

Cremasco's Corner

Quarterly Journal of Group Benefits & Retirement

Fall Issue - 2015



Featured Client: Colley Insurance!!!

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Trivia Question

No winners in the last quarter

In which city was Martin Luther King assassinated in 1968.

- a) Dallas, Texas
- b) Washington, DC
- c) Memphis, Tennessee

Enter the draw by emailing lina@cremasco.com with the correct answer for a chance to WIN a \$20 Tim's Card!

www.cremasco.com

PROTECTING BUSINESS OPERATIONS IN THE EVENT OF A LOSS

Protecting Business Operations

No one thinks it will happen to them.

You wake up to a ringing phone at 1:30 a.m. A representative from your alarm company has some bad news: "I'm sorry to inform you there's a fire at your business. The police and fire department have been notified." You rush out the door, speed off in your car and arrive at your business to witness the building engulfed in flames. It takes the fire department a few hours to put out the fire. And now everything is smoldering...everything is gone.

You've been told it'll take 6 – 8 months to get your business up and running, yet expenses continue when no income is coming in:

- Customers may be lost to competition
- Staff may find another job while the business is closed
- Special machinery may have to be imported or custom built
- When the business reopens, it may take a while returning to normal

What's your plan for recuperation? How will you maintain your income and pay your bills? Businesses have a hard time surviving such a loss unless they have large capital reserves or Business Interruption and Extra Expense Insurance.

Article continues on page 3...

For more information on Protecting Business Operations please go to this link:
<http://www.tgcolley.com/blog/entryid/9313/protecting-business-operations>

Meet the Team



Dan Kennedy,
B.A., CFP

Name: Dan Kennedy

Likes: Family time, sports, animals and travel

Dislikes: Sauces, dips, seafood, rudeness and line ups

Status: Happily married to Vicky with 2 daughters: Lauren & Jessica

Hire Date: Began in the insurance industry in 1987 with London Life. Worked with Richard since 1990 and became a partner in Cremasco Financial in 1998.

Job Title: Branch manager overseeing mutual fund compliance, financial planner and life, health & retirement benefits specialist

Experience: Excels in the complications of Entrepreneurs blending the worlds of Individual & Business Planning

DISABILITY COSTS: THE ROCKY ROAD AHEAD

The road ahead – What does that look like? The following factors have an impact on disability plan costs:

Demographics – Both the incidence and duration of disability increase with age and our population is aging.

Mental health – Claims related to mental illness are increasing significantly. Under most disability programs, mental illness is the number one cause of disability. For most insurers, mental health-related disability claims represent upwards of 30% of total claims submitted and climbing. Mental health-related claims are extremely difficult to manage, challenging the resources of plan sponsors and insurers alike.

Chronic disease - We are not a particularly healthy society with staggering rates of chronic illness. Drug therapy can be helpful in managing many chronic diseases for long periods of time. However, eventually some of these individuals will wind up on disability.

Healthcare access – In Canada, the challenges related to access to healthcare are well documented. Wait times for appropriate care – particularly in accessing specialists – are longer than most would deem acceptable. And unless governments can somehow free up additional funds to improve access to care – which seems unlikely – the situation is not likely to improve. The medical community is critical to the proactive management of disability claims. Long wait times translate into longer claims durations which further translate into higher plan costs.

Low interest rates – Low interest rates are generally considered to be a good thing - just not for insured disability programs. A significant portion of the plan cost is for reserves – reserves established to fund future claims obligations. These reserves are highly interest rate sensitive; the lower the interest rate, the higher the reserve. Our relatively low rate interest environment is putting upward pressure on the cost of disability.

The legal environment – More and more claim adjudication decisions are being grieved or litigated; this adds costs to the overall system. Challenging disability adjudication decisions is becoming bigger business.

Stigma – in the past, the stigma associated with missing work due to a disability caused many people to suffer in silence. For some, the stigma still exists particularly as it relates to mental health issues however the impact feels far less significant. This is not a bad thing – no one should be placed in a position of not getting the help they need because of what others might think. However, the consequence for disability programs is that more people are claiming for disability benefits.

There seems to be little reason to expect that these factors will change in the foreseeable future. In fact, there is very little good news on the horizon. This is why I submit that the risk profile associated with disability has fundamentally changed and that we should expect that disability plan costs will continue to increase.

Brian Lindenbergh, BenefitsCanada.com | October 14, 2014

At Cremasco, we are always trying to monitor developments and will endeavor to keep everyone updated. Please call if you have any questions or concerns, 519-837-1530

Planning ahead for an Emergency...Part 3

Emergencies can happen any time and that's why it's important for you to take the necessary steps to make sure you are personally prepared. A simple emergency kit that's easily accessible, portable and stocked with all of the essentials can make all the difference during an emergency situation.

Make sure to read a first aid manual so you'll understand how to use the contents in the kit. If your children are old enough to understand, review the manual with them as well. It's important to store first aid kits in places that are out of children's reach but easily accessible for adults. Check the kits regularly and replace missing items or medicines that may have expired.

There are four parts to The Emergency kit Checklist:

- 1) What's in a first aid Kit?
- 2) Emergency Kit: Home
- 3) **Emergency Kit: Car**
- 4) Important Papers.

In this issue I will be sharing "Emergency Kit: Car"

Emergency Kit: Car?

- Shovel/axe/hatchet
- Sand/salt
- Booster cables
- Flares
- Loud whistle
- Cellular phone/phone charger/change for public pay phone
- Multi plier/multi tool/utility knife
- Survival blanket
- Fire extinguisher
- First aid kit
- Flashlight with batteries
- Can opener/forks/spoons, etc.
- Tire pump/inflator
- Warm clothing/boots/water proof jacket
- Emergency/help sign for dashboard
- Hand sanitizer
- Wiper fluid/ice scraper
- Spare tire
- Emergency phone numbers
- Road maps/compass
- Candles and matches
- Non-perishable food items/water/paper towels

PROTECTING BUSINESS OPERATIONS IN THE EVENT OF A LOSS...cont'd from page 1

There are two types of insurance to replace lost income – Earnings, and Profits. The best approach to find out which is best is to ask yourself “*Would the results of the business still be affected by the loss after the business has reopened?*” If the answer is no, an Earnings approach is best. If the answer is yes, a Profits approach is better suited. Here’s the difference:

- Earnings: this approach treats a business interruption as “over” once the physical loss, or damage from a loss, has been remedied and the business is able to reopen. Coverage ends when the damaged property has been restored, or could have been restored with due diligence.
- Profits: this approach recognizes that a business interruption may continue to affect the business even after it reopens. Coverage under this type of policy lasts until the results of the business are no longer affected by the interruption (or for 12 months, whichever comes first).

Extra Expense Insurance doesn’t replace income; it pays the extra expenses incurred to keep a business going during a major loss – you may need to rent a temporary premise, or pay staff overtime due to an increased workload.

To maintain operations at the level they were prior to a loss, it’s important you purchase Business Interruption and Extra Expense Insurance. These two coverages will maintain profitability and reduce the risk of closure, loss of clientele and loss of staff.

Speak to your insurance broker to ensure your business is properly protected in the event of a loss.

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For useful tips, information, or to get a quote, please click here to visit our website: [Colley Insurance](#) or [Integrisure Group](#)

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Are your shots up to date?

Ontario’s recommended immunizations for adults are:

- **Influenza (every autumn)**
- **Tetanus/Diphtheria (every ten years) (For adults who have completed a polio series in the past, routine polio boosters are not needed with some exceptions.)**

Other vaccines are also recommended based on age, medical conditions, employment and increased risk of infection. These may include:

- **Pneumococcal; Rabies; Hepatitis A; Hepatitis B; Meningococcal & Shingles**

Talk to your doctor as the costs of these immunizations may be covered by OHIP.

Don’t forget that special vaccines may be needed when travelling outside North America. If you are planning a holiday, be sure to discuss it with your doctor or call a Travel Immunization Clinic.

\$14,000.00 for KIDS!

We did it...another wonderful year raising money and supporting "[Sending Kids to Camp](#)"!

We are pleased to report that Cremasco, with the extraordinary help of our suppliers & clients, have raised in excess of **\$14,000.00**.

A little bit about the Cremasco Fund:

Cremasco’s motto “Of Common Purpose” speaks to our belief that it is only in helping our clients succeed, that we succeed. We also believe that one of the best ways of showing appreciation for success is by giving back to the community. The Cremasco Fund was established to allow us, our clients and friends, to recognize and focus on supporting youth in the community, after all “the children are our future”.

The Cremasco Fund promotes and supports children’s charities including Sunrise Equestrian, Rainbow Camp and Special Olympics. Our main focus is to send KIDS TO CAMP. Every year the Cremasco Foundation sends 35-40 local children to Rainbow Camp who would otherwise not be able to attend. We are very excited to be able to donate this money to the [Cremasco Foundation for Children's Charities](#) - "[Sending Kids to Camp](#)".

With the fall/winter approaching, I thought a beautiful soup would be in order. From my kitchen to yours please enjoy this mouth-watering soup. Let me know what you think. If you have a recipe you would like to share please send it my way would love to publish it in our newsletter! Salut! (cheers!)

Butternut Squash & Tomato Soup

Ingredients

- ☀ 2 tablespoon olive oil, divided
- ☀ 1 medium butternut squash, halved, seeded
- ☀ 2 garlic cloves, peeled
- ☀ 1 onion, chopped
- ☀ 2 teaspoons grated peeled ginger or ½ teaspoon dried ground ginger
- ☀ 2 teaspoons kosher salt plus more for seasoning
- ☀ ½ teaspoon ground turmeric
- ☀ 1 28-oz. can whole peeled tomatoes, drained
- ☀ 1 ½ cups low sodium chicken broth
- ☀ Freshly grounded black pepper



Preparation: Prep / Total Time: 90 mins.

YIELD: 4

Directions

- Preheat oven to 400°. Brush a baking sheet with 1 Tbsp. oil. Place squash halves, cut side down, on baking sheet and tuck a garlic clove under the hollow of each half. Roast until squash is tender all the way through, about 45 minutes. When cool, scoop out squash flesh and reserve, along with roasted garlic. Discard squash skins. DO AHEAD: Squash and garlic can be roasted 1 day ahead. Cover and chill.
- Heat remaining 1 Tbsp. oil in a large heavy pot over medium heat. Add onion; cook until softened, about 5 minutes. Stir in ginger, 2 tsp. salt, and turmeric. Cook until fragrant, about 30 seconds. Add roasted squash and garlic cloves and stir to coat. Add tomatoes and chicken broth; bring to a boil. Reduce heat and simmer to allow flavors to meld, about 20 minutes.
- Using an immersion blender, purée soup until smooth. (Alternatively, allow soup to cool slightly and purée in small batches in a blender.) Season with salt and pepper.

Buon Appetito!

Lina's Thoughts:

Always end the day with a positive thought. No matter how hard things were, tomorrow's a fresh opportunity to make it better.

"There are no secrets to success. It is the result of preparation, hard work, and learning from failure" – Colin Powell

**We appreciate
YOUR BUSINESS!**

Our motto "of common purpose"™ speaks to our belief; it is only in helping our clients to succeed that we too are able to succeed."

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