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Welcome to our Client Information Update

How social media can get you into trouble with your Insurer

Using your phone for social media while driving could be considered reckless behaviour by an insurer, giving the insurer the right to decline a claim in the event of an accident, said a legal expert.

Maria Philippides, director of insurance litigation at Norton Rose Fulbright South Africa, explained the legal implications as well as consequences for insurance cover where reckless behaviour is related to the use of social media.

She referred to a recent report in the UK where a woman was jailed for using Facebook when she caused a car accident. Philippides explained to Fin24 how a case like this could possibly be handled locally.

To read the full story from Fin24 click HERE.

The 2017 Budget Speech, and What is happening in Investment Markets

Certainly there are many aspects to the annual budget speech, covering changes to different forms of tax. With medical schemes, the “Medical Tax Credit” has been increased to R303 per month for the principal member as well as the first dependent, plus an additional R204 per month for each further dependent.

As far as life insurance products are concerned, there are no changes of any consequence – endowment policies remain being taxed at a flat rate of 30%.

The biggest change affecting investment products is that dividends earned from shareholdings will now be taxed at 20% (at source) – being a 5% increase over the previous 15%. The simple result is that less “yield” will be earned by investment funds, which in turn reduces the monthly reinvestment values applied, and ultimately a slight decrease in overall investment performance will result. This loss however will translate to far less than 1% per annum on the type of investment funds that we prefer to recommend. Those worst affected by this change are people and institutions heavily exposed to equity markets.

It has been little secret that investment markets have looked rather poor over the past year or so. This has been amongst the discussion points presented by the various fund managers in recent weeks. Marriott made the point that with their own funds, the negative performance is directly attributable to offshore exposure – despite the fact that in their native currencies the underlying assets performed positively, the strengthening of the Rand during the latter part of 2016 converted that performance into a negative value in Rand terms.

But, one cannot afford to focus purely on the short term negative results – investing is a medium to long term business, and history will show that we average probably two strongly negative cycles every ten years, but overall, investment markets spend more time in positive mode than they do in negative. The wise investor buys when markets are cheap, and sells when markets are high – but, all too often emotion leads to panic selling when negative markets occur, and that is precisely the opposite of what wise and successful investors do. Selling or switching out at this point will achieve little more than causing a loss to be realised, so this should be avoided.

Over the past 25 or so years I have sat through countless presentations of different styles, but all with the same message - that the investor who sits tight during bad times and leaves nature to take its course is proven time and again to earn a better long term result than the person who chops and changes. As a closing point, each investment fund has teams of people dedicated every day to doing nothing more than researching data in order to make informed investment decisions – so there is a far better chance of these teams getting better results with their decision making that you or I would achieve with our limited insight. So, again, leave the stress of decision making to the professionals, and do your best not to look hard at the bad times.

Don't panic, contact our office should you have any queries on
0317643870 or info@holburn.co.za
Myles or Lee are available to discuss your needs and requirements.

7 Tips for Preventing Home Fires

Tip #1: Take Extreme Caution When Cooking… The undeniable fact is that people simply aren't careful enough when it comes cooking. This is the number one cause of home fires. Period. One of the biggest dangers is the combination of hot splashing grease and unattended cooking. Hot grease can instantly burst into flames. So it's vital that you're always there to watch and make sure that grease does not splash. Of course keeping flammable dish towels, paper towels, or pot holders next to an open flame is a recipe for disaster. Keep all of those clear from the stove. Last but not least, make sure to have a fire extinguisher on hand, ready to go at any moment in the kitchen, to immediately put out any fires.

Read the other 6 tips HERE.

Cyber Liability Cover

Following the recent global ransomware cyber attack and the imminent implementation of the new POPI Act (Protection of Personal Information Act), you might want to consider asking us for a Cyber Liability Insurance quote for your business.

Holburn Assist

(Home Roadside Assistance)

Roadside Assist Should you be a Holburn Assist client, we are pleased to announce that the cost of the first Tow has been increased from 40km to 60km round-trip (starting from point of dispatch) thereafter a charge of R6.38 per km is applicable and will be charged to the beneficiary.

Without you, our loyal business partners, customers, suppliers and friends we would not have a business and for that we are eternally grateful. Don't hesitate to contact us if you have any queries or uncertainties.
The HOLBURN TEAM are here to assist you.

Billy, George, Myles & Staff

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