Capital Legacy shakes up the life insurance market with MyCover

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Capital Legacy, South Africa's leading provider of wills, has been operating in the fiduciary and financial industries since 2012. Over the last eight years they have provided more than 300,000 clients with wills and indemnified over R70bn in fees that arise during the estate administration process, which has aided them in gaining invaluable experience and insight into consumer needs and trends.



“Over the last eight years of winding up estates, we have often seen bereaved families face the reality that the life insurance policy of the deceased individual is insufficient to meet their needs. We are, unfortunately, more often than we would like, presented with situations where we cannot follow through with some of the clients’ final wishes because there are insufficient funds,” shares Alex Simeonides, CEO of Capital Legacy.

Capital Legacy drafts more than 6,500 wills for new clients every month and is trusted by more than 4,500 financial advisors, countrywide. “We get to see what works and what doesn’t work when it comes to financial planning and succession planning. And as a result of our real-life experiences when clients pass away, we are in a unique situation to find solutions to solve these financial pitfalls for our clients,” says Brandon Garbutt, managing director of Capital Legacy. “We work closely with advisors and their clients and our aim is to ensure that their legacies are secure, and the unexpected cost of dying is planned for.”

Most people know the importance of life cover – but South Africans by and large are still grossly under-insured. “This reality really hits home when sitting with a family, after the breadwinner has passed away, trying to figure out how to pay for bills, debts, school fees and, ultimately, considering selling assets such as their home or car just to make ends meet,” says Simeonides.

Challenges within the industry

Simeonides goes on to list some of the challenges they come across as executors of deceased estates:

- The testator/testatrix would like to establish a testamentary trust for their minor children. When the life insurance

policy and the liquidity within the estate is insufficient the executor is faced with the challenge of not being able to fulfil the testator/testatrix's wishes as the fees of the testamentary trust would deplete the financial resources, leaving nothing for the beneficiary when they are in a position to claim their inheritance.
- The life insurance policy does not adequately cover the debt because the deceased individual did not review it when they acquired more assets (such as a house or vehicle) and with that more debt. The liquidity created by the life insurance policy is then used to cover the debt, leaving the heirs with little to nothing to live on.
- The testator/testatrix did not provide for the cost of dying. As they say, two things are certain – death and taxes. In the fiduciary industry, these two go together. The deceased individual's family is faced with the exorbitant costs associated with winding up an estate which they are burdened with if there is not enough liquidity and they wish to preserve the assets.

Life cover like no other – MyCover™

"It is by considering these kinds of challenges that we evaluated how we as a company can meet the needs of our clients and their families," expresses Simeonides.

"We have spent the last eight years building on two primary missions: firstly, helping more South Africans get valid Wills in place and secondly, protecting our clients from the unexpected costs associated with dying. This means educating and helping clients cover costs such as executor fees, conveyancing fees, testamentary trust set-up and management fees, short-term liquidity challenges, monthly overheads, etc. What we've done now with MyCover™, is bolt on a Life Cover Solution as an extender benefit rather than the core product. As far as we know, this has never been done before, in South Africa, and has significant advantages for the client – with no administration costs, we can pass on this value to the client to increase their benefits for less. But we're used to navigating unknown waters," smiles Simeonides.

Benefits of MyCover™ by Capital Legacy

MyCover™ is life cover that has been designed as an extender benefit to the core product, the Legacy Protection Plan™ that accompanies your will to meet your financial estate planning needs, covering the costs of executor, conveyance and testamentary trust fees as well as other upfront and monthly expenses that arise when you pass away.

- Up to R10m can be paid to multiple beneficiaries including a beneficiary of your choice – a trust or your estate – without incurring any executor fees or trustee fees.
- MyCover™ also includes BeneFactor™ options that offer either reduced premiums, more benefit, or boosted cover with cash back. By activating the 'more benefit' BeneFactor™ option, the life cover is, on average, 20% cheaper than the industry standard.
- Additionally, MyCover™ has an optional extender called MyAbility™ that offers you up to R5m cover against critical illness and impairment at a fraction of the cost of traditional cover.
- You also do not need to go for any invasive medical testing. You need only answer a few medical questions and complete a CO breathalyser test if you are a non-smoker.

MyCover™ is available from 1 October 2020, exclusively through qualified and approved financial advisors.

"We work very closely with our network of financial advisors across the country and are constantly looking to improve and streamline our offering – not only for them, but for their clients," says Garbutt. "Through MyCover™, we are tackling some very real challenges in the industry as we continue to grow our offering for the embattled South African consumer."

For more information about Capital Legacy, the Legacy Protection Plan™ or MyCover™, speak to your financial advisor or go to www.capitallegacy.co.za.

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Capital Legacy

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Wills & Estates Specialists

Our mission is to ensure that more South Africans have valid Wills in place and to lower the legal fees at death for our clients.

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