



cost survey life insurance

Life insurance policies pay out a lump sum if you die. This survey compares the cost of two common types of life insurance – mortgage protection and term life insurance. It also looks at the factors that may affect the cost of your policy. We have included some dos and don'ts when buying life cover.

Risk factors affecting your premium

The main risk factors that will affect your premium are listed below:

Age	Premiums are higher the older you are when taking out a policy, as the risk of death increases with age.
Gender	Premiums for life cover are cheaper for women than men, as life expectancy is longer for women.
Smoker	Premiums for smokers are much higher than non-smokers (sometimes double the cost) due to earlier death among smokers.
Current and past state of health	If you have a medical condition or have a family history of certain illness or early death, you may pay a higher premium or have that illness excluded from your policy.
Work and lifestyle	Your premium may be increased if your work or lifestyle interests are likely to put you at greater risk of early or sudden death.



It is important to include all relevant information about your medical history and your lifestyle when applying for life insurance. If you lie or leave out important details you may not be covered.

What is term life insurance?

This is the simplest form of life insurance cover. A term life policy pays out money if you die within a certain number of years (the 'term'). You decide the amount of money you want to be insured for (called the 'sum assured') and the length of time you want the policy to last (the 'term'). If you die within the term the cash sum assured is paid to your dependants. If you don't die within the term your policy ends and no money is paid out. The premium and sum assured are fixed for the term.

Term life insurance

	Age 26 (Born on July 1, 1980) Monthly cost of €200,000 cover over 30 years				Age 38 (Born on March 2, 1968) Monthly cost of €300,000 cover over 25 years				Age 50 (Born on October 15, 1956) Monthly cost of €100,000 cover over 15 years			
	MALE		FEMALE		MALE		FEMALE		MALE		FEMALE	
	Non Smoker	Smoker	Non Smoker	Smoker	Non Smoker	Smoker	Non Smoker	Smoker	Non Smoker	Smoker	Non Smoker	Smoker
Ark Life - AIB Branches	€17.19	€27.84	€13.07	€20.28	€42.60	€87.41	€32.30	€63.97	€40.46	€86.55	€29.47	€61.06
Caledonian Life[^] - Broker	€16.55	€27.21	€13.12	€20.53	€44.89	€92.21	€35.53	€68.03	€35.22	€72.47	€25.07	€51.07
Canada Life - Broker [*]	€17.25	€31.45	€15.00 ¹	€21.85	€50.05	€100.45	€35.05	€70.45	€37.45	€80.45	€27.05	€50.75
Eagle Star - Direct/ Broker	€16.05	€26.85	€12.41	€18.27	€44.51	€87.70	€33.92	€58.71	€35.94	€72.23	€25.09	€48.25
Friends First - Direct/ Broker [*]	€17.33	€28.86	€15.00 ²	€21.26	€51.45	€97.41	€37.23	€70.17	€35.46	€74.09	€26.06	€52.13
Hibernian - Direct/ Broker	€17.50	€28.71	€13.81	€21.27	€44.44	€90.51	€37.39	€60.78	€37.37	€85.40	€29.97	€53.38
Irish Life - Direct/ Broker	€20.00	€31.39	€20.00	€25.66	€53.09	€102.63	€38.68	€69.95	€41.70	€74.87	€29.46	€54.56
New Ireland[~] - Broker	€19.55	€30.29	€15.00	€19.36	€45.26	€87.48	€33.23	€58.72	€34.49	€74.74	€24.36	€44.38

[^] Quotes only available from a broker, premium assumes proposal is processed via online system.

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^{*} The premium quoted is the company's minimum premium. It entitles you to an increased amount of cover as follows: 1. €210,377 2. €225,602

What is mortgage protection insurance?

Mortgage protection insurance is a type of term life insurance and pays a lump sum directly to your lender to clear your mortgage if you die. It runs for the same length of time as your mortgage. It is designed to pay off your mortgage if you die, not to provide a cash sum to your dependants. So, you will usually need separate life cover to provide for a cash lump sum if you have a dependent family. You do not have to buy mortgage protection insurance from your lender; you are free to shop around for the best value.

Generally, your mortgage protection cover reduces from year to year as the amount you owe on your mortgage goes down. This is called reducing-term cover. It is the most common and the cheapest form of life cover.

Mortgage protection life cover

	Age 25 (Born on July 1, 1981) Monthly cost of €290,000 cover over 35 years				Age 37 (Born on March 2, 1969) Monthly cost of €360,000 cover over 25 years				Age 49 (Born on October 15, 1957) Monthly cost of €200,000 cover over 10 years			
	MALE		FEMALE		MALE		FEMALE		MALE		FEMALE	
	Non Smoker	Smoker	Non Smoker	Smoker	Non Smoker	Smoker	Non Smoker	Smoker	Non Smoker	Smoker	Non Smoker	Smoker
Ark Life - AIB Branches	€21.43	€32.39	€14.22	€20.94	€33.74	€63.72	€25.40	€46.41	€30.76	€63.37	€23.37	€45.35
Caledonian Life[^] - Broker	€19.78	€27.01	€13.88	€20.66	€34.33	€62.72	€26.84	€46.81	€30.85	€63.61	€23.48	€45.67
Canada Life - Broker	€18.64	€31.98	€15.74	€22.41	€40.93	€68.65	€30.13	€54.25	€32.85	€73.65	€24.65	€46.05
Eagle Star - Direct/ Broker	€16.50	€25.01	€14.07	€20.01	€34.49	€60.31	€26.70	€45.48	€31.85	€66.05	€24.00	€44.71
Friends First - Direct/ Broker	€22.30	€29.08	€13.82	€24.64	€42.28	€71.91	€31.61	€53.13	€34.10	€68.37	€25.02	€47.25
Hibernian - Direct/ Broker	€17.48	€26.57	€14.90	€21.25	€34.38	€60.80	€25.56	€49.14	€34.10	€71.45	€26.43	€52.11
Irish Life - Direct/ Broker	€17.01	€26.05	€13.67	€22.46	€39.49	€67.57	€27.21	€49.39	€34.22	€65.62	€25.06	€47.88
New Ireland[~] - Broker	€21.77	€31.98	€15.91	€22.81	€39.65	€67.23	€30.26	€48.41	€32.30	€70.46	€25.27	€47.06

[^] Quotes only available from a broker, premium assume proposal is processed via online system.

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If you want help in choosing a suitable policy, contact an authorised life insurance broker or financial advisor.

All brokers and financial advisors will:

- help you assess your needs and existing cover;
- give you comparisons using different amounts of cover and terms; and
- recommend a suitable policy based on your needs.

Life insurance - dos and don'ts

Do



- ✓ **Do** find out if you have death-in-service benefits through your job and what the level of cover is.
- ✓ **Do** decide what, if any, extra cover you need and get information on the type of policies that meet your needs.
- ✓ **Do** shop around. Costs can vary widely for the same level of cover.
- ✓ **Do** consider giving up smoking. After one year, or in some cases two, many insurance companies will give you non-smoker rates. This could cut your premium by half, even though you are a bit older.
- ✓ **Do** remember that (with some exceptions) you have a 'cooling-off' period of 30 days during which you can cancel a policy.
- ✓ **Do** review your life insurance regularly, particularly when your circumstances change.

Don't



- ✗ **Don't** cash in an existing policy in order to take out a new one unless you have a good reason. The cost of any new cover may be higher than the policy you already have because you are older. You might also not be able to get new cover if your occupation or health has changed in the meantime.
- ✗ **Don't** buy insurance that you don't need or already have.

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consumer help-line,
lo-call 1890 77 77 77

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www.itsyourmoney.ie
consumerinfo@financialregulator.ie

Drop In

Information Centre,
6-8 College Green, Dublin 2

Other related publications

- Life insurance guide
- Serious illness insurance booklet
- Income protection insurance booklet
- Mortgages made easy

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1. An invitation, offer or inducement to you or any other person to buy life insurance, or
2. Advice on the merits of, or a recommendation in relation to, any particular product or product provider.