

<http://yourlife.liberty.co.za/newsletter/2017-11/article-2.html>

*Liberty adviser Phillip Kassel, CFP® says: "Before you travel, do your financial holiday check."*

You've booked your tickets, confirmed your accommodation, informed your security company of your absence, booked the dogs into the parlour, stocked up on the kids' favourite padkos and bought all your summer clothes.

But what about protecting your lifestyle and that of your loved ones?

Too often tragedies or mishaps take place when we least expect them. When we're on holiday, we unknowingly expose ourselves to increased risks.

Your ability to earn an income makes your exciting holiday possible. You owe it to yourself and your loved ones to ensure that you can maintain this lifestyle now and well into the future.

**Here are four important tips to consider before you take your well-deserved break:**

### **1. Update and review your Last Will and Testament**

Now is the perfect time to meet with your Financial Adviser to review your Will. These are some of the considerations that need to be covered:

- Are all your heirs the ones you still want, or have you parted company with some of them?
- Are the guardians still around and do they know their responsibilities?
- Do your guardians have the financial wherewithal to look after your minor children if something happens to both parents?
- Is there sufficient liquidity in your estate/s to ensure that all duties, taxes and fees are paid?
- What about your mortal remains: will they be repatriated, and at what cost? Are you an organ donor, do you wish to be buried or cremated?
- Do you still own those valuables that you are leaving to Mary and Tom?

Remember, if you have assets in different countries, it is highly recommended that you have a Will in each country.

### **2. Check in on your Life Cover**

A very simple and conservative rule of thumb is to multiply your annual nett income need by 21. For example, if you need R10 000 nett income monthly, you need cover of R10 000 x 12 months multiplied by 21 – this would require cover of around R2 500 000.

Take all your life cover, including your cover through your employer, and then add any other reasonable disposable assets that you may have. Deduct liabilities, and the result will be the amount that can be used to provide you and your dependants with an income, in the event of either your death or disability.

Do the same exercise with respect to an unfortunate permanent or temporary disability. Check with your financial adviser whether your disability and Income Protection have any exclusions. If you plan on going on a once-off skiing holiday that may not affect your cover, but if you regularly partake in high-risk activities, such as skydiving or outdoor rock-climbing, you need to disclose this.

Check whether you have Dread Disease cover. This has many names: Severe Illness, Trauma Cover, Living Lifestyle, but it all comes down to the same thing: are you covered for the likes of a heart attack, cancer, stroke, or any other major illnesses?

### **3. Update your beneficiaries on your policies**

Make sure that the beneficiaries on your life policies are correct. Life changes, you may have a new bundle of joy or an elderly loved one may have passed. Have you checked who you have

nominated as beneficiaries of your policy? Are they still valid? If you do not nominate a beneficiary, it will accrue to your estate in the event of your death. If your beneficiaries are minors, speak to your financial adviser about ways to protect the funds for their future.

#### **4. Get the right travel insurance in place**

While your Liberty Lifestyle Protector covers you for major events that have a long-term financial consequence, you also need to make sure you have short-term cover for travel-related incidents, such as emergency hospitalisation or lost baggage.

If you book your ticket with your credit card, you will receive basic travel insurance, but make sure you read the fine print, like the fact that you are not covered if you are 75 or older or for pre-existing health issues. The basic policies may also not cover lost baggage or terrorist attacks. So you may want to consider top-up insurance which provides a higher level of cover, including pre-existing conditions and additional benefits such as loss of baggage, travel documents and cash. Also check that the cover includes injury or cancellations due to terrorist attacks, which are unfortunately a growing reality.

If you are travelling abroad, inform your medical scheme as they will cover medical expenses up to a certain point and may also offer free travel insurance. Make sure you have all the relevant contract details and contact details available when you travel.

Happy, stress-free holidays!