



NewsForum

Numekevor & Associates Inc.

Health Disaster Relief Programs for Business Owners

The HDRP Specialists

HealthDisasterRelief.com

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Application and expertise

Hard work and dedication drive AEM's success

As a young man in his native Guyana, Dave Arjune learned an important lesson that he has carried with him through life: Work hard at what you do and you'll come to love it.

Dave is a master machinist and owner of AEM (Arjune Engineering & Manufacturing). AEM is a leader in the manufacture of precision machine parts for the military, automotive and aerospace industries. Dave also holds an associate faculty position at his alma mater, Conestoga College and has delivered training programs to other companies that employ machinists.

Despite his great skill, machining would never have been Dave's first career choice. It was only at his mother's insistence that he ventured into the field. In the end, Dave says it took 10 years before he really came to enjoy his craft.

Starting out he apprenticed at a sugar factory in Guyana learning all aspects of the sugar manufacturing process. His experience there set the foundation for his personal theory about work.

"Back home, the apprenticeships came in such a way that you had to serve a term in every department of the factory you worked in. I hated the powerhouse because it was loud – you can't even hear your own voice – and nothing interested me about generating power because I was a machinist."

Having spent the required two months in the powerhouse Dave told the factory manager how much he'd hated it. The manager responded by sending Dave right back, telling him he hadn't had enough of it.

"So I went back for another two months and you know, I took that seriously and I really paid attention. I actually learned some things out of it," Dave says. "That was close to 27 years ago and I still believe it's true that if you don't like something, it's because you haven't done it enough."

In 1981 Dave immigrated to Canada responding to a shortage of skilled tradesmen. He brought with him his hard working attitude. When he reached the limit that his education and experience would allow in his career (machine shop supervisor) he made a daring move: He quit his job to return to school.

With the support of his new employer, Dave was able to attend classes during the day and work at night. Three years later, in

1991, he graduated from the mechanical engineering – automated manufacturing program at Conestoga College. Then, in 1994, he launched his new venture as president and CEO of AEM.

Today Dave employs 15 machinists, 95 per cent of who are trained in house. With precision craftsmanship and competitive expertise, AEM is an enterprise that stands out from others in the field.

"Our tooling knowledge is superior to most shops around here," says Dave. "Our method of making parts is better than most. We can take the same machine that other people use but our processes and methods would be different. So we put those two together and make the part much more accurate and much more competitive."

Within the next five years Dave plans to turn the thriving operation over to his eldest son, Kevon who has already started

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Our client's side

A life of meaning and purpose

This is a life that one strives for. For me, it has been a journey that has taken me to many places. It is a life determined to make decisions necessary to reach goals. But it has not always been easy.

To balance my life I feel I have to have some outward focus on the world around me. There has to be enough outward focus to know what the rest of the world looks like and appreciate the opportunities we have.

Yet, we also need quiet times to refresh and be able to give to the lives of other people. I want my family to become independent but still feel cared for.

Really, this story begins 25 years ago when I married a wonderful man named Mervin Lichty. We started life in Southern Ontario living on a farm raising feeder pigs. God gave us four wonderful children. Today one is married, one is in university and the other two are still at home.

In 1984, becoming disheartened about the farming market, we started a business on our farm manufacturing insulated steel doors for residential use. I was secretary and Mervin was marketer and door maker. The business grew, more staff was hired and I worked in the office one or two days a week.

For five years I home schooled the girls and went to the office. The business continued growing until we felt we needed to move. We ended up in the New Hamburg area in 1997. The girls returned to school and I adjusted to being a homemaker; I worked in the office, became part of the school board and tried to stay in touch with the lives of my children.

In 2000 an opportunity came for me to travel

to Rwanda, Africa. It was a trip that changed my life. And for five years I have continued to travel back to that country. I am working with International Teams, a charitable organization located in Elmira.

I have met many remarkable people who have taught me a lot about life and about God. I have seen the results of war and hatred in the lives of people. I have seen the scars that have been left on their lives.

I have also seen people who have come through the genocide in Rwanda who are reconciled again. They have a great faith that has helped heal their lives so they can be the best that they can be.

I have held the hands of those who have machete marks on the back of their head and neck.

I have seen how, when a stranger cares for them, they can smile again despite their struggles and loneliness.

My goal is to become their friend; to support them in their education; to give them hope; to be a mother to those who have no mother anymore; to encourage the women who have a heart to care for those that are homeless; and to women reaching out to girls who feel they have no choice but to sell themselves to survive.

These women have the heart of Mother Teresa. They continue to give of themselves and share everything they have without knowing for sure where the food will come for the next day. These are women I have chosen to connect with, to support and encourage in any way I can.

I thank God for a husband and family who

allow me to travel to be with these dear women. These experiences have broadened my world and my family's world. These experiences have given my life meaning and purpose.

Tillie and Mervin Lichty are the owners of MDL Doors, located in Brussels, Ontario. The company, a leader in door manufacturing, currently employs about 100 employees. They treat their employees with a lot of compassion and love.



Tillie Lichty holding an orphaned child being helped by aid organizations working in Rwanda.



On vacation from left: Michelle, Kendra, Tillie, Julian, Mervin and Destiny Lichty.

To learn more the organization Tillie is involved in or to make donations visit: www.iteams.ca. Donations can be made to International Teams, 1 Union Street Elmira, Ontario N3B-3J9 tel: 519-669-8844. Or email lordy@numekevor.com.



Job interview in progress.

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Best-kept secret (part two)

Business owners and self-employed clients should consider a health and welfare trust to augment a group benefit plan or as stand-alone coverage.

By Michael Berton

Most employers will say you can't please everyone all of the time. Nowhere does this show up more than in a group plan for a diverse employee group.

Younger, single employees usually aren't that interested in group benefits that don't resemble money in their pockets today unless they have a chronic health issue. Few of them have many expenses in this arena.

As those employees age and have children, these benefits become very important, especially once their kids need braces. Older employees nearing retirement often take medication and rely on their group plans for financial assistance with some of their medical expenses.

Some employees want better drug coverage while others want more coverage for eyeglasses or other aids (e.g. hearing aids, orthotics, etc.).

Others want coverage for preventive or more therapeutic services like massage and physiotherapy. Still, others hope for coverage for services from the more recently recognized professions such as naturopathy and acupuncture.

So employers are faced with the challenge of designing a plan they can afford.

Group insurance plans tend to provide lists of coverage with limits at a fixed cost. The coverage list is the same for everyone regardless of need.

Only in the largest or more progressive companies will you find the so-called "cafeteria plans" where employees can choose from various coverage limits and levels in almost every area.

Health and welfare trusts (HWT), known as private health services plans (PHSPs) can provide an unlimited list, within rules provided by CRA, and a spending cap for each employee.

Most plans we have seen provide spending caps based on family status—such as \$X if you are single, \$2X if you are a couple and \$3X if you have children.

This gives each employee the ability to determine how to spend their family medical and dental budget each year while providing certainty to the employer as to the cost of the program.

The downside of these cafeteria plans is that they are not insured. If the employer has limits on the plan it is possible that employees will not be fully covered if they have a significant medical expense in any one year.

For example, a medical expense of \$12,000 would only be covered up to the employee's limit each year leaving the employee to fund the rest of the expense.

In an insured plan it is possible, depending on the expense, that more or all of the expense would be covered, leaving the employee better off, but the employer's premiums would rise in future years to cover that expense over time.

Michael Berton, CFP, CLU, RFP, FMA, is with Assante Financial Management Ltd. and is a part-time instructor at the B.C. Institute of Technology in Vancouver. The opinions expressed are those of the author and not necessarily those of Assante Financial Management Ltd., B.C.I.T. or Numekevor & Associates.

The third instalment of Best-kept secret will be in the January 2006 issue

Health Clinic Stress Management

If you carry your burdens all the time, sooner or later, as the burden becomes increasingly heavy, you won't be able to go on. You have to put it down and rest for a while before holding it again.

Before going home tonight, put the burden of work down. Don't carry it home. Pick it up tomorrow instead. Relax; pick them up later after you've rested. Life is short. Enjoy it!

Here's how to deal with the burdens of life:

- Accept that some days you're the pigeon, and some days you're the statue.
- Always keep your words soft and sweet, just in case you have to eat them.
- Always read stuff that will make you look good if you die in the middle of it.
- Drive carefully. It's not only cars that can be recalled by their maker.
- If you can't be kind, at least have the decency to be vague.
- If you lend someone \$20 and never see that person again, it was probably worth it.
- It may be that your sole purpose in life is simply to serve as a warning to others.
- Never buy a car you can't push.
- Never put both feet in your mouth at the same time, because then you won't have a leg to stand on.
- Nobody cares if you can't dance well. Just get up and dance.
- When everything's coming your way, you're in the wrong lane.
- Birthdays are good for you. The more you have, the longer you live.
- You may be only one person in the world, but you may also be the world to one person.
- Some mistakes are too much fun to only make once.
- We could learn a lot from crayons. Some are sharp, some are pretty and some are dull. Some have weird names, and all are different colors, but they all have to live in the same box.
- A truly happy person is one who can enjoy the scenery on a detour.

Now, have an awesome day!

Relax...Your HDRP is on Guard



In my last article, I reviewed the process of establishing an HDRP in order to prevent The Seven Avoidable Health Disasters. Here I discuss two disasters and provide our prescribed HDRP solutions.

Avoidable Health Disaster Number One

A sudden illness or injury prevents you from paying the overhead on your business. So, you have to

close and just give up your "sweat equity" in the business – not to mention the money and future potential.

HDRP One: Guaranteed Business Overhead Payments

Tax laws give a strong endorsement to Business Overhead Expense (BOE) coverage. The endorsement is in the form of a tax deduction of all premiums paid for BOE protection.

This deduction is allowed because governments recognize that businesses need income to take care of overhead when the owner is disabled and can no longer run the business or practice. As a result, the money you pay for coverage is a necessary business expense and, therefore, is tax-deductible.

Unfortunately, very few insurance advisors know much about this practical plan. It's hardly used. Still, it's very valuable in the right circumstances.

- First, the premium for the plan is tax-deductible.
- Second, and best of all, because the reimbursed expense is income, the expense it pays is tax-deductible.

You can deduct the premium and not pay tax on the money if/when you collect. It's one of the best-kept secrets in business today! There's nothing else like it. It's the only plan of its kind in the industry and the top HDRP available.

Too good to be true you? Just give us a call and we'll tell you if **HDRP One** will work for you!

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learning the ropes at his father's side. Expectations are high and Kevon, a business administration graduate of Kingston's Royal Military College, has a lot of work ahead of him before he'll be handed the reins.

"A lot of people would argue that a business person is better to run the company than a machinist," Dave says. "I beg to differ on that. I believe if you're going to run a business you should know what the business is doing. I believe if my son is going to

Avoidable Health Disaster Number Two

Your partner becomes part of the grillwork on a Mack Truck and you don't have the cash to buy out his or her spouse. You don't just lose a partner; you gain a financial anchor. Ouch!

HDRP Two: Favoured Shareholder Agreement Funding

A lot of business owners got themselves a 'shareholder agreement' when they got their partners. The lawyer who incorporated their business, and maybe an accountant, probably mentioned it. It may have come with the legal package the lawyers said you had to have.

What often *doesn't* happen is the correct funding mechanism so you never end up in this predicament. Without the right funding at exactly the right time (usually when you can least afford it) all the legal planning will be for nothing. The first casualty could be your business.

The odd thing is, though this HDRP isn't necessarily a costly idea, you do have to qualify for it. Believe me, it's worth your weight in gold if you ever need it.

"It won't happen to me" you say? How about this true story:

It was late April 1997. My client's partner walked into a local clinic complaining about a migraine. In less than three hours he was undergoing brain surgery. For the surgeon it was an open and shut case. He gave him six weeks to live – and he was bang on.

The wide age gap between the two partners put the families at very different stages in life: the deceased partner had an adult child; while the surviving one had young kids.

The differences in the needs of the two families were obvious and created significant conflicts when it came to planning the financial security needs of the business.

It was **HDRP Two** that came to their rescue!

Have a great summer and drive carefully as it is not only cars that can be recalled by their maker.

take over, he has to prove his metal. He's going to have to be a better machinist than I was."

Dave's ultimate advice: "Be honest at what you do. Treat people fairly, be nice to employees and customers and everything else will fall into place."

Dave Arjune, an avid golfer and middle distance runner, has three children: Kevon 26, Vanessa 24 and Cassandra 16. Visit AEM online at www.arjune.com

About the company. We've focused on small business owners and executives since 1988. Founded by Lordy Morgan Numekevor, Numekevor & Associates is one of Canada's leading corporate insurance advisory organizations. We are the innovators of Health Disaster Relief Programs (HDRPs), combining comprehensive benefit and insurance programs to give you, the business owner, the peace of mind you're after. Contact Numekevor & Associates Inc., 88 Robson Avenue, Cambridge, Ontario, N1T 1L2, Tel: 519-621-4422; Fax: 519-621-1466; hdrp@numekevor.com; www.numekevor.com. **About the newsletter.** This newsletter belongs to our clients. Publication dates are January and July with deadlines in November and May. Submissions of original articles, photos or artwork are welcome. For guidelines contact us at 519-621-4422 or email hdrp@numekevor.com. We reserve the right to edit articles for length and clarity.