

PENSIONS  
INVESTMENTS  
LIFE INSURANCE



Irish Life

75 Years of  
Experience

# SIMPLE GUIDE TO LIFE INSURANCE FOR PARENTS



# LIFE INSURANCE FOR PARENTS MADE EASY

As parents we 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.

This guide aims to give you - the parents - straightforward information about the different types of life insurance 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.

## HOW TO FIND YOUR WAY AROUND

### 1. GETTING STARTED

Life insurance. What is it?  
Why is it so important?  
How much might it cost?  
Looking at the cost

### 2. EXPLORING YOUR OPTIONS

Helping you understand what type of life insurance you might need

### 3. PLANNING YOUR JOURNEY

How much life insurance do I need?  
Protecting what's important - examples

### 4. DELIVERING ON OUR INSURANCE PROMISE

Making a claim  
Why Irish Life?

### *Please note:*

This guide is only for general information on life insurance. Terms and conditions apply to any plans and benefits noted. Please see the [www.irishlife.ie](http://www.irishlife.ie) for more information on our life insurance products. Information is correct as at April 2015.



*Next steps...*

# 1. GETTING STARTED



# LIFE INSURANCE

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## WHAT IS IT?

Life insurance plans (also known as protection plans) can help protect your family financially if something happened to you.

Figuring out what you are hoping to protect, will help you choose which plan you might ultimately need.


- Life insurance 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.

For more information on each of these plans, see page 8 or visit [www.irishlife.ie/life-insurance](http://www.irishlife.ie/life-insurance)

## WHY IS IT SO IMPORTANT?

Protecting your family with life insurance 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 a certain illness or injury. This could help to maintain their standard of living and make sure that your children have all of the opportunities you'd love them to have, such as going to college or 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 starting health insurance. Those plans don't pay out unless something happens either, but they do give you peace of mind. Life insurance gives you this same peace of mind in knowing that if something unfortunate does happen, your life insurance plan from Irish Life could help lighten the financial burden for your family.



*Facts:* Mortgage life insurance is designed to pay off your mortgage and nothing else.

45% of parents in Ireland say their family would have no financial worries if anything were to happen to them.

Coyne Research December 2014.

## HOW MUCH MIGHT IT COST?

Life insurance plans can cost from as little as €15 a month, excluding the government levy which is currently 1% (January 2015). For a quote you can visit [www.irishlife.ie/life-insurance](http://www.irishlife.ie/life-insurance). The amount you will pay each month depends on:

- Your age
- The amount of life insurance you want
- How long you want to be covered for
- Your health and whether you smoke
- The type of plan you choose
- Your occupation (for income insurance)

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



## LOOKING AT THE COST

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.

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

Protecting your family can be very affordable. The life insurance cost below is based on our Term Life Insurance plan with €100,000 of term life cover over a 15 year term for someone, aged 40. The life insurance cost is based on a non smoker with no health issues and no indexation or conversion.

ITEM	COST PER MONTH	
HEALTH INSURANCE	€220.04	The costs shown in the table were correct in April 2015. Health insurance is based on the average of VHI Family Plan level 1, Aviva Family Value and Laya-healthsmart. The cost of coffee is based on an average price of €2.30 a day. The price shown for satellite TV is for UPC Horizon TV package. The cost shown for mobile phone is based on the average of vodafone,meteor and three equivalent pay-monthly plans. The price shown for broadband is the average of vodafone, UPC and Magnet entertainment comparative packages.
DAILY COFFEE	€70.00	
SATELLITE/DIGITAL TV	€35.00	
MOBILE PHONE	€53.00	
BROADBAND	€45.00	
<b>FAMILY LIFE INSURANCE</b>	<b>€15.44</b>	

## LIFE INSURANCE - HOW MUCH DO I NEED?

Figuring out the amount of life insurance you need can be quite straightforward. The amount of cover required will be different for everyone. In general, we recommend you should try and have enough life insurance 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.

We will look at this in more detail later. Please see page 12 for more information.

### *Next*

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



*Facts:* Over 29,000 people are diagnosed with cancer every year in Ireland.

National Cancer Registry of Ireland report 2010-2012.



## 2. EXPLORING YOUR OPTIONS



# UNDERSTANDING LIFE INSURANCE

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

## 1 LIFE INSURANCE

## 2 SPECIFIED ILLNESS

*Remember:* These are life insurance plans, not savings plans, so you can't cash in any of these plans at any stage.



## 1 LIFE INSURANCE

### TERM LIFE INSURANCE

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

### MORTGAGE LIFE INSURANCE

- This type of life insurance pays off your mortgage if you die.
- You start the plan when your mortgage does and the amount of cover reduces each month as the amount you owe on your mortgage reduces.
- Mortgage life insurance will only pay off your mortgage if you die – it will not provide any extra benefits unless you have chosen them.

### LIFE LONG INSURANCE

- This type of plan provides you with life insurance 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. Life long insurance is usually the most expensive type of life insurance.

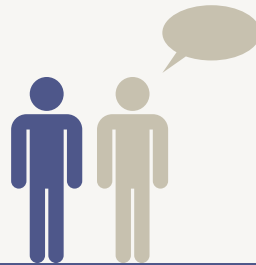
### PENSION LIFE INSURANCE

- This is life insurance you start before you retire. It covers you for a specific amount of time, which you decide. It pays your family a lump sum if you die during the term of the plan.
- The advantage of pension life insurance over other life insurance plans is that it costs less because you can claim income tax relief on your payments. This is a type of life insurance you can organise as part your personal retirement or pension plan.



## 2 SPECIFIED ILLNESS

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 Broker or Adviser what you are covered for, or check your product booklet. Our booklets clearly show what illnesses are covered and, perhaps more importantly, what's not covered.

# LIFE INSURANCE - WHAT DO I NEED?

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Now that we have explained the different types of life insurance, you might be wondering at what stage in your life you might need it. We've outlined this for you below.



## 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 life insurance; 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 insurance;
- specified illness cover; and
- income insurance.

## *Remember:*

For a detailed review of your needs, we recommend you meet with your Financial Broker or Adviser for a financial review. This can help you identify your needs and prioritise what's most important for you.



## *Facts:*

42% of parents say that once they had children they made sure they had the right life insurance.

Coyne Research December 2014.

### 3. PLANNING YOUR JOURNEY



# HOW MUCH LIFE INSURANCE DO I NEED?

The easiest way to work out how much cover to 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 understand how the level of cover you might need is calculated. You can also get a quick life insurance quote on our website by visiting [www.irishlife.ie/life-insurance](http://www.irishlife.ie/life-insurance)

## STEP 1

Work out the regular 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, it can make sense to take out cover until your youngest child is 25, 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

(STEP 1 X STEP 2) + STEP 3)

= ESTIMATED COVER YOU MAY NEED.



*Note:* This is just an estimate. For a detailed review of your needs you should talk to your Financial Broker or Adviser.



## EXAMPLES OF FAMILY PROTECTION NEEDS

**NAME:** Sarah and Tom  
**DETAILS:** Aged 35, one child, non-smokers  
**PROTECTION:** Life insurance

Sarah and Tom from Kildare have one child, Luke aged two. 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 insurance which is the most basic form of protection, this was their main priority. So, recently they started a life insurance plan to help protect their family financially if either of them died.



*'Life insurance plan to help protect their family financially.'*

**NAME:** Emma and Stephen  
**DETAILS:** Aged 45, three kids, non-smokers  
**PROTECTION:** Pension life insurance  
and specified illness cover

Emma and Stephen are from Galway and have three children. Emma is a stay-at-home mum. Stephen works in IT and is self-employed. Being self-employed, Stephen and Emma know that it is really important to protect their family and his income. He started a pension life insurance plan to provide his family with a lump sum if he died. They've also both started a specified illness cover plan. This would ensure they'd have the security of a lump sum if either of them were diagnosed with a specified illness.



*'Stephen and Emma know that it is really important to protect their family and his income.'*

These are examples to show different types of protection needs and are not based on actual cases.

## 4. DELIVERING OUR INSURANCE PROMISE



## SUPPORTING YOU

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As we come to the end of this guide we hope you have a better understanding of what life insurance is all about. When you take out life insurance with Irish Life you get the peace of mind knowing your family is looked after but we also offer a range of services to support you throughout the life of your plan known as LifeCare.

The LifeCare range of services give you and your family access to valuable expert help at no extra cost.



### MEDCARE

A medical second opinion service provided by MediGuide.



### NURSECARE

Two confidential medical helpline services provided by Intana Assist.



### CLAIMSCARE

A dedicated claims assessor and access to post claim counselling services.

LifeCare services are available when you start a new Term Life Insurance, Mortgage Life Insurance, Life Long Insurance, Pension Life Insurance or Income Insurance plan with Irish Life. **NurseCare** and **MedCare** services are available to you even if you never make a claim on your plan.

## *Important information:*



LifeCare gives you access to services provided by other companies which are independent from Irish Life. These services are not designed to replace the advice provided by your doctor or your own health professional, but to give you information to help direct you toward the appropriate course of action. In the future, Irish Life may change the companies listed in this leaflet as service providers. We may also withdraw access to the services listed.

## MAKING A CLAIM WITH US

We pay out over 95% of the claims we receive. We have paid out over €1 billion in claims over the last five years.

### IN 2014:



WE PAID OUT ON  
AVERAGE **€64,000**  
IN CLAIMS.



**O V E R** of our life insurance  
**HALF** claims made were  
for people under **55**.



**MORE  
THAN**  
**HALF** of our specified  
illness cover claims  
were for people  
under **50**.



On average our specified  
illness cover claimants only  
had cover in place for 12 years  
when they claimed



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

...NEXT STEPS





## GET A QUICK QUOTE?

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Visit [www.irishlife.ie](http://www.irishlife.ie) to get a quick life insurance quote.

The screenshot shows a web form titled "Term Life Insurance Quote" with three steps: STEP 1 - YOUR DETAILS, STEP 2 - YOUR QUOTE, and STEP 3 - YOUR OPTIONS. The current step is Step 2, which includes a slider to set the level of Term Life Insurance Requirement, currently set at €100,000. Below this is a "Personal Details" section for "Person 1" with fields for "Are you married?" (Yes/No), "Date of Birth", and "Age". A "Get a quote now!" button is visible. At the bottom right, there is an orange "Get a quote now!" button. A disclaimer at the bottom states: "This indicative quotation is for a Term Life Insurance policy that applies which is provided by Irish Life Insurance plc. This may have other conditions, terms and conditions of cover that you should also review prior to becoming made with a policy with us."

## NEED SOME ADVICE?

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It's worth getting professional advice when it comes to something as important as protecting your family. Here are some useful ways to find someone in your area:

- [www.irishlife.ie/financial-advice](http://www.irishlife.ie/financial-advice)  
You can search our map to find an adviser in your area.
- [www.iba.ie](http://www.iba.ie)  
Irish Brokers Association
- [www.piba.ie](http://www.piba.ie)  
Professional Insurance Brokers Association

PENSIONS  
INVESTMENTS  
LIFE INSURANCE



**Irish Life** | **75** Years of  
Experience

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