

ESTATE



Clientèle
ESTATE

ESTATE PRESERVATION PLAN

Your legacy, Your choice



As the old saying goes, nothing in this world is certain except for death and taxes.

You can find certainty, however, with the Estate Preservation Plan – a financial planning solution that ensures that those you leave behind when you die have immediate financial support, that the expenses and fees associated with your estate are catered for and that your will does exactly what you want it to do.

HERE'S HOW.

- 1 By making sure that you have a will and that it's all in order.
- 2 By minimising the financial burden on your heirs.

Where there's a will there's a way...to preserve your legacy

We work hard our whole lives, we follow all the rules about building up our wealth and saving for the future, yet when it comes to confronting our own mortality, we find it hard to do what needs to be done.

And drawing up a will is one of the things that needs to be done.

By making sure that you have a will in place, you can name an executor to wind up your estate, name a guardian for your children, specify how you want your property to be distributed, avoid putting your family in a situation where they would have to make all of these decisions for you, avoid creating potential family conflict, and more.

How the Estate Preservation Plan takes care of your will

The Estate Preservation Plan makes use of professional service providers who specialise in all aspects of wills. By partnering with the specialist service provider of your choice, we are able to help you make sure that:

1. Your will is correctly drawn up:

The first step is to make sure that you have a will, and the second step is to make sure that it's drawn up 100% correctly.

2. Your will is executable

Not only does your will need to be signed and witnessed correctly, but there are other considerations that need to be addressed to ensure that your wishes are complied with. Our specialist service providers make sure this is all in order.

3. Your will is current

Our specialist service providers follow up with you to ensure that as your circumstances change your will is updated to cater for the changes.

4. Your will is safely stored

Our specialist service providers ensure that your will is kept secure and accessible in a fireproof, waterproof and theftproof vault.

< 25% of people have a will in place when they pass away.

(According to the Master's Office)



What you get out of the Estate Preservation Plan

- If you have an existing will, it will be collected, validated and made sure to tick all the boxes.
- If you need a will, a properly drafted one will be put together from scratch for you.
- You will have an executable will.
- Proactive management of your will with an annual review.
- The safe storage of your original will.
- Peace of mind that your final wishes will be fulfilled.

When drafting a new will, remember to plainly state that you cancel all previous wills.

Where there's a preservation plan there's a way... to alleviate financial burden

Building a legacy can take a lifetime. But without the right planning, this legacy can easily be diminished. What you ultimately intend to leave to your heirs can be drastically reduced because of the costs involved in winding up your estate and what's more, the burden of paying these costs falls to your heirs. This is why you need the Estate Preservation Plan.

It's a solution that makes sure funds are available to pay expenses, and immediately caters for your heirs so that they aren't forced to sell any assets and lose the value of your legacy, nor are they obliged to put in any cash.

It's all about your choice. We engage with specialist service providers to draw up your will and act as your executor. We don't stipulate who these service providers have to be.

It's your
choice.



By providing cash for the executor's fees

Your heirs won't have to find the cash to pay the executor's fees. We make sure that this is catered for.



By providing cash to pay for the winding up of your estate

Your heirs won't have the burden of coming up with the cash to cover the costs related to the winding up of your estate. We make sure that you can cater for these costs.

By providing cash to your heirs immediately upon your death

Your heirs won't have to wait for your estate to be wound up before they have access to the cash they need. We make sure that they'll have enough cash to tide them over while the winding up is underway by providing funds to cover the costs of funeral arrangements as well as living expenses.

< 30% of people have enough cash in their estates to cover the winding-up costs when they die.

What you get out of the Estate Preservation Plan

- You decide how much of the sum assured to allocate to your heirs, the executor and the estate costs.
- We pay out cash to your heirs within 24 hours of receiving your death certificate.
- You choose an executor (we don't restrict who you choose) and negotiate the fee.
- You are able change executors at any time, if you choose.
- We pay out cash to use for any costs associated with winding up your estate (we don't prescribe where this money can be spent).
- The full sum assured regardless of what the costs amount to.
- Immediate cover on acceptance.
- Free accident cover for up to 30 days.
- The ability to forward the inception date by up to 60 days and still enjoy full cover.
- You can rest easy knowing that your heirs will not experience financial hardship as a result of your death.

The Administration of Estates Act No. 66 of 1965 empowers the Master of the High Court to order the appointment of a professional executor on estates exceeding a certain value, regardless of who you have nominated in your will to act as an executor.

On average, an uncomplicated estate takes



months to wind up.

The simplicity of the Estate Preservation Plan

Together, the elements of the Estate Preservation Plan combine to offer you a complete solution to safeguarding your estate to the benefit of your heirs. And, two more optional extras are available to cater for any additional special needs you may have.

Our ActivWill Management Programme takes away the worry surrounding your will

- Your will is properly drafted
- It efficiently distributes your estate to your heirs
- It nominates an executor of your choice
- It appoints guardians for minor children
- It's safely stored
- It's reviewed every year
- It's easily accessible whenever you need it

Costs typically payable when winding up an estate:

- Advertising costs
- Conveyancing fees
- Rates and taxes
- Master's fees
- Taxes
- Debts (e.g. bond, overdraft, credit cards, store cards)
- Medical costs
- Maintenance and accrual claims
- Funeral costs
- Executor's fees

These costs need to be paid out of your estate, and if there aren't enough funds in your estate to cover the costs, your executor may have to sell your assets or ask your heirs to pay the costs directly.





The key benefits of our Death Benefit alleviate the financial burden for your heirs

Not only does the Initial Expenses Benefit take care of your dependants' immediate financial needs, it also takes care of their emotional and practical needs by offering grief counselling and products from leading funeral service providers.

The optional benefits on our Death Benefit ensure added peace of mind



Initial Expense Benefit

A cash lump sum of up to R50,000 is paid to your heirs within 24 hours of providing us with your death certificate. You decide how much this lump sum should be and can change it as your circumstances change.



Estate Shortfall Benefit

A lump sum is paid out to your Late Estate that the executor can use to pay for all the costs related to winding up your estate. You decide how much this should be and can change it as your circumstances change.



Executor Fee Benefit

A lump sum is paid to your Late Estate to fund the cost of an executor, whether you nominate a professional or not. This amount can be a maximum of 3.5% (+ VAT) of the value of your estate.

Any funds put aside for the estate shortfall or executor's fees that are not used are paid out to your heirs once your estate is wound up.



Monthly Expenses Benefit

When you die your bank accounts will be frozen and your dependants won't be able to access your money. For absolute certainty that they can cope with the routine costs of living while your estate is being wound up, this benefit provides 12 monthly tax-free payments.



Enhanced Liquidity Benefit

In cases where your estate is set to attract high costs, you'll need additional liquidity. This benefit pays a lump sum into your estate over and above the Estate Shortfall Benefit to cater for these expenses and liabilities.

Select your Estate Preservation Plan

You can choose between two types of plan depending on the complexity of your estate, your health and your own particular needs.

Classic Plan



Total sum assured*
R152,500 or R300,000



Underwriting
NO medical underwriting
NO medical questions



Exclusions
1-year pre-existing
medical conditions

Flexi Plan



Total sum assured*
R590,000 or R1,300,000
or R2,625,000



Underwriting
11 medical questions
NO medical testing



Exclusions
Immediate cover
on acceptance

Apply for cover

Work with your financial advisor to establish your needs and determine which plan would be right for you.



Establish the size of your estate. This will be the gross amount calculated by adding the value of all your assets (see page 8 of the application form).



Choose the correct plan based on the gross value of your estate. Use the tables on the inside front cover of the application form, which set out the tranches of cover available by estate value.



List the expenses that will need to be covered by your estate. Allocate amounts for the Initial Expense Benefit and the Executor Fee Benefit and then consider the Enhanced Liquidity Benefit and the Monthly Expenses Benefit (see page 8 of the application form).



Complete the application form. Take care to answer all the questions and sign and initial each page where indicated, then scan and email to estate@clientele.co.za

**Remember, you decide how to split the sum assured among your heirs, estate costs and executor's fees to get exactly what you need.*

Frequently Asked Questions

We've provided answers to some of the questions we regularly hear right here, but remember that it's always best to check your policy document. Chat to your financial advisor if in doubt.

What is an 'estate'?

An estate is the sum of your assets (everything you own) minus your liabilities (anything you owe). An estate can be made up of fixed and moveable property, investments, cash in the bank, unpaid salary and shares.

Why is the gross value and net value of my estate important?

The gross value of your estate is the value of your estate before any deductions are made for liabilities.

The net value is what is left after the deductions have been made. The gross value is used to calculate the executor's fee while the costs associated with winding up your estate are funded by the net value of your estate.



Does Clientèle have to draft my will or can I choose my own supplier?

You can choose your own supplier if you wish, but Clientèle makes use of preferred suppliers who specialise in wills that you can make use of.

- We pay for the service according to our tariffs (see clientele.co.za).
- Payment will be subject to Clientèle's terms and conditions for payment.
- The will storage benefit is provided in partnership with your chosen service provider through Clientèle Limited.
- Any alternative service provider that you elect (those not on Clientèle's preferred supplier list) are not contractually bound to abide by Clientèle's service levels and standards.



How do I claim?

There are several ways to submit a claim:

- Contact your financial advisor
- Send an email to: estateclaims@clientele.co.za
- Use the self-service platform on www.clientele.co.za or dial ***120*337*** (standard rates apply)
- Phone us on **011 320 3332**
- Visit the Clientèle Head Office at Clientèle Office Park, Cnr Alon & Rivonia Roads, Morningside



When am I not covered on this policy?

There are a few specific circumstances under which this policy will not pay out, but always refer to your policy document for full information:

- Death due to riot, terrorism, war or similar event outside South Africa's borders
- If your policy is not in force at the time of your death
- Death as a result of suicide in the first 24 months (24 paid premiums)
- Where the claim is fraudulent
- **Classic Plan only** – Death due to a pre-existing medical condition (as defined). For the first 12 months after this policy has been accepted, this benefit is not payable if the cause of the claim is related to a condition that occurred within the 12-month period prior to the acceptance date.

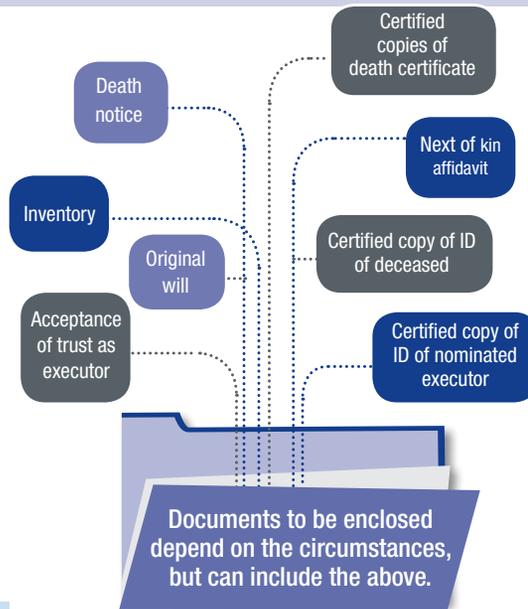
The steps for winding up a deceased estate

1 Report the estate

Within 14 days of the death of the insured life, the estate needs to be reported to the Master of the High Court, together with a number of documents and a request for the letter of executorship to be issued.



In the interim, the executor should start collecting as much information as possible in terms of assets and liabilities relating to the estate, in order to prepare the estate account for the Master.



2 Letter of executorship issued by the Master

Only once this document has been received, may the executor start the official process of dealing with matters relating to the estate.



3 Newspaper notice

Notice of the death needs to be advertised in the Government Gazette and in the newspaper of the area in which the deceased lived or where his/her property is located; 30 days are then allowed for any creditors of the deceased to come forward and make a claim against the estate.



During these 30 days, the executor needs to continue obtaining the necessary information that will allow them to determine the solvency of the estate and to start drafting the liquidation and distribution account (L&D account). The estate late bank account needs to be opened, and all disputes with heirs need to be handled.

4 Sell estate Assets (If necessary)



The costs related to death are often underestimated, and unless there is liquidity in the estate, valuable assets will need to be sold to settle outstanding debts.



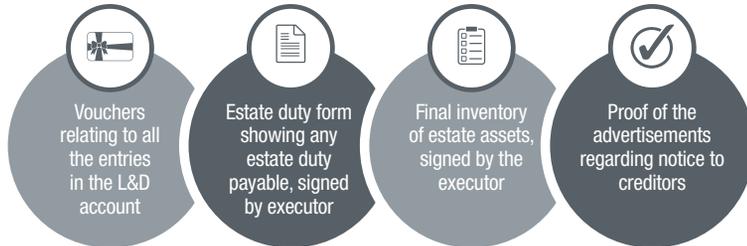
5

Submission of the L&D account



This is the document signed by the executor that shows all assets and liabilities of the estate. It includes the administrative expenses that are charged for winding up the estate. It shows how the assets of the estate were distributed, it lists the income and expenses of the estate after death, and demonstrates whether there is enough cash in the estate to settle the debts.

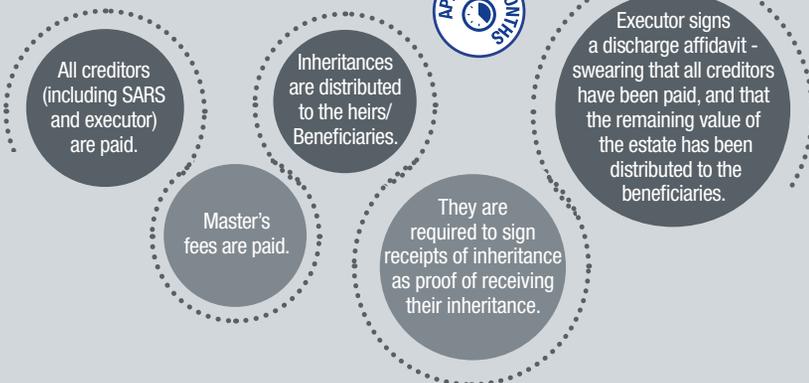
AT THE SAME TIME OTHER DOCUMENTS NEED TO BE SUBMITTED



8

Distribution of the estate

The L&D account remains inactive for 21 days, and then the estate may be distributed.



10

Certificate of discharge

The Master will send back a certificate of discharge of the executor. This concludes the winding up of the estate and closes the estate late bank account.

6

The Master sends his query sheet

The Master inspects the L&D account, and if there are any issues he will send back a query sheet stipulating what changes are required. These changes need to be resubmitted to the Master. This could result in another delay of up to 8 weeks before acceptance of the L&D account. Once the Master is satisfied, the Master's fee becomes payable and he instructs that the L&D account must lie open for inspection.

7

L&D account lies open for inspection



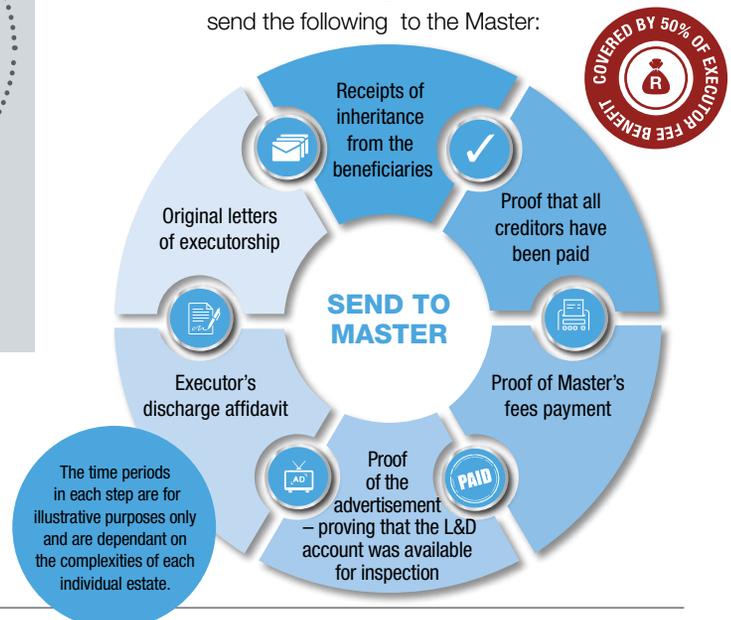
The L&D account has to lie for inspection by the Public. In order to achieve this, an advert needs to be placed in the Government Gazette and in a newspaper in the area in which the deceased lived or where he/she owned property.

9

Proof that the estate has been distributed



The final remaining duty of the executor is to send the following to the Master:





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**For more information and policy terms and conditions, contact us on 011 320 3332.
Alternatively, email us at estate@clientele.co.za.**

This booklet and its contents do not constitute financial advice. Terms & conditions apply.

Long-term insurance policies are underwritten and administered by Clientèle Life Assurance Company Limited, an authorised financial services provider and registered insurer: FSP 15268. Premiums escalate by 5% annually.

Short-term insurance policies are underwritten and administered by Clientèle General Insurance Limited, an authorised financial services provider and registered insurer: FSP 34655. This is a monthly renewable policy with premiums and legal benefits escalating by 10% annually.