

Auto Insurance Blues

Tuesday morning May 18th was a beautiful summer day. I started my day at the dentist getting my teeth cleaned (no problems, hooray) and then headed to my office. As I drove east on Route 6 in Bristol I was T-Boned on the passenger side of my car by a young man who left high school early with a headache. This certainly didn't help his headache but I'm sure it was a distraction. Luckily neither of us was harmed. I walked away unscathed and the young man had a few bruises on his arms from the airbags deploying. I asked the young man if he was okay and he replied "my insurance is going to triple." His worry of the families finances and not his health ensured me he was well.

This is my first "real" accident and hopefully my last. I am so thankful to have walked away from it. It happened so fast that I was only able to raise my right arm over my eyes and hope for the best. The only thing I saw was shattering glass and airbags. Another stroke of luck is a state trooper who was traveling immediately behind me who saw the whole thing and made the police report portion of the incident very convenient.

After a few days I finally connected with the young

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Social Security Statements

Each and every year the government is now sending us our social security statements. This is a two page, double side white and green document that you should not destroy, recycle or throw away. When you get this document please read it, ensure its accuracy or correct its errors and send me a copy. This is a key document we use in all of our planning efforts and truly a very valuable benefit statement. Most of us are entitled to some retirement benefits if you paid into the system. Some people are exempt – some state, government and municipal employees, railroad employees and remarkably some social security employees. There are also disability benefits, survivors' benefits and a small death benefit.



Older Workers Keep on Working, Not Always by Choice.

Many of the age 50+ population are turning to self employment. This is a trend that has its roots in corporate downsizing and the difficulty older workers have in getting jobs. Who says there's age discrimination in America, yeah right. A new policy survey by AARP suggests that 10.2% of the overall workforce is self employed, 16.4% of business owners are 50+. The numbers become more staggering the closer you get to retirement age. 38% of all working men at age 65 are self employed. Many don't choose to work but are not adequately prepared for retirement and have no choice but to work and cannot find reasonable employment at their age. Many in this category are grossly overqualified, overeducated and

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man's insurance company, Nationwide, to get a rental car while they decided what to do with my car. They took responsibility and offered me a rental car. My car is ten years old but is a nicer car. I like to buy luxury cars 4-5 years old with as few miles as possible. I was lucky to find my car, a 1995 Lexus LS400 (re-badged overpriced Toyota Celsior) in year 2000 for \$20,000 with 23,000 miles on it. My wife was happy we found it because my two year hunt for that car in new condition at a reasonable price was killing her. The car new is almost \$70,000 (that's absolute lunacy) and an Accord couldn't be had for what we paid for the re-badged Toyota.

Nationwide wanted to give me a pickup truck. There was no chance that a pickup was going to do the trick, none. After some "negotiations", they agreed to give me an Infiniti FX 35. It's a very good looking car but a bit weird to drive. A "comparable" car was fair and all was well after that. The body shop was my choice, not theirs (never go to the shop they recommend) and if you need a true craftsman, I suggest you contact Brian Hartwell at C.A.R.S. in Terryville. As you all know I'm anal retentive and neurotic about cars and money and he's worse than me so I look forward to a like new car when it returns.

When you go to rent the car you can buy additional insurance – for \$20.00 a day. That's \$600.00 a month for auto insurance that you already own. What are they smoking? Don't do it, ever. Your regular auto policy covers the rental car as if it were your own and your regular deductible applies. If you don't have insurance or don't want your insurer to know about any potential accidents you may have then consider the overpriced insurance from Enterprise. You may want the insurance if you are renting a Ferrari and plan on pushing the envelope. They will want a whole lot more than \$20.00 a day to insure the Ferrari. Don't bring the car back with less gas than when you left because they want \$5.00 a gallon. That's right, \$5.00 a gallon for gas from Enterprise. That makes \$2.07 sound like a bargain.

When it comes to parts, don't settle for aftermarket parts, insist on genuine parts made by the manufacturer of your car. They may try to get them used but at least they'll be the correct size, proper

steel gauge and will fit correctly.

After a few weeks Nationwide began calling Enterprise saying "we stopped paying for the rental car two days ago." This is a plain old lousy, childish and unprofessional way of doing business. Apparently it is something the insurance companies do now to save money since they can't get away with buying cheaper aftermarket parts anymore. Since they wanted to play "hardball" I decided to go after my two and half days where I was out of work without a car. Insurance companies are so stupid, they would have saved so much by paying for a rental for a few more days rather than have to replace my wages. If they hadn't been so unprofessional in how they handled the rental, the lost wages would have been ignored.

A few other thoughts on rental cars, insurance companies and their associated issues. Don't pre-buy gasoline from the rental car company. That is down right painful. Who can drive the car? They wanted me to commit that I would be the sole driver of the car while it was in my care. That's not real for us since Betsy may need it if I'm out with the girls in her car. It was a real issue but eventually the gentleman wrote her in as a valid driver. Don't get pushed around by these people in the ways they do business. Where can you go? They specifically asked me where I'll be traveling. Since I didn't have a clue, I told them the lower 48. There is no chance I'd be driving to Alaska and it's impossible to drive to Hawaii so I figured there was safety in that answer. What if we had the sudden urge to go to Wahoo, Nebraska to see the home office of the Letterman show? As ridiculous as it sounds if I had an issue in a state I wasn't "approved" in there would be consequences. The chances of me leaving New England and New York are slim, but exist nonetheless.

Before you take the car off their premises, do a thorough check of the vehicle both inside and outside, checking for scratches, dents, dings, chips, etc. My car had a chipped windshield that I pointed out. Without that documented, I could be responsible for damage that a renter prior to me created. Never take a car off a lot when it is wet. Wet cars all look good and damage is hard to notice.

NOTEWORTHY NEWS !!!

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Congratulations to Marie-Alana Cassullo & Mark LaChance on their recent engagement. After almost a decade long courtship, the deck is stacked in their favor that this will work. (It took me seven years before I asked Betsy to be my wife so I am an advocate of testing the waters.) Good luck and our best wishes for a long, happy and healthy life together.

Congratulations to the Pfeiffer family on the birth of Sayuri Inoue Pfeiffer "Saya." Congratulations to mommy Yuko, daddy Jan as well as Grandma Maletta.

Our condolences to the Nygren family on the loss of Andy's mother.

Our condolences to the Finn family on the loss of Donna's mom in Long Island.

Our condolences to the Pelletier family on the loss of Gaston's brother in a car accident in East Hartford.

If anything special occurs in your life, good or bad, be sure to notify the office and you'll be included in the noteworthy news section of the newsletter. Should the news require advice, you'll certainly get it.



Bug Off

During this time of season the weather is beautiful and the water is truly enjoyable. My only beef with the warm summer months, especially near bodies of water, is the plethora of mosquitoes that try to suck my blood. There are a slew of options as to how to protect yourself from the bugs and the diseases they carry. The question in my mind is what's more dangerous to us, chemical repellants or West Nile Virus. Kimberly Thompson from the Harvard School of public health says there is much more damage done to us via West Nile Virus than in chemical repellants. Here is the effectiveness of various repellants.

Chemical Cocktail	Concentration	Minutes before bite
DEET	23.5%	301.5
Oil of eucalyptus	30.0%	120.1
DEET	6.7%	112.4
Soybean Oil	2.0%	94.6
DEET	4.8%	88.4
IR3535	7.5%	22.9

much more expensive than their younger counterparts. What ever happened to corporations taking care of their workers? That's a thing of the past so be sure you have your financial ducks in a row and are prepared to face the challenges that lie ahead. One of the biggest issues is health insurance coverage until Medicare kicks in at age 65 (younger if you are disabled.)



Coordination of Your Documents

You likely have many different financial vehicles and instruments, but are they talking to one another. Who did you name as the beneficiary of your life insurance policy? Who is the beneficiary of your IRA, your 401(k)? What about that annuity you got years ago, who is the beneficiary of that? Do you have Guardians named for your children? Do they know it? Who is the executor of your estate? Successor executor? Are there trustees for your trusts? Are your heirs in your will current? Are they still the ones you want to inherit what you leave behind? Have you done your will? Try to get it done before the kids graduate!

Each of us have most of these questions in our heads but are they addressed properly? Most times, no. I encourage you to review your financial situation and be sure the documents are coordinated and talking to one another. What if you and your spouse died, where would the kids go? Would the money follow or would it go somewhere else? Are your estate plans in order to take advantage of the current tax law? If you drafted estate planning documents a few years ago you likely will want to change the unified credit clause as its going up exponentially and may cause the surviving spouse lack of control and possibly loss of income if too much is funneled to the trust.

If you own a business is there a buy-sell agreement in place? Does that document reference your other documents? If you need help with any of this, call the office.

Financial Thoughts Checkup

The statements below will help you to think about and assess how satisfied you are with the many aspects of your life. Rank each statement on a scale of 1 – 5 with 1 being not satisfied, 3 moderately satisfied and 5 very satisfied.

- 1 ...with my ability to meet my financial obligations.
- 2 ...with the income potential my current job or career provides me.
- 3 ...with my spending habits.
- 4 ...with the level of debt I carry.
- 5 ...with the “extras” that I am able to buy for myself and/or my loved ones.
- 6 ...with the level and quality of insurance protection I currently have.
- 7 ...with the amount of money that I save and invest on a regular basis.
- 8 ...with my current investment choices.
- 9 ...that I am on track to build a sufficient retirement nest egg.
- 10 ...with the level of employee benefits I have.
- 11 ...with my style of personal bookkeeping and financial records management.
- 12 ...with my plans for my children’s education.
- 13 ...with my estate plans.
- 14 ...with my level of charitable giving.
- 15 ...with the level of personal financial education I have attained.
- 16 ...with how I respond emotionally to my personal financial issues.
- 17 ...with my ability to communicate about my financial matters.
- 18 ...with the feelings I have about my money life.
- 19 ...that financial issues do not cause stress or strain in the relationships that are important to me
- 20 ...with the working relationships I have with my financial professionals.

If your answers are not what you’d like them to be, call the office and we’ll help you address the issues that are causing you anxiety, restless nights or anything else unpleasant.



MONEY QUIZ

WHAT PERCENTAGE OF UNITED STATES MILLIONAIRES PLAN ON GIVING AWAY MOST OF THEIR FORTUNE TO CHARITY BECAUSE THEY FEAR SPOILING THEIR CHILDREN?

The first person to call the office with the correct answer will win a free dinner for you and a guest at the place of your choice.

Congratulations to Mark and Laurie Danaher who won last months quiz. They enjoyed dinner on us at Simsbury Inn. Keep thinking finance and we’ll keep sending you out to dinner or out for a massage.

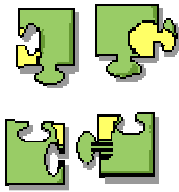


Statistics Ballistics!

- 9000 is the number of cars that were sold in the United States in 2003 for over \$100,000.00 (Global Insight)
- 15 is the average number of minutes per day the average worker saves while the rest of the days wages goes to housing, transportation, taxes, medical care, etc. (Tax Foundation)
- 40 is the percentage of new car buyers who are financing cars for five years or more, versus 24 percent in 2002 (Edmunds.com)
- 1920 is the first year in America where more people lived in cities than on farms.

Inspirational Quotes

- When you win the lottery you only get the money, not a brain. That's why so many winners subsequently go bankrupt. Unknown.
- You better think about the future for its where you'll spend the rest of your life. Unknown.
- To solve big problems you have to be willing to do unpopular things, Lee Iacocca
- If everything is under control, you're not going fast enough, Mario Andretti.



Changing Gears, Wealth Building to Income Producing!

One very difficult transition for people is to go from accumulation mode to distribution mode. People spend most of their lives trying to accumulate enough money, assets, and benefits to live comfortably in the future. Turning that off and beginning to take an income from your assets is a difficult thing to do. Not all assets are created equally. The vehicles that accumulate assets the best are typically the worst distribution assets. Take retirement plans for example, they accumulate quickly with all of the tax benefits but they distribute terribly. What is worth more, \$1,000,000 in the bank or \$1,000,000 in an IRA? It's not the same because the bank is after tax money and the IRA has to be taxed before you can spend and enjoy it. If you'd like help in changing gears or creating an exit strategy to spend and enjoy your wealth call anytime and we'll be happy to help.

If you would like anyone you care about to begin receiving this newsletter, tell us who they are and they will be included on our mailing list. They'll also get a note with their first issue telling them you suggested they receive the newsletter. They certainly will benefit from this information and I'm sure they'll appreciate you thinking about them and having their best interests at heart.

Name _____

Address _____

City _____ State _____ Zip Code _____

Name _____

Address _____

City _____ State _____ Zip Code _____

Call us with the information or
Fax this into the office at 860 673 5177

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Please think of us whenever you or someone you care for needs the following:

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- Pensions - qualified and non qualified
- Family Protection Strategies
- Life Insurance
- Investments & Investment Advice
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- Retirement Plans
- College Funding
- Tax Savings Strategies
- College Financial Aid Strategies
- Required Minimum Distributions
- Debt & Cash Flow Management
- Employment contract negotiations
- Settlement option analysis
- Financial Advice - hourly or annual retainer
- Fee based investment management
- In depth portfolio analysis
- Estate & Income Tax Planning
- Distribution of Assets – IRA, 401(k), etc.
- Retirement Income–Guaranteed or variable
- Disability Income Insurance
- Widow/Widower Assistance
- Nursing Home Asset Protection Strategies
- Long Term Care Insurance & Issues
- Key employee retention strategies
- 401(k) & Retirement Plan Rollovers
- Philanthropic gifting & charitable planning
- Trust, inheritance and foundation planning

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