

Why Do I Need Personal Insurance?

While some may choose to believe in crystal balls to foresee the future, most of us never really know what life has in store for us. Life is all about uncertainty and, in an effort to protect your personal belongs, your family and your income, it is crucial to take out adequate personal insurance from a reputable insurance broker or company.

Personal financial management should include short term insurance, and in South Africa there are a number of personal insurance options, including

Life insurance – in the event of your death, your dependents will be adequately provided for

Permanent disability insurance – in the event of your being permanently disabled by an accident or illness, you and your family will be taken care of

Medical insurance – in the event of a medical illness, the insurance will cover all or part of the medical and hospital bills

Household insurance – in the event of theft, fire, flood or other natural disasters, you will be able to replace or repair loss or damages to your home and contents

Income protection insurance – in the event of a retrenchment or forced retirement, your income will be protected

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South Africa, as with the rest of the modern world, faces a number of challenges in this uncertain period where recession and poverty appear to be the watchwords for the next couple of decades.

Business liquidations are on the up, as are retrenchments. Personal savings are at an all time low, while personal debt appears to be suffocating the masses. It literally seems like aeons ago that the world was a bright, positive place where business sentiment was at an all-time high. This rapid change in fortunes is a sterling example of why we should all plan for the lean years and not just the fat ones.

Prepare for the unexpected

Apart from natural illness, motor vehicle accidents and crime claim their fair share of victims and we should be prepared for those possibilities. According to the South African Medical Research Council, HIV/Aids accounts for over a quarter of the deaths in this country. Next up is Ischemic heart disease 6.6%, Stroke 6.5%, Tuberculosis 5.5%, interpersonal violence 5.3% and motor vehicle accidents 3.1% - any of which can affect you and your family at any time, leading to a substantial loss of earnings and an increased outlay on medical bills.

All these things considered, it might well be deemed negligent not to adequately protect your family by taking out sufficient personal insurance.