



Irish Life



A GUIDE TO YOUR REVIEWABLE PROTECTION PLAN

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We've written this guide to help explain how your reviewable protection plan works. We'll also explain why it is important to look at your protection needs for the future. This guide is intended for reviewable protection plans only.

HOW TO FIND YOUR WAY AROUND

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

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REVIEWABLE PROTECTION COVER

What is a reviewable protection plan?
How does a reviewable protection plan work?
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PROTECTION (LIFE INSURANCE)

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This is a section giving the answers to questions that customers frequently ask.

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1 PROTECTION



What is it?

Protection plans are a type of insurance (also known as life cover or life insurance) which can help protect you and your family financially if something happened to you.

Why is it so important?

Protecting yourself and your family with life insurance is one of the most important financial decisions you can make. It can mean in the unfortunate event of your death your family could get a lump sum payment. Specified illness cover can help to maintain your family's standard of living if you are unable to work because of an illness or injury.

It's important to understand that your protection needs may change at different stages in your life.

We recommend that you review your needs on a regular basis to ensure you have adequate cover to suit your current circumstances.

2 REVIEWABLE PROTECTION COVER



We've written this guide to help explain your specific type of protection plan and why it is important to consider your protection needs for the future.

What is a reviewable protection plan?

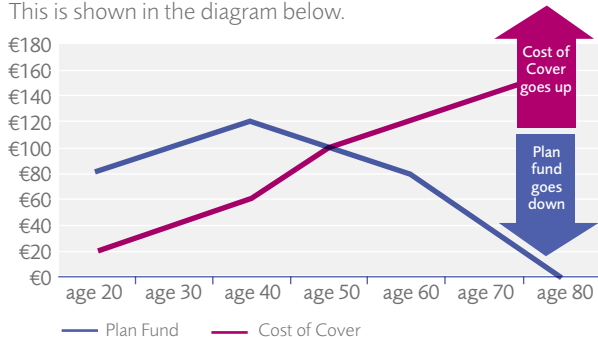
Certain types of protection plans are built to provide life cover that can last into your later years. As people live to different ages it is necessary for us to look at these protection plans periodically (usually every 5 to 6 years) to make sure that the plan payments and the fund built up are enough to cover the cost of the benefits on the plan. This type of plan is designed to provide you with life cover for your whole life. As long as you make your regular payments and they are sufficient to maintain your chosen benefits, this type of cover will pay your family a lump sum when you die. Reviewable protection cover is usually the most expensive type of life insurance.

How does a reviewable protection plan work?

The regular payment into your plan covers the cost of providing the benefits chosen on your plan. The flexible nature of your plan allows that this level of cover can be maintained or changed to coincide with your individual circumstances.

In the early years your payments are higher than the cost of your benefits. The extra money you pay goes into your plan fund. Protection benefits get more expensive as you get older; usually as your plan progresses your payments begin to equal the cost of your chosen benefits. **In the later years of reviewable protection plans, the cost of your benefits increases significantly. In order to keep your level of benefits at your current level of payments, the difference is made up from the plan fund.**

This is shown in the diagram below.



What is a policy review?

Irish Life is committed to ensuring that you have adequate cover at all times during the life of your plan. We carry out regular reviews (the period in which these are completed can be 5 years, 6 years, 10 or 12 years depending on the product) to see if your regular payment plus any fund that has been built up is enough to cover your chosen benefits for your reviewable protection plan.

During a policy review we may find that your current level of payments is enough to maintain the level of cover that you want. We may also find that your current level of payments is not enough to maintain the level of cover that you want.

What does this mean for me?

If during a policy review we find that the payment you are making is enough to maintain the cover that you want then the policy will continue with no action needed.

If we find the payment you are making is not enough to cover the benefits on the plan then we will send you a letter giving you a number of different options to choose from. These options are explained on the next page.



Options available

- Option A:** Increase your payment in order to maintain the current level of benefits.
- Option B:** Keep your payment the same but reduce the level of benefits on the plan.
- Option C:** A combination of the above.

There may also be other options available to you. This is why it is best to discuss your plan as soon as possible with your broker or financial adviser.

3 COMMON QUESTIONS



How are my review options determined?

The payments are calculated taking into account:

- Your age
- Your gender
- The benefits you currently have on your plan e.g. €200,000 life cover
- Whether you are a smoker or non-smoker
- Whether your plan has a cash-in value
- How long the cover is for
- Any extra costs to cover certain medical conditions (sometimes called 'loadings')

Why is there a need to increase my payment now when I have previously accepted the option to increase my payments and benefits in line with indexation?

Indexation means that your payments and cover will increase to account for the impact of inflation on your plan benefits. Both payment and benefits increase at the same time so the increased payment covers the increase in benefits. Indexation does not take account of the increasing cost of cover due to increasing age. Even if your cover stays the same, the cost of providing that cover increases each year as your age increases.

Why is there such a large increase required now?

In the early years of a reviewable protection plan, payments are higher than the cost of life cover. The extra money paid goes into the plan fund. The cost of protection gets more expensive as a person gets older. This means that at some stage, the cost of protection will equal and then become higher than the payment level. In the later years of flexible reviewable protection plans, the cost of cover increases significantly.

In order to keep the level of cover and payments the same, the difference is taken from the plan fund. A change in payment or benefits is needed once the plan fund plus the current payment no longer covers the cost of the benefits on the plan.

Can the cover under this plan be converted to a cheaper term plan?

It would not be possible to directly transfer the cover from this plan to a fixed term type plan because the type of cover is different. It is possible to apply for cover under a new plan but this would be considered a new application. You may need to show evidence of your health (through a medical or doctors report) to take out this type of plan.

Is increasing my payment the only option for me?

No. You can reduce your cover so that you continue with your current payment. There may be other options available to you so we would recommend that you discuss your plan as soon as possible with your broker or financial adviser.

Is it possible to have different benefits for each person covered on the plan?

This depends on the type of plan you have. Please check your plan documents or speak to your financial adviser. But as a guideline, if you have:

Dual Cover – Yes, it is possible to reduce the benefits on either life thus maintaining a higher level of cover on the life which you feel most needs it.

Joint Cover – No, it is not possible to have varying amounts of cover on each life.

4 PLANNING FOR THE FUTURE



How much cover do I need?

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

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

We recommend that you review the amount of cover you need regularly. If you have had your plan in place for a number of years then your personal circumstances may have changed and the amount of cover that you need may be different. Your adviser will be happy to assist you on a regular basis in deciding how much cover you need.

Important factors to consider

Has my need for protection changed?

Are my children grown up?

Is my mortgage now paid off?

What contribution level do I want to make or can I afford?

5 WHAT SHOULD I DO NEXT?



We recommend that you review your protection needs with your financial adviser. Your adviser can help you to consider your needs and choose the cover that most suits your circumstances.

We can also offer you a full financial review, with no cost, at a time and place that's convenient to you. Alternatively we can discuss your needs and the options available to you over the phone.

To make an appointment or to discuss your protection needs please contact our dedicated Protection Team who can provide information and support in order to assist you.

Phone: 01 704 1010

Email: Protection@irishlife.ie

Customer Decision Tree

Decision

I still need the same level of cover



I can afford the new payment amount



I still need the same type of cover (reviewable protection plan)



I am happy that this cover is reviewable



Your adviser will help you to process the change to your plan if it is needed.

Solution



Your financial adviser can help you decide on the level of cover you need and how much this will cost.



Your financial adviser can help you find a payment/cover level you are comfortable with.



Your financial adviser can help you explore how long you will need cover for and what product options are suitable.



Your financial adviser can help advise you on the product options that are available to you.



Irish Life

Contact us

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From sustainably managed forests -
For more info: www.pefc.org

In the interest of customer service we will record and monitor calls.
Irish Life Assurance plc, Registered in Ireland number 152576, Vat number 9F55923G.

Irish Life Assurance plc is regulated by the Central Bank of Ireland.