

SAFEGUARD AGAINST THE UNEXPECTED

by Dimeon van Rooyen

Most people are not comfortable contemplating the bad things that may happen to us in the future. For this reason, life and disability cover is often neglected because it offers no immediate benefit.

South Africans are guilty of having a low savings rate for retirement, but those who invest in sufficient life and disability cover are even fewer, because we all assume we are going to live until retirement age. This is really a pity, because, as most people who make the effort find, these products are not expensive when the massive problems they could solve are taken into account.



“People think nothing of eating out a few times a month, but with the same money that one of these meals cost, you can provide coverage that will give your family many meals in the future,” says Justus van Pletzen, COO of the Financial Intermediaries Association of Southern Africa (FIA). “Given the problems it can solve, life and disability cover is a relatively low-cost commodity. However, the consequences of selecting inappropriate or insufficient cover can be severe. You can play one golf game less a month and get R2 million to R3 million coverage from a young age.”

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Some products offer growth in cover that increases automatically each year while the original premium rate remains the same, which is why it makes sense to start taking out cover early in one’s working life. This is called “constant term life cover”. For those who would like to increase their cover year on year, but do not feel they need

Justus van Pletzen ●