

Life Cover Case Study

Sample Illustration

Mark and Emer, both 35, have two young children. Mark brings home €3,500 per month and €1,000 of this goes towards the mortgage. Emer is looking after the children and isn't earning at the moment.

They want to make sure that in the event of either of their deaths the family will be financially secure.



ON MARK'S DEATH THEY WOULD WANT TO:

Ensure immediate finances are healthy

Currently between various car loans and credit cards the family have short term debt of €15,000. Mark would like to make sure that the family is left free of debt and has an emergency fund equal to a year's net salary.

This means that the family would need a payout of €57,000.

Replace the ongoing shortfall in income caused by the loss of Mark's earnings

Emer will be entitled to the Widow's Pension (about €200 per week) and she will no longer have to pay a mortgage but the loss of Mark's income will still have a huge effect on the family finances. An extra €1,700 per month would mean that Emer could maintain the lifestyle the family is used to. Ideally this income would continue for as long as Mark would have worked (i.e. 30 years).

Provide for funeral expenses

In addition to the lump sum above, he would like €10,000 to be available to meet funeral costs.

MARK'S COVER (Paid on Mark's Death)

Benefit	Amount	Term
Lump Sum on Death	€57,000	30 years
Income on Death	€1,700 per month	30 years
Whole of Life	€10,000	Until Death

Although Emer's death wouldn't result in a reduction in earnings, it will bring additional expenses on the family.

ON EMER'S DEATH THEY WOULD WANT TO:

Give Mark some options in the immediate aftermath	A year's net income of €42,000 would give Mark some breathing space and allow him to spend more time with the children in difficult circumstances.
Meet the extra costs of childcare	Mark will need to continue working. The mortgage will be paid off and this will free up €1,000 per month. However they estimate that Mark would need another €1,500 a month to provide for the needs of his children and the upkeep of the home.
Look after funeral expenses	Again, €10,000 would cover this.

EMER'S COVER (Paid on Emer's Death)

Benefit	Amount	Term
Lump Sum on Death	€42,000	30 years
Income on Death	€1,500 per month	30 years
Whole of Life	€10,000	Until Death

Life Choice You & Family can provide Mark and Emer with the exact cover they need:

Indexing these benefits will increase the cover and premium by 3% per year helping to ensure their cover keeps pace with inflation.

Life Choice You & Family - Market leading Life Cover from New Ireland

Life Choice You & Family gives you the comprehensive cover with unrivalled flexibility.

- ✓ Protects your income
- ✓ Pays for funeral expenses
- ✓ Clears short-term debt
- ✓ Safe-guards your family's lifestyle and future plans

For further details talk to your Financial Adviser about how "Life Choice You & Family" can give you the financial protection you need.