

DOLLAR LIFE PODCAST SERIES:

YOUR FUTURE IS GLOBAL. PROTECT IT.

EPISODE TWO: *The rise of the South African globetrotter*

Bruce Whitfield (00:00 - 02:09)

Diversification is a golden rule of investing. How beneficial can it be for your risk protection needs? Today's reality is that lifestyles are increasingly global; and as such, so are the risk protection needs of individuals and their families. What if you could hedge your unique life cover and that need against a hard currency? Discovery Life International is now giving you the opportunity to access the first and only authentic offshore life insurance policy for South Africans – The Dollar Life Plan. It's a unique life cover opportunity providing financial freedom in the most widely used currency in the world – the U.S Dollar.

Join me, Bruce Whitfield, as I discuss the world-leading benefits of offshore risk protection with some of the expert team behind this life insurance offering; as well as the global investment expert and author, David Joshua. Together, in the Your Future is Global. Protect it series, brought to you by Discovery, we examine why offshore financial planning is so important for all of your future needs. No matter where you might find yourself in the world, you can be comprehensively protected with The Dollar Life Plan – and rewarded too. If the future is global, here is how you can best protect it...

In South Africa, one in 28 people are migrating internationally every year. With such a big increase in globalization, the world is becoming a closer community of people living in far flung parts of the world. Alongside me to talk about the rise of The South African Globetrotter and those of us with such ambitions; and how best to benefit from offshore life insurance cover is the Discovery Life Senior Risk Specialist, Kashmeera Kanji and Financial Adviser, Claire van Wyk.

Claire, let's start with you. This idea of 'the globalized South African'. It's, I suppose, three decades old. If you've been lucky enough to travel internationally, lucky enough to get a job offshore - Anybody with that opportunity will grab it, I'm sure, with both hands.

Claire van Wyk (02:10 - 02:21)

100% agreed. I actually was one of those people that did get an opportunity, and I was abroad for eight years. It was an incredible experience, but it was incredible to come back home.

Bruce Whitfield (02:22 - 02:43)

Exactly. But I'm willing to bet, despite your huge sense of responsibility, that you probably didn't have any significant cover of any kind should something have gone wrong. You kind of laid yourself at the mercy of whatever health care system was available to you internationally. You were young and you were bulletproof. Of course, we all were at one time. But things and times do change.

Claire van Wyk (02:44 - 03:22)

100% correct there as well. I still am young and bulletproof. No, I'm only joking. So, it definitely was not something that was at the forefront of my mind at all. Times were different. I think what I was raised to consider being very important is very different now. And what I'm teaching my 19-year-old, for argument's sake. I certainly would go back and rewind, and do things quite differently. I was in a national health system. I had very limited cover; and coming back after eight years, I had to start from scratch - to put it that way.

Bruce Whitfield (03:23 - 03:42)

Now, that's not something we ordinarily would think about; but of course, that is entirely true. I was in exactly the same position as you, where suddenly you're joining a medical scheme much later than the average, perhaps, and suddenly all of these issues become a factor when you do join schemes - whether it be life insurance or a health scheme later in life.

Claire van Wyk (03:43 - 04:23)

So Bruce, medical aid is a different subject and a different topic in terms of rating. But when it does come to life insurance and insuring benefits globally, it would have been a great value for me to have started at a younger age than when I came back.

So, looking at what we are talking about here today, the globalization - or I call a translocation of a lot of young people - it would have been amazing, should there have been a product around that would have allowed me to move around the world, have the cover and the safety and security, but still know that it's planted at home.

Bruce Whitfield (04:24 - 04:38)

This idea of South Africans working, studying, living abroad, Kashmeera - I mean, it's actually incredibly normal in the Discovery client group. People are able to do far more adventurous things than ever before.

Kashmeera Kanji (04:39 - 05:48)

Absolutely, Bruce. I think South Africans are increasingly becoming trans locational, as Claire put it. And you could probably think of it as a force of globalization, because we have millennials who make up about a quarter or more than a quarter, actually, of South Africans, and they have been shaped by the forces of globalization.

This has made society increasingly connected and interdependent in terms of economic integration, as an example; in terms of communication exchange, cultural diffusions, and definitely travel. So, millennials have been leveraging this complex social network that spans the entire globe, and that is largely through social media; but we must not forget that they love experience, too. And so, as Claire put it, you know, we all at some point are going to seek an experience outside of South Africa. That does not mean not returning, but it does mean that the unusual risks that we as South Africans face need to be covered, no matter where we go in the world - and a product that can suit those risks, or meet those risks, or cover for those risks; to have that with you, no matter where you find yourself, is absolutely essential.

Bruce Whitfield (05:49 - 06:12)

I was making the point in episode one about: the world is a very complicated place and products are very complicated, jurisdictions are very complicated. It's useful to be able to buy something at

home that is universal, Claire. And I mean, I think that gives, you know, one, anybody who's buying it for themselves, a level of comfort, but also parents who might be stumping up to ensure that their kids are provided for and looked after.

Claire van Wyk (06:13 - 07:42)

Bruce, I think as a part of a well-considered plan, it's imperative. I have to be honest, if my 19-year-old, when she's finished studying, turns around and says she wants to go travel the world - and she's studying to be a registered nurse - the first thing I'm going to do is insist that she has a product that can protect her. So, yes, from a parent point of view, absolutely. But I think just as a part of planning, nowadays we need to take into account that we are transient and things are going to change. And a lot of the millennials are not putting down their base in any place in particular. They are working remotely. I've got a whole lot of youngsters that I am their appointed financial adviser that work for international companies and they literally live in their car. They can go from one place to the next. Likewise, when travel really opens again, I think there's a lot of people that are going to explore a lot more opportunities in this ever decreasing size of the world. The world is getting smaller. It's not getting bigger.

But I also want to come back to the fact that a lot of people are returning, so I think the young millennials are getting the opportunities, doing work placements, whatever they do -but being able to come back and enter the system here, but already be functional in it is the focus of a product that can carry internationally. And I think that's very much a point that we would like to enforce here. And I think our product is quite beautiful in nature that you can start it...

Bruce Whitfield (07:43 - 07:49)

...Beauty in the eye of the beholder. I've never thought of life insurance as a beautiful thing, but let's let you run with it.

Claire van Wyk (07:50 - 08:44)

Beauty is in the eye of the beholder. But we've got a product that you can start as a graduate, which is a junior product, which can migrate to a classic plan, which then can actually go into a dollar-based plan. And there is no other product that has that ability to follow you and your trail and take you globally, yet still be home-grown - knowing the level of cover, the intricacies, the technicalities of it, because it's familiar to you. And that is one of the beauties that I think, as a millennial travelling, that if I look back, I would have loved to have known that because I think South African, I am South African and I relate to a product like that. So, when I take this abroad with me, even now, I feel comfortable knowing what my product does. And that's why I refer to it as being quite beautiful, because it can move with you as you go along.

Bruce Whitfield (08:45 - 09:35)

And it also allows you that flexibility as you mature, as your needs mature, you can mature the products along with yourself. And that is, I think, a huge advantage as well. I don't know if we should call it offshore insurance, Kashmeera. Should we just not call it global cover, because that's what it is?

Whether you are living here or whether you're living in Uzbekistan, Uruguay or Utrecht - it doesn't really matter because the cover is the cover. It doesn't matter whether you work on assignment - project works - you're three months here, three months there - you might be an engineer who

works across projects across the African continent. And you can't be chopping and changing the whole time and alerting people to the fact that this week you're in one city and next month you going to be at a rural location. Surely you just want the convenience of one single, one stop offering?

Kashmeera Kanji (09:36 - 11:27)

Absolutely, Bruce. And I think that's the beauty of the product. You know, I'm going to use the word beautiful again, because it really is. It's one more South African original like Nicknacks and Mrs Balls Chutney and a creepy crawly. And I mean, I could go on and on. There are so many South African originals, but this is yet another one that a South African can take with them, no matter where they are. And as you've put it, you know, our risks are unusual as South Africans. We know that healthcare is expensive. We don't have a national health care system. You know, we may get there, but we don't have one at the moment. So even if you find yourself in a country where you are not eligible to be a part of their national healthcare system, you've got a life insurance product that's going to prevent absolute financial ruin, should anything happen to you that puts you back financially.

And that's exactly the beauty of this product. And every South African, as much as they come back and stock up on their Nicknacks and their Mrs Balls Chutney and Ouma Rusks, should be doing the same with their life insurance - taking out an authentic South African life insurance policy that can live with them anywhere in the world.

And Bruce, to add one other thing, we are a very multi-talented society. South Africans, we really, really are. We've been to space. If you think about Elon Musk and Mark Shuttleworth, you think about Charlize Theron, you think about Trevor Noah, thriving all over the world. We don't see ourselves as rooted to one spot or our talents not being appreciated elsewhere in the world, and we've got businessmen who are starting their businesses abroad who'd need business cover that suits South Africa needs, but maybe not in a South African climate. And this product will do even that. So the beauty of this product is just - it has so many facets. I could talk for hours, but I know we don't have hours so...

Bruce Whitfield (11:28 - 11:40)

But I think the point is well made. And it comes, Claire, to something that you guys at Discovery talk about a lot and this concept of shared value. How does this fit into a shared value proposition, Discovery style?

Claire van Wyk (11:41 - 13:52)

It fits in, as it would, the whole intrinsic value. If you start a product when you're younger and you build in the benefits that we have that are more affordable at a younger age - and you can start to build up value in terms of the shared-value model - you could have your cash conversions built in on life cover, should you not die. You can have the PayBack conversions that you start to integrate with at a much younger level.

And the shared value really starts to build up value as you move along. But, you know, the emphasis here, once again, is starting to look at this when you're younger and putting it at station appropriate levels of where you are from a financial planning point of view.

So, putting it in when you possibly graduate - life cover, the death benefit is maybe not your biggest need, but disability and dread disease, especially right now, dread disease. And in the environment of COVID and how that may change your life, should something happen at a young age.

We naturally in South Africa think we are invincible and we need to start to look at this properly and engage with it from a planning point of view. And from that planning point of view, the shared-value model is going to start to feed because you're young, you will get into understanding how the integration works, how the PayBacks work, and should you travel the world or go trot around the world, you can still engage. You can engage on wearable devices to get your Vitality points. When you pop back in South Africa, you can go and do a wellness check. As a matter of fact, I've got a lot of clients that are international and global. I mean, Zoom has been the best for me, and I speak a lot to people where we - even from Saudi, someone will phone and say, I've just bought a flat, can we please adjust my life cover benefits to accommodate my bond? And that is from Saudi Arabia.

So, it really, really has such incredible benefits to start at age appropriate, allow it to tailor as you move along and be home-grown. So, you understand it - it's not foreign to you and you can make it work. But at the same token, you have the shared-value, which is Discovery's centre point of what we do so well.

Bruce Whitfield (13:53 - 14:42)

But here's the point that's coming through really strongly, Kashmeera. And it's this idea that life cover is for old people who have responsibilities. And when I say old, I mean about 30 when people are buying assets and they are beginning to consider family or they have a young family, and suddenly life becomes a whole lot more serious. By packaging together, the illness benefits and the disability benefits and life cover into a package that can be sold and can be purchased, you start changing the dynamic of insurance quite significantly as well, particularly in pandemic time. So, whereas we may have thought we were bulletproof 10, 15, 20 years ago, today's young people are more vulnerable simply - and you know, that is the one thing that's been exposed to us in technicolor via COVID.

Kashmeera Kanji (14:42 - 15:57)

Absolutely. We've seen the risks of younger people shoot up significantly as a result of COVID- 19 infection. And that's sad. And yes, maybe we were invincible, maybe we were bulletproof, but that has changed today. And we do need to take into account that something as serious as an amputation can happen as a result of contracting COVID-19. We've seen it happen in our claims.

And so, no, life insurance is not just for the older, the more mature, the people with responsibilities. Life insurance is for anybody who would like not to be in financial difficulty as a result of getting ill or disabled or losing ability.

And that is one of the greatest assets you could have in your backpack, your survival backpack. Life insurance is exactly that, having the best protection that can help you out. And then, you know, with the shared-value as Claire put it, if nothing is to go wrong, then brilliant. You've got a Dollar Life Plan, who's going to pay you back part of your dollar premiums at the prevailing exchange rate just for you being healthy and well. And that is a phenomenal offering for anybody who's considering both sides of the coin - the good and the bad.

Bruce Whitfield (15:58 - 16:21)

Because regardless of the price at which it is pitched, it is a complete waste of money if you never use it - and it's the one thing that you buy that you never want to use, Claire, it's one of these weird dichotomies. But that ability to recoup some of the premium at some point in the future, should you have been fortunate enough never to make a claim, is an incredibly valuable part of this.

Claire van Wyk (16:22 - 17:18)

Bruce, it is a specific sales benefit and a feature of the Discovery product, and you can incorporate that whole structure into a well-considered financial plan. And it makes a lot more financial sense when you position it exactly like you did.

None of us enjoy paying money for something we may never use. And at this point in time, the likelihood of using a disability or dread disease has definitely increased by multiples. Kash can give us the exact multiples, but the reality of it is - being able to say, well, if I manage to and - to use that horrible phrase, 'dodged the bullet', then there's actually benefit back in which I can reinvest or channel in a different direction. So, it just makes a lot of logical sense and it makes the product itself almost well... we believe, it's the best.

Bruce Whitfield (17:19 - 17:55)

Kashmeera, you've been teed up here for the hospital pass, so let me take it. Let's play fantasy life here: I'm 24 years old. I'm newly qualified. The world is my oyster. I've been offered an opportunity in a foreign country. And I'm looking at the expense of relocation. I'm looking at the change of the move. And I'm thinking to myself, 'you know what, I'm going to take my chances that the world has changed', as Claire said, and the risks have changed as well. How do you measure the increase to my risk profile over the last 18 months versus perhaps what might have been two or three years ago?

Kashmeera Kanji (17:56 - 19:23)

It's a brilliant question, Bruce. And I don't have the statistics off the cuff, but I can tell you that the youngest claimants we've seen on the life insurance side have been as young as their early 20s - deaths as a result of COVID.

And so that invincible and it's not fantasy, Bruce, I thought you were in your 20s. So, you know, even you today, even you today in your early 20s, have an unusually large risk of contracting an infection that could result in really, really terrible outcomes.

You've got multi organ failure, you've got kidney failure... You've got, you know, we thought of this as a respiratory condition, but it really isn't. It can affect absolutely everything from your toes - COVID toes, they're calling it - all the way to long COVID. You know the fatigue that lasts longer than the infection. And so your youngsters today, unfortunately, need to be considering life insurance with far more keen interest than they have in the past.

And again, I'll reiterate, if nothing is to happen to you, that is no problem at all. You know, if you take up an insurance policy with us, tell us that you were vaccinated - even on a dollar policy, which is what we're talking about today - we will guarantee you as much as 50% of your premiums back for those first years' worth of premiums. And it's an unbelievable way to protect yourself for the bad, but to still ensure that it's not the worst grudge purchase you've ever bought.

Bruce Whitfield (19:24 - 19:53)

I think that is important as well. We do think of ourselves as tough as nails, and unfortunately, it's too late to start insuring yourself when you need it. The very nature of insurance, Claire, is banking on uncertainty. And if anything, the world is more uncertain today than it has been for a long time. The politics, health issues, just the vast array of issues that we all face each and every single day have raised the possibility of something going wrong.

Claire van Wyk (19:54 - 21:57)

Bruce, I cannot tell you how many phone calls I have received over this period from spouses and partners and parents wanting to insure children as well, wanting to insure family members after a family member has had COVID and they've had significant trauma. They've been in ICU for a period of time. Some people have been ventilated and not a week goes by without someone phoning and saying, 'what are the chances of me being able to get insurance for this person?', or even a person phoning me saying, 'what are the chances of me increasing or adjusting my cover now?'

And it's all subject to underwriting. But I can tell you there's a lot more complexity once you've had a condition or an illness as almost unpredictable as COVID is to go into underwriting. So, yes, I think there is some gravity that we need to put on the thought patterns around making sure you have got sufficient lump-sum capital disability benefits, making sure that you have got a dread disease benefit, a severe illness that is state-of-the-art - that is going to pay you if you are in ICU on a ventilator for a period of time; that can multiply up or can actually jump the value you're insured for to a higher level to be able to accommodate the unknown - a lifetime impact of what the condition has caused.

So I think, yes, there is a lot more drive and people are looking at it a lot more seriously, but wanting to get cover once you've had the stroke or you've had the pulmonary embolism - I've had a lot of those come through - it's very difficult. You're either declined or there's exclusions or there's loadings. So, if you are still in good health, I do encourage people to seek professional advice from an adviser to start formulating a well thought out plan.

Bruce Whitfield (21:57 - 22:47)

At the risk of being doomsayers, the world is a more dangerous place than it was 18 months ago. And I think we knew that it was, but this is just put it all out there in technicolor.

My thanks to Kashmeera Kanji who is the Senior Risk Specialist at Discovery and Claire van Wyk, a Discovery certified financial adviser.

To better understand how comprehensive life insurance cover can, not only protect you and your family, but also adapt to suit your ever-changing needs - as we've been discussing today, head over to the 'Covering what you care about' section on the Discovery magazine's Smart Money Hub at discovery.co.za. Here, you'll also find the details on Discovery Life's full range of cover benefits, or chat directly to a Discovery certified financial adviser.