

Irish Life Retail Products and the Issue of Residency

This note explains the Irish Life rules for accepting new life assurance, investment and pension plans and the residency criteria which applies.

What is the rule?

- Irish Life is only licensed by the Central Bank of Ireland to transact life insurance business in the Republic of Ireland (“ROI”) only. **This means it cannot sell, market or solicit its products outside of the ROI**
- The test to determine where a life insurance company is carrying on business, is based on the **habitual residence of the policyholder**
- This means that Irish Life can only deal with customers who are **habitually resident** in the ROI and who are **physically present** in the ROI at the point of sale

How does this affect customers?

This means that Irish Life can only deal with customers who:

- declare their ROI address as their permanent home
- have a bank account in the ROI
- are physically present in the ROI at the point of sale
- are tax resident in the Republic of Ireland

What about customers who are habitually resident in the Republic of Ireland but are **temporarily absent**?

If someone is working abroad or is away from the ROI on a temporary basis but fully intends returning to the ROI, they must meet the criteria set out above. They must complete a Declaration of Habitual Residence whereby they confirm that they have a permanent home in the Republic of Ireland to which they intend to return.

What about existing customers who wish to exercise a conversion option on their policy?

Conversion options on protection policies issued prior to 1st February 2013 can be processed in the future even if the customer is residing outside of the ROI. This is permissible as it is not a new sale, rather the exercising of a feature of an existing plan which was taken out prior to these rules.

For definitions of Habitual Residence, Residential Address, Permanent Home, Temporary Contract and Tax Residency, please see below:

Habitual Residence

To be “habitually resident”, a person’s permanent home must be in the Republic of Ireland, they must have an ROI residential address, an Irish bank account and be tax resident in the ROI

Permanent Home

- A person's permanent home is their true, fixed and principal abode and is the establishment to which they, whenever absent, have the intention of returning. A person normally has only one permanent home at a time
- Proof of ownership of property is not in itself, proof of a permanent home
- A property which someone does not have continuous access to is unlikely to be their permanent home
- A holiday home is not a permanent home
- If someone is temporarily in the Republic of Ireland, with a permanent home outside of the ROI, this is unlikely to satisfy the requirement

Residential Address

This is usually the person's permanent home. A P.O. box address or "care of" address will not suffice

Temporary Contract

If a person is habitually resident in the Republic of Ireland but is working on a temporary basis abroad e.g. on a short term contract for 12-18 months, they should satisfy the requirement for habitual residence, provided that their permanent home is in the Republic of Ireland, they have an Irish residential address, an Irish bank account, are tax resident in the ROI and they will be returning to the ROI.

Tax Residency

Irish Life does not provide tax advice and recommends that independent advice is sought in relation to individual tax circumstances or that tax status is checked directly with the tax authorities.