

# THE Rae Report

A newsletter for the friends and clients of Alan Rae

February 2009



## Alan Rae

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**Alan Rae Wealth Management Process:** *Financial Plan. Will & Estate Reviews. Insurance Review. Portfolio Management. Service.*

## Did you know ...

In an effort to allow our readers to get to know our team better, we are featuring a series of articles this year re-introducing the team and sharing some information about them that you may not already know.

**First on our list of team members is our Team Leader: Alan Rae.**

Recently, we asked Alan the following questions – were you surprised by any of his answers?



What is your full name? Alan Rae.

Where were you born? Pietermaritzburg, South Africa.

Are you married? Yes. To Debbie Rae.

Do you have any children? Yes. Andrew, Vicki, Michael and Thomas.

What interests do you have? Golfing, wines, traveling, philanthropy.

What is your favourite movie? The Gods Must Be Crazy.

What is your favourite food? Sushi.

What is your favourite travel destination? La Quinta, California.

The word you like the most: Thanks.

The word you like the least: Bye

The sound you like the most: The “thwack” of my driver.

The sound you like the least: The splash as my ball heads into the lake.

Tell us one thing about you that you think will surprise most folks: I really care about my family, friends and clients.

**If you have any comments on these replies or would like to reach Alan directly, please feel free to email him at [alan.rae@rbc.com](mailto:alan.rae@rbc.com).**

### RRSP Contribution Reminder

Please note that the deadline to make your 2008 RSP contribution is March 2, 2009.

2008 Maximum RSP Contribution Limit: \$20,000

2009 Maximum RSP Contribution Limit: \$21,000

If you plan on making your 2008 RSP contribution before the deadline, please let Penny know at [alan.rae@rbc.com](mailto:alan.rae@rbc.com) or (604) 665-0684 so that we may ensure that it is not missed.

# Live or Die: Small and Medium Sized Companies

**A business without revenue growth is an expensive hobby.**

In small and medium sized businesses, it is the exception and not the rule that individuals start their business day with the singular goal of generating revenue. Most of the time, people simply pick up the work that they didn't finish the night before, never stopping to prioritize projects or re-assess the economic reward of their outstanding workload. Occasionally, we encounter individuals who create hard copies of their calendars, ensuring that their unfinished tasks are completed. We have yet to meet an individual, with either a self-imposed or corporately-driven mandate, who begins every single day by prioritizing their scheduled tasks based on the potential of each task to generate revenue for the company. It simply doesn't happen.

How did we forget why companies were created in the first place: to make money. We go to work every single day in order to generate revenue for our company, which in turn generates revenue for ourselves and our families. Can anyone tell me, for the love of all things sacred, how a small or medium sized company benefits from having its owner or a valuable employee spend any amount of time doing anything other than generating sales revenue? Interviewing and hiring, policies and procedures, cleaning, organizing,

random meetings and updates... For all of you who think that duties such as these are a part of running a business, I offer a different perspective.

If the primary revenue generator of a small or medium sized business is responsible for 75% of the overall sales revenue for their business (often this number is closer to 90%), and the business generates \$250k a year in sales, the following holds true:

- This individual generates \$3,750 per week or \$833 per day
- Assuming a 10-hour workday, they generate \$83 per hour

Every hour that this individual does anything other than generate sales revenue, they cost their company \$83 an hour. If you are the primary revenue generator for your company, you are not saving yourself money by doing your own hiring, etc: You are costing your company money and that is unacceptable. Stay focused and make smart business decisions. Your job and your company will live or die as a result of your business decisions.

**Neil Belenkie is a founding partner of RevGen. Visit [www.revenuegeneration.ca](http://www.revenuegeneration.ca) today to learn more.**



## Tax Slips and Reports

It's that time of year again – time when we all begin to receive the various tax slips and reports. We'll do our best to keep you up-to-date with regards to the mailing dates. Keep checking back on our website – we'll list the latest details there under "Important Notices".

If you have any specific questions or would like for us to work with your accountant directly, please contact either Alan or Louise.

## Website – Feedback

Overwhelmingly, the feedback thus far has been very positive. We thank everyone for their comments and constructive feedback. Keep your thoughts coming – we are always looking for ways to improve.

We'll have a final tally of the visitors to our website during our campaign for the Food Bank mentioned in last month's newsletter. Stay tuned!



## February 2009 Bow Tie Quiz

**We'll keep this one nice and simple ...**

**Can you name three words in the English language that start with "dw". Try not to cheat and reach for the dictionary!**

E-mail or call in your answer to Louise at [louise.fry@rbc.com](mailto:louise.fry@rbc.com) or (604) 665-0666.

### CONGRATULATIONS TO

**ROD CHRYSTAL**

**Rod correctly answered our January Bow Tie Quiz.**

**The commonality amongst all of the listed words in our January 2009 Bow Tie quiz was the following:**

**In all of the words listed, if you take the first letter, place it at the end of the word, and then spell the word backwards, it will be the same word.**

**Thank you to everyone who replied with their answers.**

**Good luck on this month's quiz!**

# Head South for the Winter with the Right Health-Care Coverage

**For many retired Canadians, heading south to warmer climates during the winter months is part of the retirement dream. Some pack up as early as October and won't be heading back to their Canadian residence until the spring thaw in April.**

During these months, a lot can happen. Even if you just plan on enjoying the warm weather and relaxed lifestyle, you should still consider getting insurance to meet your basic health-care needs when you are living outside Canada.

## Canadian provincial health-care programs

Many provincial health-care programs have limitations to the coverage you are entitled to, and these may be further limited by factors such as temporary periods of absence from Canada, and your Canadian residency status.

Typically, provincial health care will provide limited coverage for three months from the time you leave the province. After six months outside of the province, most health care programs will terminate your eligibility to receive coverage.

Even with limited coverage during your temporary absence, you should still be prepared for accidents or serious illness. It's important to check your province's health-care coverage before you leave the country.

## Foreign health-care coverage

Some Canadian snowbirds holding dual citizenship may be eligible for health-care coverage in the country of their winter residence. Many of these health-care plans will only cover you after a specified waiting period. However, Canadian retirees may find that these plans do not offer comparable coverage and may want to explore health-care insurance.

## Health-care insurance

There are two types of health-care insurance available to retirees spending time abroad. Depending on your needs, you may choose between supplementary and replacement insurance.

### Supplementary insurance:

- Insurance to cover the extra cost of medical services received abroad that are not covered by your province's health-care system
- Relatively inexpensive since it provides for short-term care for health issues which can be treated once you return to Canada
- Most supplementary plans offer coverage for emergency evacuation back to Canada



- In most cases, you can claim the cost of insurance premiums as an income tax credit on your tax return

### Replacement insurance:

- Is important if you will be staying outside Canada long enough to lose your provincial health-care coverage
- Usually does not cover pre-existing conditions and often has strict age restrictions for eligibility of coverage
- If the plan features coverage for pre-existing conditions, is available to persons over a certain age, and covers you in Canada while you wait to be reinstated for provincial coverage, premiums may become extremely expensive

### Plan ahead and plan according to your health and travel needs

There are many options to meet your retirement health-care needs while you are abroad. Planning ahead can ensure that you have the information and the resources to help you choose the right plan. Consider carefully how long you'll be away, the impact of your health insurance coverage on your travel budget, and take the time to understand the coverage limitations of your provincial health-care plan.

Once you know everything is in place to take care of all your everyday or emergency health-care needs, you'll be able to enjoy your trip south with greater peace of mind.

**For more information, please contact Suki Chahal at [sukhvinder.chahal@rbc.com](mailto:sukhvinder.chahal@rbc.com) or call her at (604) 665-0750.**

# A Worthy Cause

## “Be the change you want to see in the World”

This quote from Mahtma Ghandi is the basis on which “Be The Change Vacations” established its foundation. Working closely with Habitat For Humanity, the Non Profit Organization is involved in projects that help people to better lives, while giving participants the opportunity, to do good, learn new cultures and enjoy some well earned R&R after the project.

I recently had the opportunity to take part in such an experience this past November. We were building a Floating Learning Centre in Cambodia for an isolated community of Vietnamese people living in floating homes in a remote area of the Mekong Delta. The community is on the Tonle Sap Lake in the heart of Cambodia and are only accessible by boat. The only language spoken is Vietnamese which makes it very difficult for the people to integrate into Cambodian society. This group was left behind during the Vietnam/ Khmer Rouge war, when Vietnam helped Cambodia oust the brutal Khmer Rouge. As the Vietnamese motive was to take over Cambodia, animosity still exists.

The people live off the river, surviving mostly on rice alone, selling what fish they catch for survival. When the Monsoons arrive, the community of floating homes move more inland as the waters rise, and during the dry weather, they float further out away from the mainland. During this time, the children rarely attend school. The new Floating Learning Centre will float with the community, allowing children and adults to have access all year. The focus is on the people learning Cambodian and English with the hope of creating job opportunities in farming, industry and tourism. The centre will assist approximately 140 families living in the Tonle Sap area.

In our group of 25 volunteers, we had a diverse mix of ages ranging from 22 to 72, from Canada, the U.S., Singapore, Hong Kong, South Africa and Vietnam. It was a wonderful opportunity to meet new friends from all over the world while helping a very worthy cause, visiting and learning about parts of the world I would not normally go to. I felt very exhilarated, satisfied and energized with the lifetime memories, fascinating experiences and new friends I met. I can hardly wait until the next project.

Allison Tucker, Private Banker



## E-COMMUNICATION

We take great pride in our efforts to stay in touch with our friends and clients. To this end, we often use e-updates and videos to provide updates on the markets, our team and general goings-on.

***We want to ensure that you are:***

- › Receiving the e-updates
- › Appreciate the format and find them informative and helpful
- › Want to continue receiving them

We welcome your feedback and hope that you'll take a few moments to e-mail or call Louise to provide us with your thoughts. We are always striving to improve our service to you and communication, above all, is key. We look forward to hearing from you soon.



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