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Professionele onafhanklike finansiële diensteverskaffers op wie u kan staatmaak*

Financial-, Estate- & Retirement Planning / Short Term Insurance / Budget Planning
Finansiële-, Boedel- & Aftreebeplanning / Korttermynversekering / Begrotingsbeplanning

Dear Clients,

December 2010

2010 has come to an end. The market was initially erratic, but has stabilized now. Thank you to our fund managers, especially Bondstreet, with performance that's above average. It's important to us to review our clients' portfolios at least once a year. Please make sure you keep to your appointment as these discussions and feedback sessions are very important.

The interest rate has decreased throughout the year, and the repo rate is now the lowest it's been in 40 years with 9%. It is good news for people with debt, but unfortunately our older pensioners who depend on their interest income are struggling.

Welcome to all our new clients, especially those who have reached retirement. We wish you all the best with this new stage of your life.

Masthead, our compliance officer, does quarterly audits at our office. It ensures our clients are serviced efficiently and according to the law. We take pride in the positive feedback and the continuous improvement of the developing areas. We are currently in the process to compile a complete audit report in co-operation with Masthead's practice manager, Ronel Beresford. Toni and Antoni will be busy during the holidays with the input. Ronel has complimented us on our systems which is very efficient. Thank you to Vivienne, our compliance officer as well as Ronel for their contribution to ensure our office is operating as an efficient business.

Life- and disability claims

Antoni has improved our financial needs analysis (F.N.A.) program. Contact us if you are unsure of your trauma-, life- and disability needs. Read the following article regarding trauma assurance.

Cancer, heart attack and trauma strike when you least expect

The life insurer provided a raft of interesting statistics for the period 1 July to 30 September 2010. In just three months the group paid out 708 claims totaling R349.966 million. The average payout for the period was R494 303 – though one claim ran to R21.929 million.

These statistics are collected from the assurance book. The insurer's typical policyholder is in the 36 to 40 age band and the entire book is skewed slightly toward male members, with 56% male versus 44% female. 79% of these policyholders are non-smokers.

Main causes of death

The bulk of the payouts awarded in the latest quarter – totaling R239.037 million – are for death claims. Cancer, Heart & Artery and Trauma events account for 71% of death claims by volume and approximately 82% by value! A worrying

statistic is the increase in Suicide related claims between the second and third quarters this year. The group reports an increase from 2% of total claim volumes to 8%, with the rand payout for such claims soaring from R1.488 million to R23.941 million.

What struck me about the statistics was the average age of “victims” of the various death, dread disease and disability events. Under the Causes of Severe Illness Benefit claims section lists the average age of Cancer claimants as 47 years, the average age of Heart & Artery claimants at 49 years, and the average claim for Respiratory Diseases claimants at just 40 years. Across all claim types the average age spans between 40 and 50 years – with a couple of outliers in the mid-50s and late-30s. The lesson – if you’re going to suffer an event it’s likely to be in your 40s!

The value of life insurance

Why should you have life insurance? There are countless reasons, the main one being to ensure the financial wellbeing of your family and dependants should you die or suffer from an income limiting disease or disability.

FA News 25/11/2010

Unfortunately some of our clients suffer from serious illnesses. We wish you speedy recovery. We are pleased to note, that Hannes Borman, our colleague in Brackenfell, has had a successful knee operation. Our thoughts are with our clients who have lost loved ones – specifically the Werth – and Crous families. Elmarie’s father also passed away in New Castle during October as well as Marlene Halkett, our previous secretary who worked with us for many years.

Congratulations to Alta and Carina Shepherd with their Provincial Colours in Netball and their participation in the SA Netball challenge.

Tax assessments

As previously confirmed, S.A.R.S. requires a log book from now on to claim travel expenses. Clients must provide the complete expenses in future to be able to claim back. We are financial planners and though we are registered as tax practitioners we only do existing clients’ tax.

Also send a summary of your medical expenses and keep the slips yourself for 5 years (according to S.A.R.S. requirements).

Short term insurance

Please make sure you check your policies to see if you are correctly covered. Insured amounts on vehicles must decrease and all property must be covered according to replacement value. Confirm if valuable items are insured and if you are not under insured. In case of claims contact the companies direct or Elmarie in our office.

