

Whole of Life term – Lump Sum Disability Benefits

Lifestyle Protector



LIBERTY

Own your life

The world around us is constantly changing and our earning capacity and financial well-being is also changing with time. The same applies to our physical condition and health as we age.

Meeting your changing needs

To meet your changing needs as you go through life, Liberty has developed the option of **Whole of Life term** under Lump Sum Disability Benefits. Whole of Life term provides you with cover that matches your circumstances today and **adapts to your changing needs** as they unfold in your old age.

Before retirement, your need is protection against the risk that you will not be able to earn an income due to permanent disability or impairment. No one wants to think about the possibility of becoming disabled, but if the worst happens, our Whole of Life disability benefits will provide you with a lump sum payout to help you cover your loss of earnings.

After retirement, you no longer face the risk of being unable to work if you become permanently disabled. However, due to aging you do face the risk of becoming weaker and more vulnerable to impairments, illnesses and injuries; to losing your ability to function independently. These types of conditions could create **unforeseen expenses** – for example you may need to pay for a nurse or a care-giver to look after you. These additional costs you incur will effectively reduce your retirement income. To protect you against this risk Whole of Life disability benefits transform to meet your post-retirement income needs by providing you with a monthly income that increases with inflation for the rest of your life, should you suffer an impairment after retirement. The monthly income will be calculated as a percentage of the insured amount and this percentage will be determined by the severity of the condition, ranging from 0.5% to 1.5% of the insured amount. Once a claim is submitted after retirement you won't be required to pay any further premiums for the benefit – further helping to reduce the financial impact of impairment in old age.

Whole of Life term is available under the following lump sum disability benefits:

- Capital Disability and Capital Disability Plus
- Impairment and Impairment Plus
- Absolute Protector and Absolute Protector Plus

There is no waiting period on your claim (pre- and post-retirement), Liberty will pay your claim as soon as the permanence of your injury or illness has been established. The added benefit for clients with disability benefits that reduce their life cover is that any monthly benefit payments made post-retirement will not reduce their Life Cover.

Example

Consider Mr Smith who has the Capital Disability benefit with the Whole of Life benefit term and a sum assured of R1 million, as well as Life Cover with a sum assured of R1 million.

Claim before retirement

If Mr Smith is in a car accident, say at age 35, which leaves him paralysed and unable to work any longer, his Capital Disability benefit will pay out R1 million. Since he chose the Capital Disability benefit, this means that his claim reduces his Life Cover by the amount of his claim. His Life Cover benefit therefore reduces to zero and his policy would end. On the other hand, if he had chosen the Capital Disability Plus benefit, his Life Cover benefit would not have been reduced and his policy would have stayed in force, with R1 million Life Cover being available and payable on his death.

Claim after retirement

If the car accident had occurred after retirement, say at age 73, the claim would be assessed as a post-retirement claim. Paralysis qualifies for a monthly payment of 1.5% of the benefit amount and he will therefore be paid R15 000 per month (R1 million x 1.5%). He will be paid the monthly benefit for the rest of his life. In addition to the monthly benefit, Mr Smith will no longer have to pay the premiums for his Capital Disability benefit and his monthly payments will increase annually in line with inflation. These monthly payments will help Mr Smith to meet the costs associated with being paralysed in old age – he may need to employ a nurse on a full- or part-time basis to help care for him.

The impact of busier lifestyles and the high cost of living result in many people not being able to afford the added financial burden of taking care of an elderly parent. That is why it is critically important to have a benefit that meets both your pre- and post-retirement needs.

With the Whole of Life term under Lump Sum Disability Benefits you are equipped to enjoy financial independence for the rest of your life!

Contact your Liberty Wealth Adviser now or contact our call centre on **0860 327 327**. Alternatively, visit www.liberty.co.za or email lifeinsurance@liberty.co.za.



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