment choices range anywhere from one to 10 year terms. Unattractive low interest rate environment.                                  |
| <b>Mutual Funds</b>         | Flexible investment choices from Money Market to aggressive Equities. Market volatility is a big concern. Foreign content restriction of 30% applies.  |
| <b>Segregated Funds</b>     | Principle and maturity guarantees, creditor proofing among the many advantages. Investment choices from Money Market, Bond, Equity & Index Funds. 100% foreign content eligible. Higher management expense ratios. |

Whether your choice is Mutual Funds or Segregated Funds, here are some tips you can consider to assess when choosing the right fund for your existing RRSP portfolio as well as new contributions.

1. Get the big picture. Compare your fund of choice to others in the same category in terms of long- medium- and short-term performance and on year-by-year consistency.
2. Consider whom you're dealing with. Top fund companies have the resources to fix funds gone sour, and they have plenty of motivation in the form of dissatisfied clients and advisers.
3. Don't chase performance. It's often a big mistake to replace a slumping fund with one that's riding high on the performance charts. You're essentially buying high and selling low in doing this.
4. Consider the alternatives. There's no point moving to another fund unless you can find something demonstrably better. Get a second opinion.

If you would like more information regarding your RRSP options, please call our office at (905)576-6400 or e-mail us at [wbwhite@wbwhite.com](mailto:wbwhite@wbwhite.com)

**Free Report**

"The different kinds of life insurance policies...what they're good for, when to use which one".  
Call 905-576-6400 or e-mail us at [wbwhite@wbwhite.com](mailto:wbwhite@wbwhite.com) now to receive your free copy!

## *Pearl of Wisdom*

"In the End, we will remember not the words of our enemies, but the silence of our friends."

- Martin Luther King Jr. (1929-1968)



An Independent Insurance Broker  
Covers You Best.

## A Not-So-Trivial Pursuit

Every quarter, W.B.White sponsors a Trivia Contest and offers you a chance to win valuable prizes, one of which is NOT a million dollars. Test your knowledge! Just two correct (or nearly correct) answers and you could be this quarter's winner. The entry that comes closest to the correct answers to the following question will be the winner. If more than one person has the exact answer to the first part, the one who comes closest to the correct answer of the second question wins. If more than one person answers both questions correctly, the winner will be the person whose entry reached our office first. Write down your name and answers, and then fax — (905) 576-1367 — or send — 110 King Street East, Oshawa, ON. L1H 1B6 — or e-mail — [wbwhite@wbwhite.com](mailto:wbwhite@wbwhite.com) this page. Good luck!

**QUESTION:** The 1st nuclear-powered submarine, the Nautilus, commissioned by the United States Navy in 1954, made her maiden voyage on what date?

Your Name: \_\_\_\_\_ Your Answer: \_\_\_\_\_

P.S. The answer to the previous question: Britain's present royal family was originally named Saxe-Coburg and Gotha. The name was changed in 1917, during WW1 because of German connotations. The name Windsor was suggested by one of the staff. At the same time the Battenberg family name of the cousins to the Windsors was changed into what name?

**Answer:** Congratulations to Shaaron Drayton & Linda Gates (within seconds of each other's e-mail) who guessed the right answer of *Mountbatten*.

**Remember:** Proper insurance protection requires constant vigilance. Did you know that 37% of unpaid claims result from perilous **GAPS** in insurance coverage? Be sure to let us know whenever changes arise in your life (new car, adding on to your house, etc.).

*Note: Providing your e-mail address will help us deliver important information to you about your protection.*

### Our clients say it best...

"W.B. White Insurance have looked after my home, cottage and car insurance for over 50 years. Any claims I have had have been promptly looked after to my satisfaction. I strongly recommend W.B. White to any person seeking advice and satisfaction for their insurance needs.

Dr. A.E. (Ted) Johnson, Oshawa, ON

Chartered Member

**NSBCE**

National Society of Brokers for  
Consumer Education