

"Super" Specified Illness Cover

A guide for financial advisers only

October 2009

Our "Super" Specified Illness Cover ("Super SIC") pays claimants:

- a full payment if they are diagnosed with one of the 37 conditions we now cover on a full payment basis
- a NEW partial payment of €15,000 (or half the specified illness benefit if lower) on an additional 10 conditions

Our move towards a new independent partial payment (and the improvements and additions to our full payment list of illnesses) reflects our desire:

- to pay more claims and
- to better meet the needs and expectations of our customers.

These new features bring innovation to the market. The partial payment is the first of its kind in the Irish market and 8 of the 10 partial payment conditions are brand new to the Irish market. Also, two of the 37 full payment specified illness cover conditions are brand new to the Irish Market – Benign Spinal Cord Tumour and Primary Pulmonary Hypertension.

We will be paying more out in claims!

The partial payment of €15,000 (or half the specified illness benefit if lower) is totally separate from the main specified illness cover benefit. That means it does not affect the amount a customer could receive if they need to make a specified illness claim for one of the 37 illnesses we cover on a full payment basis at a later date. (If the customer makes a claim for specified illness cover on a full payment basis for a related condition that happens within 30 days of the specified illness condition for partial payment; we will only make one payout for the full specified illness cover amount.)

In this guide, we will give you examples of incidence rates for the illnesses we have added to show you the extra value of the cover we are providing at no extra cost!

For example, a customer with €100,000 life and independent specified illness cover with Irish Life could receive **3 payouts** totalling €215,000 over the lifetime of the plan.

Specified illness cover partial payment	€15,000 if they suffer from one of the 10 milder but still life altering illnesses we cover
Specified illness cover full payment	€100,000 if they suffer from one of the 37 illnesses at a later date
Life cover benefit payment	€100,000 to their dependents if they subsequently died

Please note that there is only 1 partial payment per life per plan.
Other terms and conditions apply.

The partial payment provides cover for:

- Coronary Angioplasty (2 vessel)
- Ductal Carcinoma in situ - breast (treated by surgery), and
- Low level prostate cancer with Gleason score between 2 and 6, dealt with by specific treatment

Other conditions listed overleaf.

Children are also covered for one partial payment of €7,500 or half of one parent's specified illness benefit amount, whichever is lower.



Irish Life

The illnesses we now cover under "Super SIC"

We have increased the number of illnesses we cover on a full payment basis to 37. Some of the illnesses we now specifically list were previously covered under our Loss of Independence condition (LOI). Based on your feedback in recent times and our own claims experience, we now name each of these specifically and we have also added some NEW illnesses and significantly improved others.

List of 37 illnesses – full payment under "Super SIC"	What have we done?
1. Alzheimer's disease	Improved definition
2. Aorta graft surgery	Improved definition
3. Aplastic anaemia	New
4. Bacterial meningitis	New (for adults)
5. Benign brain tumour	Future proofed
6. Benign spinal cord tumour	Completely New to Irish Market
7. Blindness	Improved definition
8. Cancer (malignant)	Clearer
9. Cardiomyopathy	Improved definition
10. Coma	No change
11. Coronary artery by-pass grafts	Improved definition
12. Creutzfeldt-Jakob disease	New
13. Deafness	Improved definition
14. Dementia	New
15. Encephalitis	New
16. Heart attack (diagnosed)	Improved definition
17. Heart valve replacement or repair	Improved definition
18. Heart surgery requiring median sternotomy	No change
19. HIV infection caught in the European Union, North America, Australia and New Zealand from a blood transfusion, a physical assault or at work in an eligible occupation.	No change
20. Kidney failure	No change
21. Liver failure	New
22. Loss of independence	No change
23. Loss of limbs	No change
24. Loss of speech	No change
25. Major organ transplant	No change
26. Motor neurone disease	No change
27. Multiple sclerosis	Clearer
28. Paralysis of limbs	No change
29. Parkinson's disease (Idiopathic)	Improved definition
30. Primary pulmonary hypertension	Completely New to Irish Market
31. Progressive supranuclear palsy	New
32. Pulmonary artery surgery	New
33. Respiratory failure of specified severity	New
34. Severe burns/3rd degree burns	No change
35. Stroke – permanent symptoms	Clearer
36. Systemic lupus erythematosus	New
37. Traumatic head injury	New
We do not cover any other conditions for full payment.	

Once you claim for your full specified illness cover, your specified illness cover ends and you cannot make any further specified illness claims, including a partial payment claim.

List of 10 illnesses – partial payment under "Super SIC"	What have we done?
1. Brain abscess drained via craniotomy	Completely New to Irish Market
2. Carcinoma in situ – breast, treated by specific surgery	Completely New to Irish Market
3. Carcinoma in situ – oesophagus treated by specific surgery	Completely New to Irish Market
4. Carotid artery stenosis treated by Angioplasty or Endarterectomy	Completely New to Irish Market
5. Cerebral arteriovenous malformation – treated by craniotomy or endovascular repair	Completely New to Irish Market
6. Coronary angioplasty - to 2 or more coronary arteries	New under partial payment
7. Loss of one limb	New under partial payment
8. Low level prostate cancer with Gleason score between 2 and 6 with specific treatment	Completely New to Irish Market
9. Severe burns/3rd degree burns covering at least 5% of the body's surface	Completely New to Irish Market
10. Surgical removal of one eye	Completely New to Irish Market

The thinking behind our full payment enhancements



We want to be as clear as possible with you about the detailed improvements and the logic behind our new 37 conditions for full payment under "Super SIC".

1 New illnesses under Irish Life's full payment list of 37 illnesses

Based on our Underwriting and claims experience, coupled with your feedback, we are adding the following conditions to our list of conditions for full payment, under specified illness cover on new term assurance plans.

- A) Brand new to the Irish market
Two conditions for full payment under specified illness cover
- Benign spinal cord tumour
 - Primary pulmonary hypertension
- B) Extra full payment conditions specifically name by Irish Life
- Aplastic Anaemia
 - Bacterial Meningitis (adults now covered)
 - Creutzfeld-Jakob disease
 - Dementia
 - Encephalitis
 - Liver Failure
 - Pulmonary Artery Surgery
 - Progressive Supranuclear Palsy
 - Respiratory failure
 - Systemic Lupus Erythematosus
 - Traumatic Head Injury

2 Improvements to illness definition wordings on our new plans

We have worked to improve our definitions to increase the number of claims that we can pay and to do so as quickly as possible for our customers.

Alzheimer's disease, Blindness (Loss of sight), Deafness (Loss of hearing), Loss of independence, Parkinson's disease

- We have removed the requirement for a period of elapsed time between diagnosis and claim.

Alzheimer's disease, Parkinson's disease

- We have removed the requirement for "continuous supervision and assistance".

Aorta Graft surgery

- We now state specifically that we cover surgery for traumatic injury to the aorta.

Cardiomyopathy

- We will now use the New York Heart Association (NYHA) classification to categorise severity and the requirement for a treadmill test has been removed.

Heart Attack

- We have removed the requirement for "typical chest pain".

3 Future proofing of definitions

With the constant evolution in medical treatment, it is important that we make every effort to future proof our definitions, in as much as is possible at this time, to ensure that we will be able to meet all genuine specified illness claims in the years to come. In an attempt to do this we have made the following improvements to our definitions:

Coronary artery bypass surgery, Heart valve replacement or repair

- We have removed the requirement for open heart surgery, therefore allowing for future treatment via keyhole surgery, valvuloplasty etc.

Benign brain tumour, Benign spinal cord tumour

- We are now including treatment by stereotactic radiosurgery.



4 Clearer definitions

We have improved and reworded some definitions to make them clearer for customers.

Blindness, Deafness

- We have now included specific measures of blindness and deafness in the definitions, enabling the customer and their doctors to understand more easily when a definition is or is not met.

Cancer

- We have highlighted and made clearer what is covered for bladder tumours and chronic lymphocytic leukaemia to help manage customer expectations. We have emphasised that Basal Cell Carcinoma and Squamous Cell Carcinomas of the skin are not covered.

Multiple Sclerosis

- We have removed the emphasis on diagnostic techniques, which can be confusing for customers.

Stroke

- We have specifically named subarachnoid haemorrhage within the definition.

5 Sustainable definitions – reducing the number of disappointed claimants

We have made every effort to ensure that our product is sustainable going forward. Covering Coronary Angioplasty on a full payment basis is something which we don't feel meets the customers true needs or is sustainable over time at a reasonable price.

Coronary Angioplasty

You may ask if it is better to have Coronary Angioplasty under the full payment specified illness cover benefit.

In answer to this we would say:

- We consider that a partial payment for 2 vessel Coronary Angioplasty along with the other 9 partial payments is absolutely the best cover for customers. Look at the incidence rates of the other illnesses covered under the partial payment.
- It is appropriate to cover Angioplasty under partial payment as most people make a good and speedy recovery.
- The full payment Angioplasty definitions available in the Irish market from some competitors require the claimant to have the 2 vessels treated on the one day.

- Our definition (under the partial payment) is more generous as claimants can have the 2 vessels treated over two different time periods.
- We have covered Angioplasty in the past and 95% of the Angioplasty claims we turned down were because claimants only had 1 vessel treated on the day rather than the required 2 vessels.
- Under our new more generous definition, these customers could subsequently claim under the partial payment if they have a second vessel treated at some time in the future. **It is our understanding that no SIC claim would generally arise from our competitors in this instance, where there is a time gap between two vessels being treated.**
- We prefer to pay the partial payment to more claimants than to pay the full benefit to less claimants.

Chronic Rheumatoid Arthritis

We considered naming this condition, but as it is our desire to pay more claims and continually meet customer expectations, we made the measured decision to leave out this definition. Our reasoning for this is as follows:

- Our Reinsurance data has confirmed that 80% of all critical illness claims under the market definition of chronic rheumatoid arthritis are declined.
- In order to meet the standard market definition of Chronic rheumatoid arthritis, the customer would be disabled to the extent that they would meet Irish Life's definition of Loss of independence.

Therefore we will pay all claims which will be met under the chronic rheumatoid arthritis standard definition of our competitors, but we will not set customer expectations that are unlikely to be met by listing chronic rheumatoid arthritis among our definitions. This is our written commitment on this.

Other improvements

We have also made other improvements to our specified illness cover:

- Max age at entry for SIC is increasing to 60 (up from 55)
- Conversion on SIC now available to a guaranteed plan to a max SIC benefit level of €1,000,000
- Max age at entry for choosing conversion on SIC is now 60
- New guaranteed insurability option on SIC benefits if you marry, move house, or have a baby

Reasons for the new partial payment

We feel the partial payment for the milder but still life altering illnesses meets a real need for customers. We are launching this new feature in response to customers' need for financial help at this difficult time. They have been ill and expect some payout. Given that these conditions are not usually life threatening, a partial payment is more appropriate. The benefits of this cover are easily recognised when you look at some of the statistics below.

Condition	Incidence rates in Ireland/UK	Source of information
Ductal carcinoma in situ – breast (treated by specific surgery)	<ul style="list-style-type: none"> In Ireland, 178 new cases of DCIS were diagnosed in 2007. 20% of all breast screening detected breast cancer is DCIS. Average age at diagnosis is 54. 1 in 200 women in Ireland will be diagnosed with DCIS in their lifetime. 	<p>HES UK data, Breast Cancer statistics 1994 – 2007.</p> <p>National Cancer Registry of Ireland.</p>
Low Level Prostate Cancer with Gleason score between 2 and 6 (treated by specific surgery)	<ul style="list-style-type: none"> In Ireland, 21% of all male malignant cancers are prostate cancers. 1 man in 6 will be diagnosed with prostate cancer in his lifetime. A broad estimate is that between 50% and 75% of all prostate cancers are diagnosed as Gleason score < 7. 	<p>National Cancer Registry</p> <p>Reinsurance data</p>
Coronary Angioplasty – to 2 or more coronary arteries	<ul style="list-style-type: none"> The incidence of coronary angioplasty in Ireland in 2008 was 112 per 100,000. In Dublin the incidence was 159 per 100,000. 	Public Health Status Report 2008
Carotid Artery Stenosis treated by endarterectomy or angioplasty	<ul style="list-style-type: none"> The incidence of endarterectomy in England is 8 per 100,000. 	<p>HES UK data.</p> <p>British Medical Journal</p>
Severe burns/3rd degree burns covering at least 5% of the body or 25% of the surface area of the face.	<p>Looking at the severity of Third degree burns:</p> <ul style="list-style-type: none"> 85% of these burns cover less than 10% of the body 9% of these burns cover between 10% and 20% of the body 6% of these burns cover at least 20% of the body We expect the incidence of this partial payment to be at least twice that of the full benefit. 	<p>HES UK data.</p> <p>Reinsurance data</p>
Surgical removal of an eye	<ul style="list-style-type: none"> There were 290 surgical excisions of an eyeball in patients under age 75 in England in the year to end March 2008. Irish Life expects to pay 1-2 claims per year under this definition. 	<p>HES UK data.</p> <p>Reinsurance data</p>
Loss of Limb	<ul style="list-style-type: none"> There were 126 upper limb amputations above the wrist in the UK in the year to end March 2007. 49% of these were due to trauma There were 4,574 lower limb amputations in the UK in the year to end March 2007. 72% of these were due to vascular disease. 	National UK Amputee database (data for year ending 31 March 2007)
Carcinoma in situ - oesophagus	<ul style="list-style-type: none"> In 2006 in the UK, 108 males and 50 females were diagnosed with a carcinoma in situ of the oesophagus. 	English Cancer Registry
Cerebral arteriovenous malformation treated by craniotomy or endovascular repair	<ul style="list-style-type: none"> The incidence of this in Ireland per year is 1 per 100,000. We would expect to see 2 – 3 claims per year under this definition. 	Reinsurance data
Brain Abscess drained by craniotomy	<ul style="list-style-type: none"> This condition is more common in males and most common in the under 40s. We would expect to pay approx. 1 - 2 claims per year under this definition. 	Reinsurance data



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