

# Death is not your only risk

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*"You need insurance not only because you are going to die, but because you are going to live"*  
Dr Marius Barnard

## Protecting your earnings

Most people have life cover in some form or another, usually as a result of taking out debt. Life cover is simple and easy to understand, you know exactly what your family gets when you die and for this reason we have seen an increase of life cover sold online.

But what happens if you don't die? A severe injury or illness that negatively affects your ability to earn an income will have more impact on your family than your death. There are more homes being lost through disability than death.

In some cases risk cover that protects your income is more important than life cover – especially for younger people who have no dependants but many years of earnings ahead of them. One year of disability can use up to ten years' worth of savings.

## Improving your chances of survival

Critical illness in particular is on the rise as our society becomes increasingly stressed out. In fact a person is 4 times more likely to suffer a critical illness before he or she turns 65 than they are to die and the average age of critical illness claims in South Africa is age 41. The good news is that due to improvements in medicine many people are surviving severe illness. The bad news is that this comes at a high cost and medical schemes do not always cover the latest technologies. You may also require full time care for a period of time. A lump sum paid from critical illness cover can help you with your medical needs as well as provide you with a financial cushion if you need to adjust your lifestyle.

## Lifestyle flexibility

Although your company may pay you your salary for a while, they will usually only pay if you are unable to work, not because you want to change your lifestyle. For example, many people who have experienced a heart attack or are recovering from cancer are able to return to work, but due to the psychological impact of their illness they decide to cut back on work or opt to change to a less stressful job which often comes with a lower salary. A lump sum payment provides you with the freedom to make these lifestyle changes.

If your family has a history of a medical condition, have yourself tested regularly and make sure you manage your health risks. Speak to your financial adviser about the correct mix of risk cover for your needs because death is not your only risk.

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