



Daberistic Solutions cc t/a
Daberistic Financial Services
Creating financial security, prosperity and wealth

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Calculate the essential amount of life and disability cover you need

	Life Cover	Disability Cover
1. Outstanding home loan amount		
2. Outstanding vehicle finance		
3. Credit card debt		
4. Other debts		
5. Monthly income for dependants * 12 (months) * 5 (years) ^{note 2}		
6. Monthly income for self (for disability cover only) * 12 (months) * 5 (years)		
7. Likely medical and funeral expenses in the event of your demise / disability		
8. Total amount required		
9. Less: Total of liquid investments (cash, shares, unit trusts, bonds)		
10. Less: the total cover amounts of your existing policies (including group life)		
11. Cover surplus / shortfall – if positive, you may need more cover; if negative, you may have too much cover		

Notes:

1. The above table is a rough guide only, the actual cover you need may vary due to personal circumstances and financial goals. Please speak to your financial adviser to obtain an accurate assessment.

2. If you have no dependants, put down zero. If you have dependants, for example young children or disabled family members, that would need you to provide for them over a long period of time, you should use a factor of 10 instead of 5.

3. The above calculation has not taken into account the CGT (Capital Gains Tax), Estate Duty and Executor's Fees arising at time of death.

4. **Having too little cover?** You should consider increasing your cover amounts.

5. **Having too much cover?** You may consider reducing your cover and put the savings in premiums into some kind of savings / investment vehicles.

Sample calculation for Mr Joe Sopp

	Life Cover	Disability Cover
1. Outstanding home loan amount	R800,000	R800,000
2. Outstanding vehicle finance	R100,000	R100,000
3. Credit card debt	R10,000	R10,000
4. Other debts	R20,000	R20,000
5. Monthly income for dependants * 12 (months) * 5 (years) ^{note 2}	R15,000 * 12 * 5 = R900,000	R15,000 * 12 * 5 = R900,000
6. Monthly income for self (for disability cover only) * 12 (months) * 5 (years)		R5,000 * 12 * 5 = R300,000
7. Likely medical and funeral expenses in the event of your demise / disability	R100,000	R50,000
8. Total amount required	R1,930,000	R2,180,000
9. Less: Total of liquid investments (cash, shares, unit trusts, bonds)	R200,000	R200,000
10. Less: the total cover amounts of your existing policies (including group life)	R1,000,000	R500,000
11. Cover surplus / shortfall – if positive, you may need more cover; if negative, you may have too much cover	R730,000	1,480,000