

# Planning for the future



# Sanlam

Personal financial planning is an important part of every person's life. As a service to its readers, the *SA Labour Bulletin* publishes a series of columns on this topic written by Sanlam.

The idea of insurance has been in existence for many centuries. In fact, it can be traced back to approximately 900 years Before Christ, when merchants would split their goods amongst one another to ensure that at least part of a shipment would reach its destination.

This concept still holds true today. It works on the basis that, although as individuals we may be weak, together we are strong. It means spreading the risk. A large group of people – at Sanlam it is more than a million – contribute to a fund, and when one of them suffers a loss the fund pays out an amount of money to make good that loss.

In this way we have security. We feel secure because we know that, no matter what happens, there will be money available to cover whatever loss we have, be it caused by accident, illness or death. One must therefore look at assurance as something which will give one peace of mind.

Sometimes people get confused between insurance and assurance. Maybe we should rather refer to it as short term insurance and life assurance. The main difference between the two is that short term insurance covers a person for something that might happen, whereas assurance provides cover for when it does happen.

A person will, for example, take out insurance to cover their house, car, or other valuable property against things like theft, accident, fire and so on – things that might, but may not, happen. Assurance, on the other hand, is taken out for events that will definitely take place – I know for sure that I am going to die, so I take out insurance to

provide for my family when I die.

Short term insurance is mainly used to cover property, whereas long term assurance makes provision for when we reach old age, or for our dependants after death.

It is therefore important that everyone should have some form of life assurance.

## Advantages of assurance

When you take out an assurance policy, you start contributing a regular premium, which is a very good habit to get into. It teaches you to save. Money, after all, is what makes the world go round! And by saving, we can plan ahead for the things we want in life, be it a holiday, a car, our own children's studies, or for whatever reason. Assurance is a sure way of getting that money.

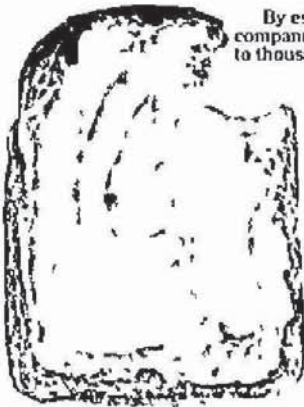
One can be easily tempted to withdraw money from an ordinary savings account, but with assurance it is different. When you take out a policy, you enter into a contract to save a certain amount each month. A further advantage is that the assurer has the expertise to earn a much higher interest for you.

Another very good reason for having assurance is that it gives one credit worthiness. Most people need to borrow money at some stage, or open an account, and an assurance policy is an acceptable way of providing security for such a loan or account.

We all have dreams, and one of the nicest things about assurance is that it helps one to make these dreams come true.

## Future columns will cover:

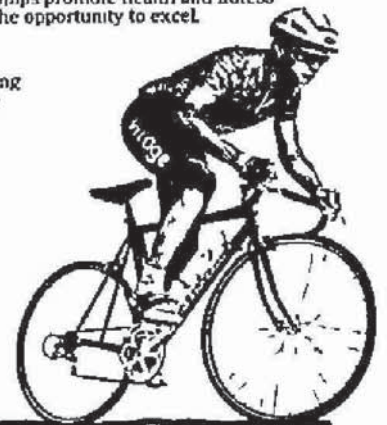
- The role that assurance plays in total financial planning
- How ordinary people can invest on the Stock Exchange
- What to look for when buying assurance
- The differences between policies
- Some of the joys and benefits of having assurance.



By establishing new companies, we supply jobs to thousands of people



For years, we have been contributing to various conservation projects of the Southern African Nature Foundation



Our sport sponsorships promote health and fitness and give participants the opportunity to excel.

## While Sanlam policy-owners' money grows, they make important contributions in other fields.

A Sanlam policy sets your mind at ease about your financial future. But it goes beyond that. It assures your tomorrow in countless ways.

Just look around you, and see your investment at work. Building our economy, conserving our natural wealth. Helping people to develop and excel, giving them pride. While you're

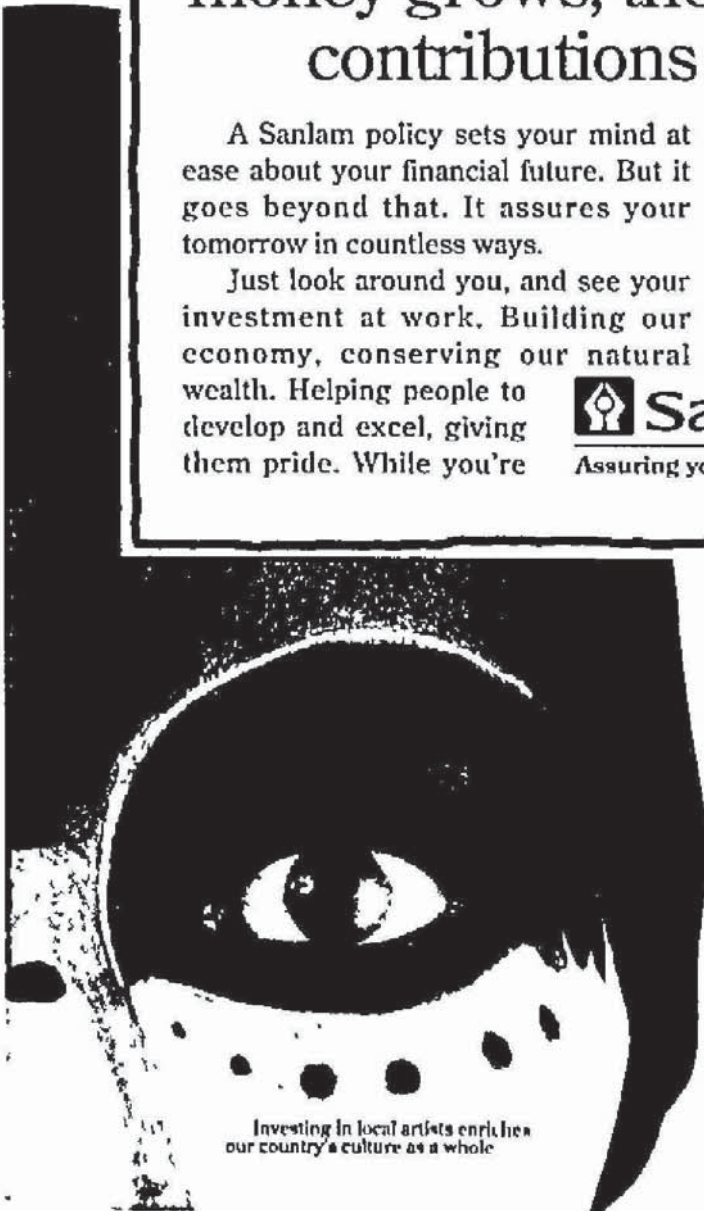
assured of the best possible returns on your money.

Sanlam has no shareholders, but belongs only to our policy-owners. The profits generated by our investments are yours. Yet the benefits your money creates while growing for you are there, for each and everyone in our country. Today, and all the tomorrows lying ahead.



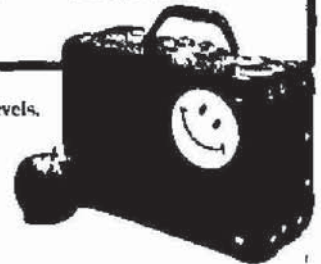
**Sanlam**

Assuring your tomorrow  
*for sure!*



Investing in local artists enriches our country's culture as a whole

We support education on all levels.



As we believe it is vital for our country's economic growth that small businesses flourish, we contribute to the development thereof



Our 'Pretty Things for Little Things' competition gives senior citizens the opportunity to bring happiness to needy children