

Why Protect my Income?

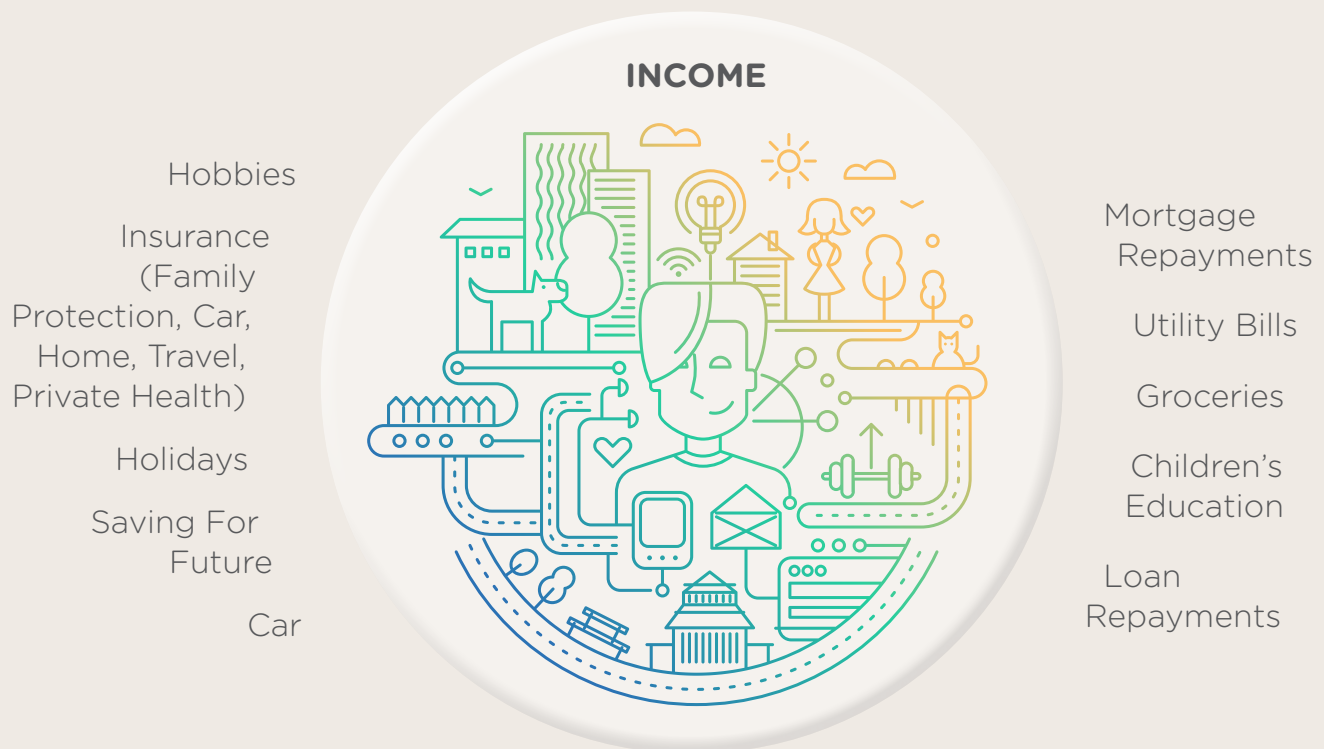
*Income Protection
and Specified Serious
Illness Cover can take
care of you financially*



But if you are out of work due to illness or injury and your salary ceases to be paid, **how will you pay** all other bills?

Lots of employers don't provide any form of sick pay and for those who do, the majority will only pay you for six months

We rely on our income to survive. Our families depend on this. We use it for:



So what happens if you are unable to work due to an illness, accident or injury?

A successful claim on an Income Protection plan will pay you a monthly income after an agreed deferred period. It can be used to help meet your monthly mortgage repayments and household bills and maintain your current standard of living. It will continue to pay you an income until you are well enough to return to work or if not until you retire or previously die.

Income Protection

What can an Income Protection Plan provide you with?

- It can protect up to 75% (to a max of €250,000) of your earned income to age 65
- It can pay out after 8, 13, 26, or 52 weeks (the deferred period) following an illness or injury based on your choice of deferred period provided you satisfy the policy conditions
- The cost of your cover will never increase during the term of your plan (unless you choose to index it or apply to increase your cover)
- Up to certain limits, tax relief is available on your premiums at your marginal rate of tax. This can reduce the cost of your cover by up to 40% (assuming you pay income tax at the higher tax rate)
- It can pay out a daily amount on hospital stays of 7 days or more to a maximum of 90 consecutive days. Hospital cash benefit will pay for a maximum of 365 days in total during the duration of the policy

Other features that may be available under this type of plan include:

- Confirmed Income Option, if selected, means that if your income falls during the term, you get paid based on your original income amount
- You can also have a certain amount of cover in place if you become unemployed, take a career break or parental leave under the Essential Activities Benefit

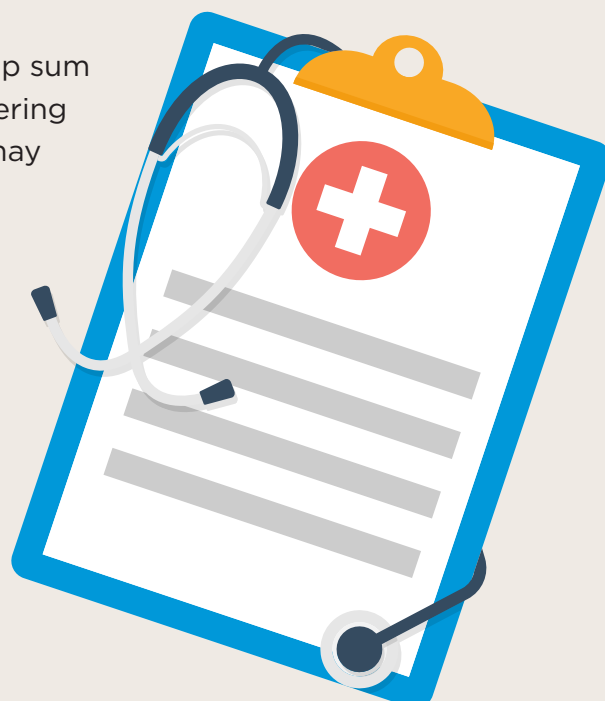
Specified Serious Illness

This type of cover pays you a lump sum amount if you suffer from one of the specified serious illnesses covered on the plan that you choose. Specified Serious Illness benefit pays you a lump sum on diagnosis of some of today's most common serious illnesses. You can spend the lump sum however you like to maintain your standard of living or to help you and your family cope financially during a difficult time.

Benefits

Specified Serious Illness benefit provides a tax free lump sum in the event of the life assured being diagnosed as suffering a serious illness covered by the policy. This lump sum may enable the consumer to:

- Pay off their mortgage and other debts
- Pay for medical care
- Pay for renovations in their home e.g. where home modifications are needed due to illness
- Stay off work until completely recovered, and/ or
- Work part time or in a less stressful job
- No tax relief available on premiums paid for this type of insurance



What's the difference between Income Protection and Specified Serious Illness?

Pay-outs

■ **An Income Protection Plan**

- Will pay you an income if you're unable to work due to an illness or injury. This payment will be paid regularly after the end of the deferred period for as long as you are unable to work (to max age 65).
- You can insure up to 75% of your income (less state disability allowance and state or employer benefits).

■ **A Specified Serious Illness plan**

- Will pay you a lump sum if you're diagnosed with a serious illness as defined by your policy. This will usually be a once off lump sum paid directly to you.
- You can choose the amount you want to insure.

Tax-Relief on premiums

■ **An Income Protection Plan**

- You can claim tax relief on the premiums paid at your marginal rate of tax (subject to certain limits).

■ **A Specified Serious Illness plan**

- There is no tax relief available on premiums paid.

Taxation on benefit

■ **An Income Protection Plan**

- These are taxed as normal income.

■ **A Specified Serious Illness plan**

- Yes, these are paid tax free.

Income Protection and Specified Serious Illness benefit are therefore two different types of cover. For most people the ideal is to have a mix of both, particularly for those who are self-employed who have no entitlement to employer sick pay or State illness/ invalidity benefits.

When is the benefit payable?

■ **An Income Protection Plan**

- There must be a loss of earned income due to inability to work as a result of an accident, illness or injury and once the claim is accepted benefits commence to be paid following the end of the deferred period.

■ **A Specified Serious Illness plan**

- No loss of income is required for payout. The benefit is payable on diagnosis of a specified serious illness covered by the policy.

Availability

■ **An Income Protection Plan**

- For those in employment as the benefit is only payable where there is a loss of earned income due to an inability to work due to an accident, illness or injury.

■ **A Specified Serious Illness plan**

- You don't have to have an earned income.

For €12.67 per week Income Protection

A 33 year old* with normal retirement age of 65 could get cover for a benefit of €30,000 based on a salary of €40,000.

For just over €5 per week Standalone Specified Serious Illness

A 33 year old could get cover of €55,000 for a term of 20 years.

These figures are for illustration purposes only and are based on standard rates for a non-smoker. Benefits are subject to underwriting and acceptance by the life insurance company. The level premium quoted includes the Government levy (currently 1% of the premium amount). Based on level cover with no medical free conversion option included.

*Class 1 with a deferred period of 26 weeks.



A Financial Broker can meet with you to discuss your protection needs and help put a plan in place designed to achieve your financial goals. Terms and conditions apply. Benefits are subject to underwriting and acceptance by the Life Insurance company. The information set out in this document is intended to be a guide only and should not be relied on without seeking professional advice.