



Executives Desk

“The wise build on rock, whilst fools build on sand”

Part I of how to start a meaningful savings programme, and get rich doing it!

If only I was the recipient of a P100 award for writing a winning contribution to the newsletter!! What would I do with such a windfall... I could buy a nice present for my wife, or I could take her out for a fine dinner or...



Gaffar Hassam
Assistant General Manager, Finance

Let us continue the thought process behind such a dream... what if I was so wealthy that I didn't need to work ever again. Can you imagine it: waking up at any time of the day; going out shopping to buy whatever my heart desired; expensive vacations to exotic islands; driving beautiful cars. Whew! Doesn't all this seem too good to be true?

The message that I wish to tell everyone in this article is that financial success is not for the chosen few, but rather it is attainable for each and every one of us. There is (except for a very small handful of people who get extremely lucky) no quick-fix to this solution. To become financially successful, one has to change one's spending habits. An idea adapted from a Charles Dickens' novel is that the wealthier man is not the man who earns P150,000 p.a. and spends P151,000 but the one who earns P100 p.a. and spends P90. For the first man will retire insolvent, and the second

will surely retire wealthy.

Allow me to (humbly) impart to you, my reader, some of the small things we can all do to become the “wise that build on rock”. I will suggest three things; living within one's budget; define what it is you are saving for; and invest your money wisely.

1. Living within one's budget

Like I mentioned above, there is no quick-fix. This is the most important step in attaining financial independence. Budget carefully each month to make sure that you are saving at least 10% of your gross salary. (please note that this amount is only a rule of thumb... If you are over the age of 30, and you have not been saving regularly then 15% may be the required target). Now I am sure everyone is thinking that this is impossible...doesn't Gaffar know that the cost of living is soooooo very, very high. Yes! You are totally correct, the cost of living is high, and so it is difficult to save such an enormous amount. But if you wish to obtain financial success.. you must start at some point in your life....

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The Purpose of Underwriting/Risk Analysis

What is Underwriting?

Underwriting may be defined as a process of assessing life insurance proposals to evaluate the degree of risk involved with a view of determining whether or not the Insurer could be able to carry the risk.

How is the assessment or analysis of risk done?

The insurer considers among other things the following aspects in the risk assessment process:

- The applicants ability to pay and sustain premiums
- The applicants medical history
- Family history
- The applicants current physical condition
- Hobbies and hazardous pursuits

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Editors Note

Welcome to the face-lifted Life Agenda! It's a new year, and time for a new

look, for this, the 1st edition for the 2004-5 financial year! We have just announced our results and they are a reason to celebrate, put on a new face and hit the town.

All the more so because for us it is bonus time (Yaaaa! Sucks to you guys who got yours in December!). If you see pretty and handsome men and women, decked out, and well groomed, nonchalantly pointing at pieces of furniture to be loaded up and delivered pronto because they are paying cash, in some hoity-toity store you just go to to ogle, then know that those are Botswana Life staff! After all, in spite of the gloom and doom warnings on how to save (Executive Desk, page 1), the writer does say, on page 2, that “Don't go overboard. Remember that money should also be spent and enjoyed.” Thank goodness for that relief! It sounded like we would have to hoard every thebe we earn, like regular Scrooges! But the main message remains that if you want to be rich you have to learn how to make saving an automatic reaction. Remember THAT, all of you out there.

We have gained a lot of new staff, and existing staff are moving on up, see the Staff Life on page 3. A warm welcome to all the new recruits. Poor things won't be getting such big bonuses having just joined, but who's gloating?

We had a little fun this past quarter, with the Secretaries Convention, which was a big success. See page 4 for details.

Well, enjoy this issue, and spread your copy around so everyone can benefit from the tips!

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Why not start today?

Whilst it is hard for me to suggest exactly how each person could save such an amount, may I make the following suggestions...

- i) Make a list of all your income you expect to earn over the next year e.g. salary, interest from the bank on investments made, inheritance (if you are lucky enough), etc.
- ii) Make a realistic list of all your expenses e.g. rent, groceries, repayment of loans etc....
- iii) Try to find ways to cut your expenses to ensure that the difference between income and expenses is 10% of your gross salary. Examples of such methods include...
 - a) **Cut down on spontaneous purchases.** This occurs when you buy something you did not intend purchasing when you entered the shop. Try to do all your grocery shopping once a month only. Use a list which you adhere to strongly. Don't forget that shop-owners "encourage" you to spend more money by doing such things as placing all the sweets by the tills so that our "beautiful, angelic" children will have a screaming fit whenever we approach the tills.
 - b) **Resist the temptation to buy goods on credit.** Credit is VERY expensive. It is easy to get caught up in the "debt trap". This occurs when you need to borrow money because the level of loan repayments that you must make is just too expensive. Here a vicious cycle is created which is very hard to break.
 - c) **Ask for a cash discount when you**

buy something. Buying with cash often gives you far more power in the negotiation for the item you desire. Whilst you won't always get a discount - it can't do any harm to ask. Of course you must follow rule (b) above in order to do this!

- d) **Make sure that every item in the list of expenses is essential.** Don't buy things just because they are fashionable, or because your neighbour bought the same item. Do you really need those extra phone units? Instead of buying that car you want to have NOW maybe catching a taxi for a few months may not be too bad an idea.
 - e) **Try to get the whole family involved.** It will do no good if you are saving as hard as possible, only to find that your spouse is off buying expensive after-shave or jewellery. On this note, encourage your children to save, perhaps by opening their own banking accounts when they are old enough to understand the value of money. But ultimately children tend to inherit the habits of their parents. So if you are careful, so too will they be.
 - f) **Don't go overboard. Remember that money should also be spent and enjoyed.** Do budget for a family holiday (maybe you can't afford it now, but perhaps you can in the next few months). If you meet your objective of saving 10% of your salary for, say, 3 months, celebrate by taking your family out for a nice meal - but don't blow all of your savings!
- In Part II you will learn how to define your savings objectives!**
- Gaffar Hassam**
Assistant General Manager, Finance

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Why is risk assessment necessary?

In order to meet obligations of paying out claims and benefits to the stakeholders the insurer must guard against anti-selection by applying underwriting controls. Each life assured must be charged a premium that corresponds to the risk that the person presents to the insurer. No two individuals are alike.

What is the source of information for risk assessment?

The proposal form is the primary source of information. This is a very important instrument as the Insurer relies upon the information given to make a decision which may ultimately bind both parties. Therefore the information given has to be true to the best of the applicants knowledge.

What decisions may arise from Underwriting Process?

- Accept the risk at ordinary rates
- Accept the risk at special terms (loading & exclusions)
- Defer the risk for a specific term.
- Decline the risk

Patricia Raditholo
Risk Analysis Manager

Laugh at Life

Excuses drivers give to their insurance agents

The following are actual statements found on insurance forms where car drivers attempted to summarise the details of an accident in the fewest possible words. The instances of faulty writing serve to confirm that even incompetent writing can be highly entertaining.

1. Coming home I drove into the wrong house and collided with a tree I don't have.
2. The other car collided with mine without giving warning of its intention.
3. I thought my window was down, but I found it was up when I put my head through it.
4. I collided with a stationary truck coming the other way.
5. A truck backed through my windshield into my wife's face.
6. The guy was all over the road. I had to swerve a number of times before I hit him.
7. I pulled away from the side of the road, glanced at my mother-in-law and headed over the embankment.
8. I had been driving for forty years when I fell asleep at the wheel and had an accident.
9. As I approached an intersection a sign suddenly appeared in a place where no stop sign had ever appeared before. I was unable to stop in time to avoid the accident.

10. To avoid hitting the bumper of the car in front I struck a pedestrian.
11. An invisible car came out of nowhere, struck my car and vanished.
12. The indirect cause of the accident was a little guy in a small car with a big mouth.





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Staff Life

Staff Promotions

Name	Promoted to
Beverley Raman	Assistant General Manager, IS
Tebogo Phuthego	Client Services Administrator
Jacqueline Livingstone	Client Services Administrator
Lillian Pheto	Client Services Administrator
Thudiso Mosarwa	Premium Liaison Administrator
Lesego Ntebela	Projects Administrator
Joseph Kuaho	Marketing Manger
Dikeledi Maleke	Client Services Administrator
Adolphina Monareng	Premium Liaison Assistant

Good luck to all these staff members as they take on their responsibilities

Induction

The training department conducted an induction course for the new employees on 3rd and 4th May 2004.

The purpose of the induction course is to establish the framework for good employee involvement, equal opportunity and effective training and development.

The aim of the induction is to:

- Enable new members of staff to understand BLIL's aims and objectives.
- Enable the new staff members to know of their role.
- To make the new staff members to feel an integral part of BLIL
- Build motivation and confidence in members of staff joining the organisation.

We welcome the new members of staff and wish them all the best in their new positions!

Name	Position	Dept.
1 Kelebogile Baruti	Client Services Assistant	OPCS
2 Kelebemang Mothogaesi	Premium Accounting Clerk	FPLA
3 Winnie Moepeng	Premium Accounting Clerk	FPLA
4 Kgakgamatso Magogwe	Premium Liaison Clerk	FPLA
5 Sereko Kooepile	Technical & Compliance Manager	BCBU
6 Tsholofelo Molapisi	Policy Administration Assistant	OPRM
7 Lesego Malima	Client Sevices Assistant	OPCS
8 Thekiso Mothibi	Commissions & Treasury Manager	FAIT

Maele Rabashwa
Support Services Manager, Training



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Life Events

Botswana Life sponsors Cycling club and Secretaries Convention

Earlier this year Botswana Life once again sponsored the Gaborone Cycling club, through its member, Jabu Tabolane, to enter the renowned Cape Argus race. The race has over 35 000 entrants, and Jabu is making a place for himself in his class. The Gaborone Cycling club has noted his talent and are seeking to give him all the training and race experience they can find sponsorship for. Botswana Life is proud to assist in the development of sports through the sponsorship of Botswana cycling sensation Jabu Tabolane.

Later, at the end of April, came the BOC-CIM Secretaries Convention. Once again, as for the past four years, Botswana Life was a major sponsor of the event. The conference bags for all participants were provided by Botswana Life. Furthermore, this year our Managing Director, Regina Vaka, was one of the conference speakers, and gave the participants workshops on loving themselves as a way of getting ahead. This is an annual event that Botswana Life supports. Field Sales agents were present at the stall, to give the ladies and gentlemen all the insurance information they required, and to sell policies, which they did successfully!

Thabi Letsunyane
Corporate Communications Manager



Regina Vaka, MD of Botswana Life, presents Jabu Tabolane of Gaborone Cycling Club with a sponsorship cheque for the Cape Argus 2004



Botswana Life Field Sales Agents assisting a participant at the Secretaries Convention 2004



Ishmael Moaka gives a promotional talk on Botswana Life at the Secretaries Convention 2004

Funeral Benefit

What is a Funeral benefit, who should have it, and how can they have it? These are the questions that are always being asked by those people who have not had the time to analyse their insurance needs.

This is a "Must have" benefit for all, young or old, rich or poor. A need for the desperate in times of sorrow, when all other financial doors close this one will open to let you in.

Just like a branch in a tree which cannot stand alone without the trunk, this benefit cannot stand alone. It is an ancillary benefit that is always attached to a basic life cover policy. This branch has various sub-branches like, Losika Funeral Benefit, Extended Family Funeral Benefit, and the Family Funeral Benefit. The exception, Matshedisso, is the only funeral benefit that is able to stand on its own.

We all need to have a funeral benefit in our lives considering the great expense at which we bury our loved ones. The benefit pays out to members and their dependents certain sums of money to assist in meeting funeral costs of the member or nominated beneficiary. This benefit covers the burial needs.

In order to have a funeral benefit, get in touch with any Botswana Life Insurance Ltd representative in the field or visit any of our Branches in Francistown, Maun, Selibe Phikwe, Palapye, Lobatse, Mall office, or Head Office in Gaborone.

THIS BENEFIT OFFERS A SHOULDER TO CRY ON IN TIMES OF SORROW

Irene Mangope
Customer Service Manager - Benefit Payments

AIDS Watch

The following are usually the initial diseases suffered at the onset of AIDS.

Candida

Candida is a fungus. All people have Candida in the mouth and women often have it in the vagina. With a weakened immune system the fungus spreads and... can infect the inside of the mouth, the vagina, the anus and the penis. Signs of Candida in the mouth are white, creamy layers. The tongue is red and covered with a cream-coloured layer. In the vagina, penis and anus the signs are whitish, cheesy layers on red mucous membranes.

Fever

Fever is usually a sign of infection (flu, malaria) and does not necessarily have anything to do with HIV. It can also be caused by opportunistic infections (of HIV). Sometimes a person with HIV may get a low grade fever...If the cause is not found the fever can continue for weeks or

months, disappear spontaneously and come back.

Diarrhoea

This is one of the most common Aids-related reactions. Diarrhoea may be caused by many different micro-organisms. You need to get a stool test (done), and maybe a physical examination for the doctor to be able to prescribe the correct medication.

Pneumonia

With HIV you can also risk contracting pneumonia caused by bacteria.

Tuberculosis – TB

Tuberculosis is caused by the bacteria Mycobacterium tuberculosis. The most common is tuberculosis of the lungs. If you are HIV-positive you can easily be infected...but you can also (get it) from an infection you have been carrying for a long time, and which only becomes harmful after your immune system has been weakened. TB kills many people in Botswana...often

because of late or no treatment.

Other Aids-related diseases include:

Karposi's Sarcoma, a cancer that appears on the skin or mouth but can also occur in the intestines and in the lungs; Herpes Simplex-infection which causes lesions and wounds on the skin and mucous membranes; Meningitis; Toxoplasmosis, infection of the tissue of the brain caused by a parasite, which causes paralysis, loss of feeling in the skin, confusion and disturbed speech patterns; Cervical cancer in women.

There are many other Aids-related diseases not mentioned here. They are almost all treatable. A person living with HIV should be alert...and always seek treatment as early as possible.

TCM Booklet 2 – Aids Related Illnesses