

Insuring

I don't have enough money for an emergency ...

Do you find yourself in the same situation?



Insurance products

The two most important insurance products that all people should consider are designed to assist you in the event of death.

1

Life policy

This is a type of insurance where the insurer agrees to pay out a pre-determined amount of money when you die. You pay for life policy insurance in monthly instalments. The pay-out is to beneficiaries which were nominated by the policy holder when they were still alive.

2

Funeral policy

This is a plan for members to receive an amount of money if there is a death in their family. Money is saved to pay for the funeral costs of a loved one. The pay-out lessens the financial stress during an emotional time. Regular monthly contributions make the massive cost of a funeral more manageable.

Things to remember

- Always make sure that the bank or companies that you have investments and savings with have your current contact details – if you move and get a new job or change your cellphone number, always inform your financial services company and your financial advisor.

Watch out for scams

1

Exclusive events

If you are invited to an 'exclusive' event to sign investment documents, give out personal information, or even part with your money, think twice about attending.

2

Get rich quick

If it sounds too good to be true, it usually is. Exercise extreme caution when you are presented with the promise of high returns in a short period of time.

3

No mention of risk

Even the most renowned financial trading firms will tell you that their investment opportunities involve risk. Therefore, be suspicious of guaranteed high returns with no risk.

4

No sign of accreditation

You should only ever trust your money with a company accredited by or registered with the Financial Sector Conduct Authority (FSCA).

If you suspect otherwise, let the South African Reserve Bank know or visit its website for help.