

YOUR MONEY SORTED



PEACE OF MIND WHEN YOU GO

By LETITIA WATSON

Send suggestions for topics and requests for info to yourmoney@you.co.za. We may answer your questions in this column but won't reply personally.

Your final resting place can cost you anything from R7 000 to R30 000 – make sure you choose the right funeral policy

CHOOSE THE RIGHT POLICY

Funeral policies are one of the most popular savings instruments in South Africa. Only companies registered with the Financial Services Board (FSB) may sell funeral policies. They're usually life insurers licensed to sell various insurance products and companies that sell only funeral policies. Unfortunately there are also many fly-by-nights. So choose a policy from a recognised service provider instead of opting for the cheapest one.

PREMIUMS

Some service providers offer products with premiums below R30 a month. Find out how much cover you get and who's covered. The monthly premium is for instance determined by the policyholder's age and policy benefits. Compare the benefits and exclusions of various policies. Usually one that provides cover for the entire family is better value than taking out separate policies for everyone, FNB Life's Lee Bromfield says.

PAYOUTS

Before signing anything find out how much and under what circumstances the policy pays out. The limit on the payout is usually R50 000 if the insurer has the necessary licence. Check if it's a cash payment or funeral benefit. If it's a cash payment the policy beneficiary gets the money to spend as they wish. If it's a funeral benefit the undertaker uses it and your family don't get any payout. Most insurers undertake to pay out within 48 hours.

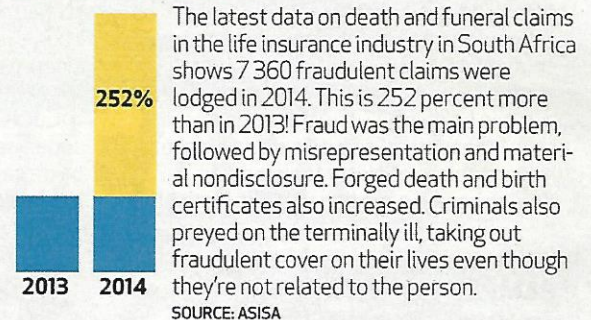
UPDATE YOUR POLICY

If you're the main member of the funeral policy ensure that information such as your banking details, debit-order details and contact info are up to date. You can also change your beneficiaries if you wish but the onus is on you to approach the insurer to make any changes. It's advisable to inform your beneficiaries that you've chosen them so they're aware of their responsibilities (that is, planning your funeral, etc) in the event of your death.

5 QUESTIONS ABOUT FUNERAL POLICIES

- 1 Can I cancel a policy?** If the policy sold to you doesn't provide the expected cover you can usually cancel it within 30 days of receiving it.
- 2 What does the claim procedure entail?** Understand the terms and conditions of the policy that must be complied for a claim to succeed.
- 3 Who do I choose as a beneficiary?** Choose someone you trust so if the money is paid out to them you're assured of it being used for your funeral expenses.
- 4 How many family members are covered?** This varies between policies so you have to find out exactly how many members can be covered and what the qualifying requirements are.
- 5 Is there a waiting period before the policy becomes effective?** Yes. It's usually six months after taking out the policy for death caused by illness and two years for suicide. This is to prevent people buying cover after finding out they're terminally ill.

FRAUDULENT CLAIMS UP BY 252%



TIP! Pay monthly premiums on time and make sure debit orders go through. Some policies won't pay out if you miss payments.

GET MORE HELP HERE

- Financial Services Board (FSB): 0800-110-443; fsb.co.za
- Ombudsman for Long-term Insurance: 086-010-3236; www.ombud.co.za
- Funeral Guide: funeralguide.co.za

I'm prepared to meet my Maker. Whether my Maker is prepared for the great ordeal of meeting me is another matter

– BRITISH STATESMAN WINSTON CHURCHILL