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FamilyMatters

FALL ISSUE 2008

NEWSLETTER

Scrivens
Family of Companies

The *Scrivens Perspective*

by Peter Scrivens, President



We're all affected by soaring gas prices, higher energy costs, the rapidly rising cost of living and a sagging equities market. Unfortunately,

there's no magic bullet to rid ourselves of these challenges. Rather, all of us have to take what steps we can to minimize the impact on our lives and families.

That's what this edition of *Family Matters* is all about. Whether you're staying home, taking a short vacation or determined to head south for the winter, we've put together some practical advice to help you ease the burden brought on by today's economic conditions.

We're especially grateful to Douglas Gray, the acknowledged expert on snowbirds and the author of the long-time best-seller, *The Canadian Snowbird Guide*. He's kindly agreed to share his experience and knowledge exclusively with readers of *Family Matters*. You'll find his thoughts on page 2.

We're also pleased to announce that *Scrivens Financial* will be offering a professional development session – exclusively for our clients and guests – on the subject of long-term care. It's one you won't want to miss. Plus, we've got a late summer recipe that – for a while at least – will definitely take your mind off the challenges we're all facing today. 🍷

Dealing with poor market performance

As every investor is no doubt aware, equity markets around the world have performed poorly for most of 2008. At the *Scrivens Family of Companies*, we believe the two most important factors in dealing with underperforming markets are your desired asset allocation and your investment time horizon.

If you have at least a seven-year investment horizon and you are comfortable with your equity exposure, it may be unnecessary to make any changes to your portfolio. However, if you need to draw income from your portfolio over the next three years, it would be wise to have the required funds in lower volatility investments such as GICs, money market or short term bond funds.

Sector diversification is another key point when evaluating your equity exposure. Almost any positive growth in the TSX over the last year has come from the energy and materials sectors. By contrast, financial shares have been beaten up as a result of the fallout from the credit crunch. Those who invested heavily in financials and were light on energy would have experienced greater negative returns.

We suggest that you arrange a portfolio review with your Scrivens advisor. It's the best way to ensure that your portfolio meets your requirements and is properly diversified. 🍷

Remember, we're here when you call

If you're planning to go south for the winter or simply out of the city on a short vacation or business trip, remember, you can still reach us with questions about your insurance or investment portfolio anywhere from Canada or the United States. Simply call 1-87SCRIVENS (1-877-274-8367) anytime from 8 a.m. to 5 p.m. Monday through Friday. A receptionist will be there to direct you to the right person. 🍷

An end to summer hours

Summer hours at the *Scrivens Family of Companies* came to an end after the Labour Day Weekend. We are now back to regular hours, from 8 a.m. to 5 p.m. Monday to Friday. 🍷

INSIDE matters

- Insurance payments
- Ways to cut down that gas bill
- Long-term care, part 2



Scrivens Family of Companies
270 MacLaren Street
Ottawa, Ontario, Canada
K2P 0M3

613-236-9101
1-877-274-8367
613-236-0856
www.scrivens.ca



Words of advice from Canada's leading expert on snowbirds

A high Canadian dollar and a housing market in freefall – sounds like the ideal time for snowbirds to add some permanence to their annual sojourns down south. Not so fast, says Douglas Gray, the best-selling author of *The Canadian Snowbird Guide* and the acknowledged expert on spending winters in the U.S. and Mexico. In an exclusive interview with *Family Matters*, Mr. Gray says he would advise any snowbird AGAINST buying real estate in the U.S. right now.

“The United States housing market is too risky at the moment,” says Mr. Gray, “and it will likely go down further. If you don't currently own, you should rent only, and then decide on your plans in the future.” Mr. Gray points out that rather than purchasing a condo, the majority of snowbirds prefer to stay in mobile home parks. “For first-time snowbirds, especially, this gives them the option of trying a different location in the future in case things don't work out.”

Nonetheless, the high Canadian dollar is encouraging snowbirds to stay longer and

spend more, despite the economy and rising gas prices, says Mr. Gray. While he encourages all snowbirds to make the most of their time down south – he's a committed traveller himself – Mr. Gray cautions that with additional purchases such as boats or recreational vehicles comes added responsibilities such as insurance and storage. “Snowbirds who don't want their dream vacation to turn into a nightmare should pay close attention to customs and immigration laws, tax issues, estate planning and money management before they leave.”

Scrivens clients, like anyone else thinking of heading south, should be especially careful to arrange adequate insurance, says Mr. Gray. “Medical, car and home insurance should be a top priority. Without supplemental coverage for out-of-country medical emergencies, you could be financially devastated,” says Mr. Gray, pointing out that provincial health plans cover only a small portion, if any, should you get hurt or sick while out of the country.

Despite the appeal of a laid-back lifestyle in a southern clime, snowbirding is not for everybody, Mr. Gray cautions. “Being away from friends and family isn't for everyone. Those who are thinking about their toe in the snowbird waters should take it step-by-step, he says, perhaps renting for about a month the first time to see how things work out. Those who like the way things turn out will be pleased to discover that the strong loonie, coupled with the lower cost of living in the U.S. or Mexico, means they'll probably come out ahead financially, despite high energy and fuel, says Mr. Gray.

“Even when you factor in your medical insurance, you'll probably be breaking even or paying just a bit more than if you stayed at home in Canada all winter.” And, of course, you'll probably be a lot warmer. ❁

Put your financial house in order before heading south

Be sure to consult your financial advisor before you head south. There's no better way to ensure everything is in order before you leave the country. Here are some other tips:

- Arrange access to cash and financial services by setting up online and telephone banking.
- If you have investments that will mature while you are away (such as GICs or bonds) talk to your financial advisor before you leave.
- Make sure your powers of attorney and will are up-to-date. And be sure someone knows where your legal documents are kept.
- Arrange for proper health insurance.
- Protect the property you leave in Canada. Make sure the insurance coverage on your property in Canada is adequate and up-to-date. Have someone check on your home on a regular basis to keep your coverage in place. ❁

10 ways to cut down that gas bill

1. Get regular tune-ups – a well-tuned vehicle performs better and uses less fuel.
2. Keep your tires properly inflated – a 20 per cent drop in tire pressure translates into a 10 per cent increase in fuel consumption.
3. Don't idle – leaving your car running for more than a couple of minutes not only uses more fuel, it can shorten engine life.
4. Make fewer trips – combining tasks means less travel and more fuel savings.
5. Reduce the load – avoid carrying heavy objects you don't need like skis or tools.
6. Get off to a slow start – driving slowly until the car warms up will reduce your fuel costs dramatically.
7. Open the windows – air conditioning uses fuel. When on the highway, roll up the windows and use the AC, because closed windows reduce wind resistance.
8. Check your thermostat – faulty cooling systems don't allow your engine to quickly reach or maintain correct operating temperature.
9. Accelerate less – it's estimated that 50 per cent of the fuel used in city driving occurs during acceleration.
10. Drive slower – drive at 100 km/h instead of 120 km/h and you'll reduce your fuel consumption by 20 per cent. ❁



RISK management COMMERCIAL insurance

Unlicensed drivers put companies at risk



As a result of a recent court ruling, businesses that allow unlicensed or improperly licensed employees to drive company vehicles may find that their insurance coverage is void. The ruling states that if an unlicensed or improperly licensed employee is involved in an accident, you are not covered for any resulting claims. This includes both physical damage to the vehicle or any liability should someone be injured. Furthermore, your insurance company is under no obligation to defend you if you or your business is sued as a result of an accident.

Simply put, any employee driving a company vehicle must have a valid licence and be licensed to operate the type of vehicle they'll

be driving on the job. It doesn't matter if you are unaware that your employee is no longer licensed or not adequately licensed – your insurance coverage will be denied.

This puts the onus squarely on you to ensure that your employees are operating company vehicles with a valid and correct driver's licence. At Scrivens, we encourage you to develop a system to regularly monitor the status of your employees' driver's licences. It's the only way to avoid a potentially serious uninsured loss. To review the different licence classes available to drivers in Ontario, visit www.mto.gov.on.

For more information, call Ole Jensen at 613-236-9101. 🌸



PERSONAL ASSET management

Long-term care – for you and your portfolio



As many of you will recall, we devoted much of the spring edition of *Family Matters* to the issue of long-term care, listing a number of important facts and outlining several key advantages. Now, *Scrivens Financial* is pleased to offer an important and highly informative professional development session – exclusively for our clients and guests – dedicated solely to the subject of long-term care.

- **WHY:** Because you care about your planning – but are you planning for your care?
- **WHEN:** Tuesday October 21, 2008 – 7 to 9 p.m.
- **WHERE:** Kanata Lakes Golf & Country Club, 7000 Campeau Dr., Kanata

The need for long-term care can significantly disrupt your retirement plan. The cash flow provided through a long-term care insurance policy, however, can help reduce or even eliminate the need to draw down investments to pay for care expenses. The information you will gather in this seminar can help you properly plan against this risk. We invite you to attend. And, by all means, bring a friend.

Guest speakers will provide a range of information that can impact long-term care decisions, and help you in your care planning. In addition, staff from *Scrivens Financial* will be there to greet you and answer any questions you might have. We'll also have refreshments and door prizes.

To attend, call or email Stephanie at 613-236-9101 or sfree@scrivens.ca on or before Wednesday, October 1, 2008.

For more information call Ken Brownness or David Scrivens at 613-236-9101. 🌸



PERSONAL insurance

The price for late payments



The penalty for a missed, late or NSF payment to an insurance company can be far greater than the fees charged by your financial institution. Late or missed payments can cause cancellation of your insurance, thereby limiting your future payment options, and even your ability to acquire insurance.

In most instances, failure to pay in a timely manner generates what is called a Cancellation for Non-Pay by the insurance company. In general, most companies allow one NSF payment per term. A subsequent NSF payment will usually generate a cancellation by registered letter. If you're unfortunate enough to receive a registered letter of cancellation, you will have to make a certified payment

before the cancellation date to reinstate your policy.

Insurance companies monitor cancellations and payment problems closely. In fact, when you complete an application or sign a contract, you will probably be asked if a company has cancelled a policy in the previous five years. You are legally required to disclose any finalized cancellations for non-payment. In that case, the company may not offer a payment plan, requiring you to make a single annual payment instead. Due to the nature of insurance, provincial regulations require that premiums be paid on time to ensure continued coverage.

For more information, call Jennifer Falconer at 613-236-9101. 🌸



OTHER MATTERS

The *Scrivens Kitchen*

Cucumber Topping/Side Salad

This summer recipe, from our receptionist Terry Burchill, is equally tasty in early fall. Use it as a topping for baked potatoes or as a small side salad.

Ingredients

- One large English cucumber
- One large onion
- One large container of sour cream
- Dash of salt
- Dash of pepper

Directions

- Cut cucumber and onion into very thin pieces
- Add salt and pepper
- Refrigerate for one hour, then drain juice
- Add sour cream, mixing all of the ingredients together
- Refrigerate for another hour

Send us a favourite recipe and we'll share it through the *Scrivens Kitchen*. 🍷


Staff and Stuff

For 11 years, the John Shaw Memorial Golf Tournament has honoured the late *Scrivens* employee and supported local charities.


The success of the tournament would not be possible without the hard work of Steve Blais, who has organized the tournament – and continues to organize it – all those years. Our thanks go out to Steve for his dedication. 🍷

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Worth Reading



The Canadian Snowbird Guide: Everything You Need To Know About Living Part-time In the USA and Mexico
by Douglas Gray

Every fall, more than a million snowbirds migrate south to escape the Canadian winter. For years, many have relied on the advice of Douglas Gray to ensure that their time down south is enjoyable and worry-free. While our strong dollar makes the trip more affordable, today's snowbirds face tighter security and higher health insurance costs. As it has for thousands of snowbirds previously, the 4th edition of *The Canadian Snowbird Guide* provides the answers.

Read a good book lately? Let us know and we'll tell others about it in *Worth Reading*. 🍷

We welcome comments or suggestions about *Family Matters*. You can reach us at triley@scrivens.ca
Scrivens Family of Companies
270 MacLaren Street
Ottawa, Ontario K2P 0M3

Generic Disclaimer (mutual funds only)

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the simplified prospectus before investing. Mutual funds are not guaranteed and are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. There can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Fund values change frequently and past performance may not be repeated.

Labour Sponsored Funds have tax credits that are subject to certain conditions and are generally subject to recapture, if shares are redeemed within eight years.

Personal Opinions & Recommendations Disclaimer

The foregoing is for general information purposes only and is the opinion of the writer. This information is not intended to provide specific personalized advice including, without limitation, investment, financial, legal, accounting or tax advice. However, please call *Scrivens Family of Companies* to discuss your particular circumstances. 🍷



Scrivens Family of Companies
270 MacLaren Street
Ottawa, Ontario, Canada
K2P 0M3

613-236-9101
1-877-274-8367
613-236-0856
www.scrivens.ca

