



Under Cover

Inside this issue:

Welcome	1
Your Life—Worth Insuring?	1
Joker's Corner	1
Protect Your Profits	2
Workers Comp	2
Broker Profile	2
Confucius Say	2

Joker's Corner

Life insurance agent to would-be client:

"Don't let me frighten you into a hasty decision. Sleep on it tonight. If you wake in the morning, give me a call then and let me know."

30 Years Young!

Welcome—We've Moved!

Welcome to our third issue of Under Cover. Our main news of course, is that after many years at Elringtons Arcade **we now have our own arcade at 40-42 Belgrave Street.**

Oxley Insurance Brokers has occupied three different offices in Kempsey since starting a branch to serve the local area some 25 or so years ago.

With OIB divisions expanding we have advisers from Oxley Life Solutions and Oxley Workers Compensation Solutions needing office space to service our local clients and the time was right for us to move into bigger premises.

So you will now find us down the arcade at **Suite 3.** You can stop and have a coffee at Bella Fare or tend to any legal dealings at Sheridan Legal, both tenants of ours.

We are still settling in, but Tammy Phelps, Alison Pymont, Karrena Creighton and myself are always happy to discuss any



insurance needs you may have.

2006 is a milestone for our company seeing us reach 30 years of continuous service to the Mid North Coast. Many of our first clients are still using our services today, themselves evolving significantly over the years.

If you would like any further explanation of information in this newsletter, please contact either myself or your OIB broker for personal attention.

We would appreciate hearing from you regarding any aspect of our service — good or bad. Please send any comments to: waynep@oib.com.au or visit our website at: www.oib.com.au



Wayne Prince — Manager Kempsey

Your Life—Worth Insuring?

I'd like to tell you about the types of Insurances that can take the worry out of providing you and your family with a secure future in the event something unforeseen prevents you or your business partner from working to your full capacity until retirement age.

Life Cover—Provides for the payment of an agreed lump sum on death or terminal illness.

Total & Permanent Disability—Provides an agreed lump sum if you suffer total and permanent disability and cannot work again, with a choice of "own" or "any" occupation definitions.

Critical Illness—Pays an agreed lump sum benefit on the occurrence of a specified medical event as described within the policy.

Income Protection—Pays a monthly benefit to replace lost earnings if you are disabled and cannot work.

Business Expenses—Covers the reimbursement of certain business costs (for self-employed and small businesses) when a disability renders you unable to work.

Keyperson Insurance—Keyperson Insurance cover provides a lump sum payment to your business in the event the Principal,

General Manager, Sales Manager, or other important employee dies or becomes terminally ill with less than 12 months to live; or if any of the Key People within the Company are totally and permanently disabled from carrying out their own occupation, or suffer a listed medical condition such as heart attack, stroke or cancer.

Partnership Insurance—Partnership Insurance cover provides a lump sum payment to enable the purchase/sale of shares in the event the insured partner dies, becomes terminally ill with less than 12 months to live, or is totally & permanently disabled from carrying out his or her own occupation.

Group Life—Group Life is a cost effective way for Business Principals and Staff to purchase insurance coverage. Many policies have automatic acceptance without the need for medical testing.

If you have any questions regarding any of these insurances, please give me a call.



Rod McLean — Manager *Oxley Life Solutions

- ✓ Solid local service
- ✓ Reliable Quality
- ✓ Trusted Since 1976

PROTECT YOUR PROFITS

BROKER PROFILE



Tammy Phelps joined OIB Kempsey in Feb. 2000 as a trainee and has grown professionally by continuing her studies and assisting senior brokers. She attained her Dip. Fin. Serv. (Broking) in 2003, advancing to become a broker herself. As a member of BNI, Tammy has increased her contact base within the community she was brought up in.

Her interests include ballroom dancing, jewellery making and horse riding, all of which have taken a back seat with her recent marriage keeping her busy on the home front. Tammy took over Mike Ball's portfolio on his departure and is enjoying getting to know her new clients.

Confucius Says...

By three methods we may learn wisdom: First, by reflection, which is noblest; Second, by imitation, which is easiest; and third by experience, which is the bitterest.

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"Business Interruption" or "Loss of Profits Insurance" or "Consequential Loss Insurance", is a valuable way to protect your business.

If your business suffers loss or destruction of assets, you can also suffer due to an inability to trade and therefore a reduction in your cash flow.

If stock is destroyed and you cannot meet orders, you may find clients seeking out competitors. Plus there are some expenses such as payroll, rent, and interest that remain constant even though no money is being generated.

You may even incur additional expenses because of the need to rent temporary premises or work overtime.

Your profit margin may be lost depending on the period of interruption to your business. This is where Business Interruption protects you over and above the physical property coverage.

Whereas, loss or damage to physical property is loss of capital assets as sustained on the date of the event; business interruption results in a reduction in trading income and continues until adequate re-establishment of previous trading status.

So even a small material loss could cause a significant disruption and result in the enforced wind up of a business.

Business Interruption Insurance effectively allows your business to continue as if the loss had never happened. One of the decisions you need to make when considering how much cover you need, is for how long an interruption you need to allow.

One way of working this out is to look at your previous year's accounts, consider your current budget and then estimate a "what if" at the worst level. It is wise

to consult your accountant for assistance, but with our years of experience with this type of cover, we can advise you.

In most policies, Insured Gross Profit is covered and is calculated by deducting variable turnover expenses from gross sales or revenue. It will also cover extra costs reasonably incurred in reducing the loss.

You can extend the policy to cover professional fees charged for preparing the claim or for interruption through loss or damage at other premises (customers/suppliers) or by providers of essential services like gas, electricity, or water.

If you'd like to discuss any of the above, please call your local Broker who will be happy to meet with you.

Workers Comp Legislative Changes for '06 -'07

Throughout 2006: WorkCover will consult with large employers regarding various aspects of the premium systems.

Throughout 2006/2007: WorkCover will consult relevant industry groups and unions on the development of one or more industry-specific pilots under which the costs of a defined set of gradual onset claims will be excluded from experience calculations.

WorkCover will also consult on the development of alternative methods of calculating Workers Compensation premiums for employers in the labour hire industry to ensure their premiums more closely reflect their claims experience.

30th June 2006: Related employers with combined wages greater than \$600,000 will be grouped for premium assessment as proposed.

The costs of claims and wages of

group members who close or do not renew their policies will be proportionally allocated among remaining group members as proposed.

All members of a group may continue to have separate policies but will be required to insure with the same scheme agent, with a common renewal date for all policies.

The premium for group members will be calculated in accordance with the new formula except that a common Sizing (s) factor will be based on the combined basic tariff premium of all group members and new caps on maximum experience adjusted premiums will apply to group members collectively.

30th June 2007: Late reporting fees to be introduced as proposed, however, WorkCover will

be consulting with industry during 2005/2006 to discuss options for application and collection of fees.

Scheme agents must offer employers the option of paying their premiums in full, or in four or 12 instalments (i.e. quarterly or monthly). Options available will depend on the size of the employer's basic tariff premium.

31st December 2007: Manual claims estimations to be replaced with a statistical case estimation model.

Got a question regarding any of the above? Give me a call.



Mark Shoesmith — Manager Workers Compensation