



NewsForum

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Health Disaster Relief Programs for Business Owners

The HDRP Specialists

HealthDisasterRelief.com

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Orangeville Building Supply

Service and specialty items deliver success

The last thing you ever want to hear is that your employer is going out of business and he's taking your job with him. News like that can make or break a person. For Bert Niezen, it was a "make" moment.

In 1991 when he was 45 years old and had a young family to support, Niezen learned that he was about to become unemployed. It was a tough economy at the time, but Niezen and another soon-to-be-redundant co-worker believed they could turn things around at the beleaguered building supply store.

Together they arranged financing that enabled them to purchase the company's inventory and everything that went with it including trucks and equipment.

"Basically, we bought ourselves a job, is how we looked at it," he says while reflecting back upon the decision.

For Niezen, it was just the right move to make. He had been working in lumber and building supplies – essentially for the same owner – for close to 20 years since leaving the family dairy farm. Starting at the bottom of the yard as a truck driver, he worked his way up quickly in one shop before being hired to a managerial position at the company he eventually purchased, Orangeville Building Supply (OBS).

The economic climate in the 1990s was neither stable nor friendly to this kind of venture, which is why Niezen says he and his partner opted for a slow growth approach that involved keeping inventories low and never extending themselves beyond what could be considered reasonable.

"We were always at a point where if some bad things

happened, we would still be okay."

And even though he believes being cautious may have held them back for a number of years, in the long term the strategy has paid off. The business has thrived on the strength of its hands-on customer service, the ability to quickly source and deliver a wide range of specialty items, and the loyalty of local contractors and committed do-it-yourselfers.

"People were good to us," muses Niezen. "We could usually get things in within a couple of days and they were good with that."

A lot has happened in the twenty-five years since. Limited inventory is no longer a problem – and whatever they don't have, they are fully capable of getting, particularly products that big box stores are unable to access. Also to their advantage is a small fleet of trucks they own and use for transporting heavy items

(lumber, drywall, stone, etc.) to where they need to be: the job site.

The company has even defied the odds when it comes to the old business adage, "location, location, location." Sitting behind a pond on 10 acres of land, 7 km outside of Orangeville on County Road 109, OBS isn't always that easy to spot down its 200-metre long laneway. Nonetheless, there are now 12 employees serving that location (including Niezen's son, Ed, who works in shipping and receiving). And in recent months, Niezen's original partner retired making room at the top for another son, Chris, who manages a second location with eight employees, Guelph Business Supply, which opened in Guelph in 2004.



Bert Niezen with one of six trucks used to deliver building materials to contractor and home improvement work sites.

Continues on page 2

Our client's side

High adventure: Lukla to Everest Base Camp

by Mario Goyette

I have always been fascinated with Mount Everest, but it had never occurred to me to actually go there. That changed in 2015 when my brother-in-law was looking for someone to join him on an 18-day trek to Everest Base Camp (EBC).

He had chosen a trek that loops through the Cho La Pass and Gokyo Lakes, a more difficult journey with steeper climbs and glacier crossings than a linear route there and back. I had just turned 60; I was in for an adventure!

We left Toronto on March 27 and arrived in Kathmandu on March 29. After a few days there, we flew to Lukla where our trek would begin.

Lukla airport is the most dangerous airport in the world with only visual guidance for pilots during takeoff and landing and a runway that inclines at 12-degrees. The weather can change quickly and flight cancellations are common. Some say if you can survive the landing, the rest of the trek is easy (both Edmund Hillary's wife and daughter died in a crash in 1975). We landed there safely on April 3. We were now at 2,860 meters and the beginning of the real adventure.

The days that followed became sort of routine, sleeping in cold "tea" houses, early breakfasts, and hikes of 3-9 hours. Every few days were "down days" where we would stay in one spot for 24 hours to acclimatize. Even then, there were 2-3 hour elevated hikes to help our bodies develop more white blood cells to cope with the ever increasing elevation and lack of oxygen.

Oxygen levels and pulses were checked nightly, and we saw three people removed by helicopter due to altitude sickness: one was a local guide. Everyone is susceptible to altitude sickness no matter how many times you have been there

The Cho La Pass and Gokyo Lakes sections were some of the most difficult days but also the most rewarding. The scenery was spectacular and there was a sense of accomplishment knowing that we

had pushed ourselves physically and mentally beyond a level we ever thought possible.

Watching the guides and porters, however, left us humbled. For eight hikers, we had four porters and two guides. Each porter carried the gear of two guests with a total load of 30 kg – in contrast, each hiker had a day pack with only 5-10 kg.



Finally Base Camp! Once you are there the reality starts to sink in that you actually did it. The feeling is indescribable!!

The porters rose early each morning, loaded their packs and left. Whenever we got to our destination for the night our gear would already be in our room.

There were mixed feelings upon arrival to EBC. We were glad to have finally made it, but there was a sadness knowing that it was time to trek back. The return to Lukla was much easier

with more descents than climbs, a welcome change after 11 days of mostly climbing.

Would I have done this trek had I known in advance about the cold nights, tough climbs, early departures, meal choices, and day-to-day aches and pains I would experience? Damn right! It was an adventure to be remembered!

From page 1

Niezen shrugs off the idea that going into business for himself when he did was a bold endeavour. His actions were triggered by his immediate need for a job. His confidence was supported by his knowledge and experience of the building supply industry and his ability to secure stable funding. He stresses that these latter two elements are key to his own success and warns that without them, it would not have been possible see his plan through.

Now with the next generation poised to take the helm and his 70th birthday behind him, Niezen admits that it might be nice to consider what retirement would look like. Still, he is not quite ready to walk away. What he likes the most about his work, he says, is the upbeat give-and-take, the good natured kidding, and the puzzling out of projects that he does every day with OBS's clientele when he talks with them.

Walking is the best exercise!



WALK AWAY.....from arguments that lead you to nowhere but anger.

WALK AWAY.....from people who deliberately put you down.

WALK AWAY.....from any thought that reduces your worth.

WALK AWAY.....from failures and fears that stifle your dreams.

WALK AWAY...from people who do not care for you and who are opportunistic.

The more you WALK AWAY from things that poison your soul, the HAPPIER your life will be.











Give yourself a WALK towards HAPPINESS.

The “miracle” benefits of insured savings plans

According to popular opinion, insured savings plan management fees are excessive compared to those of mutual funds. However, the **True Cost** chart, which compares the “miracle” benefits of insured savings plans with those of the bank or mutual funds, reveals that allocating an equivalent management fee to mutual funds for each “miracle” benefit it lacks,

results in a staggering 10.9% true cost for mutual funds!

See **The President’s Corner**, page 4, for more about how to make these “miracle” benefits work for your own, individual pension.

Item	True Cost of Insured RRIF vs Bank or Mutual Funds RRIF		
	Insured RRIF (GLTI)	Bank or Mutual Funds RRIF	
Management Fee	3.90%	2.35%	
Privacy of Beneficiary Protected	Yes	No 	0.25%
Death Benefit	Yes	No 	0.50%
Maturity Guarantee	Yes	No 	0.50%
Insurance Company Insolvency Protection	Yes	No 	1.00%
Creditor Protection	Bankruptcy & Law Suit	Bankruptcy Only 	0.30%
By-Pass Probate Fee	Yes	No 	1.50%
By-Pass Estate Adm Fees	Yes	No 	1.50%
Guaranteed Accum. - Pension Value	Yes	No 	1.00%
Guaranteed Lifetime Income (GLTI)	Yes	No 	1.00%
Locked-In Gains	Yes	No 	1.00%
Total Fair Mgmt Fee (True Cost)	3.90%	10.90%	

Your individual pension: The “miracle” benefits



Did you know that all insurance and savings plans, with appropriately designated beneficiaries, by-pass your estate and thus avoid probate fees?

Management fees or cost of insured savings plans compared to that of banks or mutual funds are highly misunderstood. Many believe that insured savings plan management fees are excessive compared to those of mutual funds, however, the **True Cost** chart on page 3 belies this misconception. There are, in fact, several “miracle” benefits, including the guaranteed lifetime income benefit (GLTI), protection against law suits, and automatic life insurance.

Guaranteed Accumulation of your “pension” value or account. This “miracle” benefit guarantees an annually locked-in bonus of 5% on the original deposit irrespective of market performance. For example, Mrs. Josephine Logo, will be 71 in three years. She is concerned about outliving the \$300,000 RRSP money her late husband left for her, so she moves \$200,000 from her bank into an insurance company RRSP that pays a 5% bonus. In three years, the \$200,000 will grow to \$230,000 accumulated pension value even if the market value drops to \$150,000. Her retirement income fund (RRIF) will be based on \$230,000 and will be guaranteed for life.

Guaranteed Locked-In Gains. This “miracle” benefit locks in market gains every three years to protect retirement savings against market meltdowns. So if Mrs. Logo were 71 in four years rather than three, the 5% bonus will be based on her locked-in pension value of \$230,000 and not the original \$200,000 deposit. At the end of year four, when she turns 71, her pension value will be \$241,500 ($\$230,000 \times 105\%$) and she will receive income for life based on this amount. Locked-in gains mean that an insurance company can never lower the retirement income base of \$241,500 even if there is a market meltdown like that of 2008 and Brexit in 2016.

Guaranteed (Minimum) Life Time Income (GLTI).

This “miracle” benefit ensures that you never run out of retirement income even if you run out of money in your retirement account (RRIF). It is also called fixed cost coverage (FCC) as it ensures that basic retirement expenses are taken care of. In the case of Josephine Logo, she is guaranteed a lifetime income from her “pensionized” RRIF account of \$241,500 even if market conditions erode it to zero. This would not be the case for the bank or mutual fund RRIFs where income is based on the yo-yo market value.

Death Benefit. Insured savings plans come with automatic life insurance that pays 75% of your pension account balance on your death. In the case Mrs. Logo who cannot qualify for insurance because of ongoing health issues, she can have peace of mind knowing that on her death, her money will pass on to her grandchildren.

Protection Against Creditors. This is the most misunderstood “miracle” benefit in that everything is lumped into the bankruptcy syndrome. In Ontario, insured savings plans have dual protection against bankruptcy and lawsuit as long as appropriate or preferred beneficiaries are designated and there is no fraudulent transfer of funds into the insured savings plan. When Mrs. Logo’s 17-year-old grandson takes her vintage Jaguar for a joy ride, runs into another teen driver and disables him for life, the parents of the accident victim sue Mrs. Logo for \$10M. Because Mrs. Logo had designated the appropriate preferred beneficiary, her daughter, for her RRSP, her insured RRIF is protected. A bank RRSP is only protected against bankruptcy and not lawsuit.

These “miracle” benefits, coupled with the current geo-political (U.S elections), geo-economic (Brexit financial crisis), and geo-environment (global warming) factors emphasize the urgency and importance of owning an insured savings plan.

We trust you and your family have been enjoying the great summer temperatures!

A handwritten signature in black ink, appearing to read 'Lordy Morgan Numekevor', written in a cursive style.

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; it is published twice per year. 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.