

Best Financial Solutions

Newsletter October 2009



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Thanks for taking the time to read the penultimate newsletter of the year.

I hope you've achieved, or are on track to achieve your **financial goals** for the year.

My aim is to provide financial information and guidance that will help you understand and manage your finances better.

Please don't hesitate to get in contact if you would like a free financial review to set you up for a successful 2010.

Best wishes,

Tony

Tony Leonard Cert PFS
Director



"Fantasizing about the future is one of my favorite pastimes"

Richard Branson

Goals



Financial Goals

As with everything in life, without financial goals (FG) and specific plans for meeting them, we leave our future to chance.

An FG can be short-term (such as paying off a credit card or moving home), medium-term (repaying your mortgage) or long-term (saving money for retirement).



1. Work out your **net worth** (assets minus liabilities).
2. **Identify and write down** your FGs. Be specific. Set a time limit. Make a plan. Visualise.
3. **Manage your money** effectively starting with drawing up and sticking to a budget.
4. **Protect** yourself, your family and home against illness, death, accident etc by buying insurance and writing a Will, otherwise your FGs could be derailed.
5. **Evaluate your progress** monthly, quarterly or annually, whatever you feel comfortable with.
6. **Do it now!**

For more detailed guidance please e-mail tl@bestfs.co.uk. I'll be delighted to help.

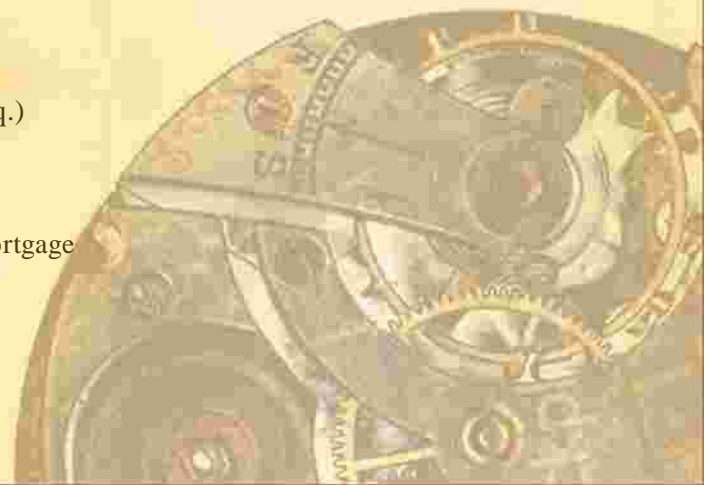
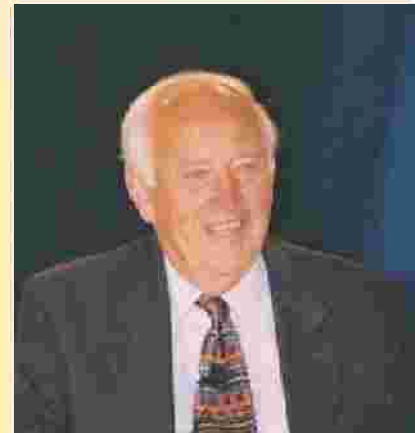
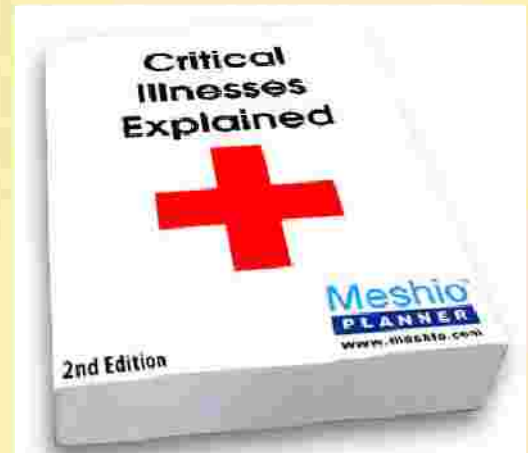
"A goal properly set is halfway reached."

Abraham Lincoln

Critical illness insurance explained

- § Critical illness insurance pays you a **tax-free** lump sum on the diagnosis of a range of specified **serious illnesses** such as some forms of cancer, heart attack, stroke and many more.
- § Diagnosis would be a major trauma so a cash payment could help alleviate the financial pressures, pay off your mortgage, pay for the cost of treatment and **help speed up recovery**.
- § It was developed in South Africa in the 1980s by Marius Barnard, the brother of the famous surgeon Dr Christian Barnard. He was motivated by the **financial hardship** he saw his patients suffer after he had treated their critical illness.
- § **Children's critical illness** cover of up to £25,000 is often included free
- § All insurers differ in the level of cover offered. More illnesses are being added so your cover should be **regularly reviewed**.
- § **88.4%** of all claims were paid in 2008
- § The **average age** of a claimant was 44 in 2008 (Scottish Eq.)
- § The cost is **relatively inexpensive** with a 30-year old non-smoking man paying £23.79 p.m. to cover a repayment mortgage of £150,000 over 25 years.

For a no-obligation quote please contact me on 0800 046 1113
or at tl@bestfs.co.uk



“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness . . . it was the spring of hope, it was the winter of despair . . . in short, the period was so far like the present period . . .”

Charles Dickens

Mortgage comment

We may be heading out of recession but this doesn't hide the fact that **hard times** are still to come. Britain's **public finances** are in such a parlous state that remedial action will be taken by Government over the next few years. **Possible measures** in addition to cuts in public spending include an increase in the state retirement benefit, tax rises (already planned for high earners) and national insurance hikes with VAT and entry level stamp duty due to return to their previous levels shortly.

Before interest rates rise you should consider these measures:

- If your mortgage is on a low Tracker or Standard Variable Rate you should take advantage of these savings by **overpaying** or increasing your savings buffer
- Clear as much unsecured **debt** (credit cards and loans) as you can
- **Review** all your non-essential expenditure to see where savings can be made
- Review your **redundancy cover** to make sure that you're not paying too much for your now lower levels of mortgage payments
- Use some of these savings to make sure that you have the right level of **life cover**

News in Brief

- § VAT is due to return to 17.5% on 1st January
- § The **Stamp Duty** exemption for properties up to £170k will end on 31st December
- § The **ISA** allowance for the over 50s has increased from £7,200 to £10,200. For the under 50's it will increase on 6th April.
- § Lloyds Banking Group recently sold over £4bn of Residential Mortgage Backed Securities, the **biggest deal** to tap the wholesale money markets since the credit crunch started in 2007
- § **House prices** are now back to the level they were one year ago (Nationwide 09/08)

Your home may be repossessed if you do not keep up repayments on your mortgage

For mortgages we charge a fee, usually £299 or we can be paid by commission

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