



**Irish Life**



## **FAMILY PROTECTION MADE EASY**

*A guide to life assurance*

# INTRODUCTION



"Your Health is your Wealth" - I genuinely believe that to be true. I work in the A&E Department of a large hospital and every day I see the challenges people face in coping with a serious illness, the aftermath of an accident or the unexpected loss of a loved one. It's a very stressful time for patients and their families and they need resources, on many different levels, to get them through the situation.

You cannot put a value on your family's life as it's so precious. The reality is that when something serious affects our health, it impacts on the emotional and financial aspects of our lives. The last thing any of us need at a time like that is to have financial worries.

Hopefully, this booklet helps you understand more about protecting your family financially. It could be the starting point in making sure your family are protected should your circumstances change.

Protecting your family with life assurance is one of the most important financial decisions you can make. Having the facts and understanding the options out there, means you can make an informed decision on what protection cover you and your family need, and hopefully bring peace of mind, knowing you've protected what's important to you.

Take care.

A handwritten signature in black ink that reads "Dr. Mark Hamilton". The signature is written in a cursive, flowing style.

Dr. Mark Hamilton

A&E Doctor and Presenter of "How Long Will You Live" and "Health of the Nation"

Mark is married with two children.

# PROTECTION MADE EASY

Most of us know that we need to protect ourselves, our families and homes against the financial hardship that could be caused by an illness or death in the family.

But the many types of protection and all the options available can be very confusing and complicated.

This guide aims to give you straightforward information about the different types of protection you can get so that you can make your decisions with confidence.

We hope it helps you understand some of the key things you need to think about to take the first step towards protecting your family.

To make this guide simple and easy for you to follow, we've worked with Plain English Campaign, an independent organisation that campaigns for crystal-clear communication.



Irish Life Best in the World at Plain English in 2009, we won the Plain English Campaign award for our outstanding commitment to clarity and honesty in our communications.



## PROTECTING IRISH FAMILIES WHEN IT MATTERS MOST

At Irish Life we have a protection plan to suit you, whatever stage you're at in your life. We're proud to say that as Ireland's largest protection provider, we've been taking care of generations of Irish families for over 70 years.

In fact, in the last 5 years alone we've paid out more than €1 billion in protection claims to thousands of families right across Ireland.

# HOW TO FIND YOUR WAY AROUND

We've divided this guide into four stages to make it as easy as possible for you to follow.

1

## GETTING STARTED (the basics)

Protection. What is it?  
Why is it so important?  
How much might it cost?  
Comparing the costs  
Where to start?

2

## EXPLORING YOUR OPTIONS

How to find your way around  
Protection needs

3

## PLANNING YOUR JOURNEY

How much protection to plan for?  
Protecting what's important -  
the real picture

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## DELIVERING (delivering our protection promise)

Making a claim  
Why Irish Life?

**NEXT STEPS**

# 1 GETTING STARTED



## PROTECTION

### What is it?

Protection plans are a type of insurance (also known as life assurance) which can help protect your family financially if something happened to you. We have different plans to help protect your family for different things.

- Life cover can help you protect your family financially if you die.
- Specified illness cover gives your family a lump sum if you suffer from a serious illness covered under your specific plan.
- Income protector protects your income if you are unable to continue to work after an accident or illness.

For more information on each of these plans, see page 10 or visit [www.irishlife.ie/protection](http://www.irishlife.ie/protection)

## Why is it so important?

Protecting your family with life assurance is one of the most important financial decisions you can make. It means your family could get a lump sum or a regular income if you die, become seriously ill or are unable to work because of an illness or injury. This will help to maintain their standard of living and make sure that your children could have all of the opportunities you'd love them to have, such as going to university.

Perhaps you're wondering why you should pay for something that may or may not happen. One way of thinking about it is that it's like insuring your car or taking out health insurance. Those plans don't pay out unless something happens either, but they do give you peace of mind. Life assurance gives you this same peace of mind in knowing that if something unfortunate does happen, your Irish Life protection plan will help lighten the financial burden for your family.

## How much might it cost?

Family protection plans can cost from as little as €15 a month. For a quick quote, you can visit [www.irishlife.ie/protection](http://www.irishlife.ie/protection). For more detailed information, you should ask your Irish Life financial adviser or your broker for a financial review.

The cost of cover will depend on:

- Your age, your sex and whether you smoke
- The lump sum or regular income you'd like your family to receive should anything happen to you
- How long you want to be covered for
- Your occupation
- Your health

Remember you must keep up your monthly payments to stay on cover.

Family protection plans can cost from as little as €15 a month.

### *Facts:*

*-Mortgage protection is designed to pay off your mortgage and nothing else.*

*-Almost 60% of Irish families with children aged under 18 wouldn't be able to cope if the main earner died or became ill. (Amarach Research April 2011)*

## Comparing the costs

We insure our cars, our holidays and sometimes even the family dog, but the very thing we may forget to insure is the most important of all – ourselves and our families.

When it comes to buying our mobile phone, broadband and daily cup of coffee, we often buy these automatically. Take a look below to see how much we might spend every month on these things (which aren't really essential).

### Would you spend this much on protecting your most valuable asset – your family?

Protecting your family is very affordable. The life cover cost below is based on our Life Term Cover plan with €150,000 of cover over a 20 year term for a non-smoking male aged 40.

ITEM	COST PER MONTH
HEALTH INSURANCE	€119.49
DAILY COFFEE	€69.76
SATELLITE/DIGITAL TV	€32.53
MOBILE PHONE	€38.62
BROADBAND	€30.00
<b>FAMILY PROTECTION + PEACE OF MIND</b>	<b>€22.34</b>

The costs shown in the table above were correct in April 2012. The life cover cost is based on no indexation and no conversion. The price shown for satellite TV is for UPC Digital Select Extra package. The price shown for broadband is the average of the Imagine and Eircom comparative packages. The cost of coffee is based on an average price of €2.30 a day. Health cover is based on the average of VHI Health Plus Extra (Plan B Option), Aviva level 2 Family Health with day-to-day and QUINN-healthcare Essential Health. The cost shown for mobile phone is based on the average of Vodafone, Meteor and 3 Mobile's equivalent pay-monthly plans.



## Where to start?

Deciding where to start with family protection can be hard work. In general, we recommend you should try to have enough protection in place to:

- maintain your family's standard of living;
- pay off your mortgage and any other loans; and
- cover any costs that might arise when your children are older, for example school or college fees.

## Next

Now that you know the basics, turn to the next page to get an overview of the main types of protection that are available.



## FACT

Over 29,000 people are diagnosed with cancer every year in Ireland (National Cancer Registry of Ireland report 2007-2009).

# 2 EXPLORING YOUR OPTIONS



## HOW TO FIND YOUR WAY AROUND

To help you get to grips with the different types of protection, we've grouped them into three types.  
For more information, please see [www.irishlife.ie/protection](http://www.irishlife.ie/protection)

**1** LIFE  
COVER

**2** SPECIFIED  
ILLNESS

**3** INCOME  
PROTECTION

**REMEMBER:** These plans are life assurance plans, not savings plans. You can't cash in any of these protection plans at the end of the term.

# 1 LIFE COVER

This is the name generally used to describe life assurance, also known as protection plans. Life cover pays your family a lump sum if you die. You can buy life cover in a few different ways as described below.

## Term Assurance

- This is the most popular and cheapest way to buy life cover.
- It pays your family a lump sum if you die within a certain period of time, which you choose (usually 20 years).
- It does not cover you for your whole life and this is why it's cheaper than whole-of-life cover.

## Mortgage Protection

- This type of life cover pays off your mortgage if you die.
- You take it out for the term of your mortgage and your cover reduces each month as the amount you owe on your mortgage reduces.
- Mortgage protection will only pay off your mortgage if you die – it will not provide any other benefits.

## Whole-Of-Life Cover

- This type of plan provides you with life cover for your whole life. As long as you make your regular payments, this type of cover will pay your family a lump sum when you die.
- You can use it to protect your family from having to pay inheritance tax when you die, and you can also use it to provide cover to pay for funeral expenses. Whole-of-life cover is usually the most expensive type of life assurance.

## Pension Term Assurance

- This is life cover you take out before you retire. It covers you for a certain term, which you decide. It pays your family a lump sum if you die during the term of the plan.
- The advantage of pension term assurance over other life cover plans is that it costs less because you can claim income tax relief on your payments. You can take out this type of cover if you are self-employed or in a job where no pension scheme is offered.

## 2 SPECIFIED ILLNESS COVER

This may also be referred to as critical illness or serious illness cover. This type of cover pays you a lump sum if you suffer one of the illnesses covered on your particular plan. You can spend the lump sum however you like, to maintain your standard of living or help you cope during a difficult time.



### NOTE:

Illnesses and definitions may vary across plans, so ask your financial adviser what you are covered for, or check your protection booklet. Our booklets clearly show what illnesses are covered and, perhaps more importantly, what's not covered.



## 3 INCOME PROTECTION

Unlike the previous types of cover, which pay out lump sums, income protection gives you a regular monthly income if you are unable to work because of an accident or injury. The monthly income normally starts after a period of either 13, 26 or 52 weeks - whichever you choose. This is known as the 'deferred period'. The main advantage of income protection is that it gives you a regular income for as long as it takes to get back on your feet. Please note: Income Protection does not cover you if you become unemployed.

### **DON'T FORGET:**

For more information on each type of cover please see:  
[www.irishlife.ie/protection](http://www.irishlife.ie/protection)

# PROTECTION NEEDS

Now that we have explained the different types of protection, you might be wondering at what stage in your life you might need them. Our map below explains all this for you in clear, simple terms.

## NO MORTGAGE, NO DEPENDANTS

You're enjoying life to the full in a career that you love. You've worked hard to get where you are. You want to make sure that your lifestyle won't be affected financially if you suffer from an illness.

### WHAT MIGHT YOUR NEEDS BE?

You should protect yourself financially to help maintain your standard of living if something happens to you. You can do this with:

- specified illness cover; and
- income protection.

## BUYING A HOUSE

You're about to buy your first house and are over the moon.

### WHAT MIGHT YOUR NEEDS BE?

You'll need to protect your mortgage if you die or if you are diagnosed with a specified serious illness. You can do this with:

- mortgage protection; and
- specified illness cover.

## HAVE A FAMILY

At this stage in your life you might need to think about protecting your family financially if you die, become seriously ill or have an injury or illness which prevents you from working.

### WHAT MIGHT YOUR NEEDS BE?

You can protect your family with:

- life cover;
- specified illness cover; and
- income protection.

## RETIREMENT

You want to protect your dependants from having to pay inheritance tax when you die and cover your funeral expenses.

### WHAT MIGHT YOUR NEEDS BE?

- Whole-of-life cover.

#### *Remember:*

*For a detailed review of your needs, we recommend you meet with your Irish Life financial adviser or your broker for a financial review. This can help you identify your needs and prioritise what's most important for you.*

# 3 PLANNING YOUR JOURNEY



## HOW MUCH PROTECTION SHOULD YOU PLAN FOR?

The easiest way to work out how much cover you should plan for your family is to work out the income they would need if something happened to you.

Our handy four-step guide on the next page will help you work this out for yourself. You can also get a quick life cover quote on our website by visiting [www.irishlife.ie/protection](http://www.irishlife.ie/protection)

### *Note:*

*This is just an estimate.  
For a detailed review of  
your needs you should talk  
to your Irish Life financial  
adviser or your broker.*



# STEP 1

WORK OUT THE INCOME YOUR FAMILY WOULD NEED IF SOMETHING HAPPENED TO YOU

BUDGET PLANNER	MONTHLY	YEARLY
RENT OR MORTGAGE	€	€
FOOD, GROCERIES & OTHER HOUSEHOLD COSTS	€	€
UTILITIES (WATER, GAS, ELECTRICITY)	€	€
TV, PHONE AND INTERNET	€	€
INSURANCE	€	€
CHILDREN'S EDUCATION (FEES, BOOKS, UNIFORMS AND SO ON)	€	€
CHILDCARE COSTS	€	€
CLOTHES	€	€
HOLIDAYS	€	€
TRAVEL COSTS	€	€
SOCIALISING	€	€
OTHER	€	€
TOTAL SPENDING	€	€
TOTAL INCOME	€	€

## STEP 2

### **Decide how long you want your cover to last (the term).**

- In general, people tend to take life cover out over a 10 to 20 year term.
- However, if you have dependants you should take out cover until your youngest child is 25.  
This is because your children may continue to live at home after they have been to college or university.

## STEP 3

### **Allow for extra costs when you die.**

Take into account any costs your family may need if you die, such as funeral expenses, money to pay off debts (loans, credit cards, overdrafts and so on) and other expenses you may have built up over time.

## STEP 4

### **The calculation**

- Take your total yearly income from step 1.
- Multiply it by the term you chose in step 2.
- Then add the extra costs from step 3 onto this amount.

## THAT'S IT

$$(\text{STEP 1} \times \text{STEP 2}) + \text{STEP 3}$$

**= Estimated cover you should plan for.**

# PROTECTING WHAT'S IMPORTANT - THE REAL PICTURE



**Name:** Amy  
**Details:** Aged 30, single, no mortgage, no kids, non-smoker  
**Protection:** Specified illness cover

Amy from Sligo lives away from the family home and is renting with friends. With no dependants, she enjoys life to the full and life cover isn't her priority just yet.

However, she does want to maintain financial independence if anything ever happened to her. She recently started a specified illness cover plan to allow for this. If she suffers from an illness covered under this plan, she will get a lump sum to help her cope financially.

**This costs** €27.15 a month for €80,000 specified illness cover over a 20-year term with a Life Term Cover plan and gives her real peace of mind.



**Names:** Sarah and Tom  
**Details:** Aged 35, two kids, non-smokers  
**Protection:** Life cover

Sarah and Tom from Kildare have two children, Luke aged two and Anna aged five. They have two incomes - Sarah works part-time in a busy doctor's surgery and Tom, a teacher in the local school, is the main earner in the family. There are a few protection areas they should consider but, as they had no life cover, which is the most basic form of protection, this was their main priority. So, recently they started a life cover plan to help protect their family financially if either of them died.

**This costs** €24.78 for €150,000 of life cover for both Sarah and Tom with our Life Term Cover plan over a 20-year term.

'Life cover plan to help protect their family financially.'



**Names:** Emma and Stephen  
**Details:** Aged 35, two kids, non-smokers  
**Protection:** Pension life cover and income protection

Emma and Stephen are from Galway and have two children. Emma is a stay-at-home mum. Stephen works as a graphic designer and is self-employed. Being self-employed, Stephen knows that it is really important to protect his family and his income. He started a pension term assurance plan to provide his family with a lump sum if he died. **This costs** €18.76 a month for €100,000 pension life cover until he retires at age 65.

He's also going to start an income protection plan to make sure that if he suffered from an illness or injury which prevented him from working, he would have regular replacement income coming into the household to provide for his family.

**This will cost** him €52.32 a month for €30,000 of income protection cover until he reaches age 65. This is based on a deferred period of 26 weeks with our reviewable Income Protector plan.

**He can claim income tax relief on these at his marginal rate of tax so it will cost him even less.**

'Stephen knows that it is really important to protect his family and his income.'

**Important note:** The premium on the Reviewable Income Protector plan may increase after the first five years. We will then review it on every fifth anniversary after that time.



**Names:** Catherine and Jonathan  
**Details:** Aged 60 - married with no dependants  
**Protection:** Whole-of-life cover

Catherine and Jonathan are both aged 60 and live in Dublin. Their kids are grown up and they are enjoying their new-found freedom. They have no mortgage, their house is worth a lot more than when they bought it 30 years ago and they have some savings.

They want to make sure that when they die, they can leave everything to their children. But they don't want their children to have to pay a hefty inheritance tax bill. So, they took out a whole-of-life cover plan, which protects their children from inheritance tax. It will also cover the cost of their funeral.

**This costs** them €257.69 a month for €200,000 whole-of-life cover which covers them for their entire lives.

The quotes shown for the above and the examples on the previous pages are accurate in June 2012 and they are based on non-smokers. The quotes for life cover, specified illness cover and pension term assurance are based on no indexation or conversion. The quote for income protection is based on no indexation and no escalation. The quote for whole-of-life cover is based on no indexation and joint life last survivor. Joint life last survivor pays out benefits on the death of the second of the lives covered. Indexation is when your cover increases in line with inflation. Conversion is where you can change to another plan during the term of your plan without being asked any health questions. Escalation is where your income benefit increases in line with inflation.

# 4 DELIVERING OUR PROTECTION PROMISE



As we come to the end of this guide, we hope you understand what family protection is all about. We now want to tell you a little bit about our claims.

When a claim is made, it gives us the chance to deliver on that promise of protection. With over 70 years of experience in paying protection claims, you can rely on us to help you when it matters most.

Making a claim is simple and straightforward, as the following steps show.

## HOW TO MAKE A CLAIM

1. Contact us or, if you have taken your plan out with a broker, contact them directly.
2. We, or your broker, will send you a claim form, explaining what to do and what documents we need from you.
3. A qualified claims assessor will assess your claim and will contact you to explain the claims process.
4. We will then process your claim as quickly as possible.

## DID YOU KNOW?

### At Irish Life

We pay out over 95% of all claims applications we get.

In the last five years alone we've paid €1 billion in protection claims to thousands of families across Ireland.

### In 2011, we paid:

- almost €81.5 million in death claims with the average age of people who claimed just 61;
- more than €38.5 million in specified illness cover claims with the average age of the people who claimed just 50;
- more than half of our specified illness claims were from people aged 50 or under;
- 44% of death claims for people aged under 40 were due to accidents.

For more information on our claims, visit  
[www.irishlife.ie/protection](http://www.irishlife.ie/protection)





## IRISH LIFE – WHY US

We are Ireland's largest protection provider and we've been helping generations of Irish families protect the ones they love for over 70 years. But if you really want to hear more about us, the best place to start is with our customers. Take a look below at just some of the things they had to say about us helping them when they needed us most.



### WHAT OUR CUSTOMERS SAY ABOUT US

*'I was very grateful to have income protection...to have the back up...Financial security like that – it's invaluable'*

Gerry speaking about how income protection helped him

*'I was only 28 when I got it (specified illness cover), so you don't expect that you're going to use these things...4 months later I was diagnosed with Cancer.'*

Brian speaking about the benefits of our specified illness cover plan

*'Financially knowing that money isn't a worry certainly gave great peace of mind...Not alone would I recommend that you should have protection. I would recommend that you have it at the earliest possible age'*

Trudy, speaking about how protection helped her



We help generations of Irish families when it matters most!

# NEXT STEPS



## NEED A FINANCIAL ADVISER?

### Irish Life

As Ireland's number 1 protection provider, we can help you plan for your family's future. We offer a full financial review, with no cost to you, at a time and place that's convenient to you. See [www.irishlife.ie](http://www.irishlife.ie) for more information.

### How to contact us

Address: Irish Life Assurance plc  
Irish Life Centre  
Lower Abbey Street  
Dublin 1

Phone: 1890 252 364 (To help us provide a high-quality service to our customers, we will record and monitor calls.)  
Email: [customerservice@irishlife.ie](mailto:customerservice@irishlife.ie)  
Web: [www.irishlife.ie](http://www.irishlife.ie)

# NEED A LIST OF LOCAL BROKERS?

For a list of brokers in your area, you can contact either of the following:

## **Irish Brokers Association**

87 Merrion Square  
Dublin 2  
Phone: 01 661 3067  
Website: [www.iba.ie](http://www.iba.ie)

## **Professional Insurance Brokers Association**

Cashel Business Park  
Cashel Road,  
Dublin 12  
Phone: 01 492 2202  
Website: [www.piba.ie](http://www.piba.ie)

Please note this guide is only for general information on protection products. Terms and conditions apply to any plans and benefits noted. Please see the Irish Life website for more information on our protection products. Information is correct as at June 2012.



From sustainably managed forests -  
For more info: [www.pefc.org](http://www.pefc.org)

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