Publication Name: The Herald
Published Date: February 12, 2018
Media Reach: 315,000
Media Cost: €9,788,00
Page Numbers: 18

Sometimes you have to think about illness, death and cash

DEATH and illness are topics we don't like to ponder, and the thought of leaving our family without us or losing our income if we become too ill to work can be hard to get our heads around.

New research has shown that fewer than half of women have financial insurance, while only two thirds of men do.

The Irish Life study makes sober reading, as do figures from Royal London that revealed that three out of 10 Irish adults have no idea how their family would cope financially if they were no longer around.

Yet putting a policy in place is straightforward and – unusually, for insurance products – relatively cheap.

Here are the different terms used and an idea of what it costs (see panel).

MORTGAGE PROTECTION: This is insurance that simply pays off your mortgage to the lender if you die. It doesn't pay anything to your family, is the cheapest type and is usually mandatory when you have a mortgage.

LIFE INSURANCE: This pays out a lump sum to your family. Cheaper policies are term-based, in other words they last 10 to 20 crucial years. Others are whole of life and will pay out if you keep paying the premium.

Fifty-four per cent of women and 38pc of men die from cancer, but men are five times more likely to die from heart disease.

INCOME PROTECTION COVER: This pays out an annual amount to cover lost income if you can't work through illness or injury. It's normally attached to pension policies and is expensive.

SERIOUS (SPECIFIED) ILLNESS COVER: This product is more expensive than life insurance. It pays out a lump sum on contraction of a listed serious illness.

Although many illnesses are covered, cancer (62pc), heart attack and stroke (20pc) make up the vast majority of claims, according to Irish Life, which pays out an average €3.6m a week – a third of it to people under 50.

Colm Treacy, of Lifebroker.ie, said most policies include a range of other benefits, including cash if you're in hospital, pre-payment of funeral expenses (before the paperwork is finalised) and bereavement and counselling services.

They can also include Terminal Illness Benefit. This pays out an early lump sum if the policy-holder is diagnosed with an illness from which she or he is expected to die within 12 months of diagnosis.

Irish Life's research showed that most respondents believed only half of illness claims were paid out, whereas in reality the figure is closer to 95pc.

"You're usually not covered if the illness is self-inflicted, such as injury or drug/alcohol abuse," said Treacy, "or if you had a pre-existing illness that wasn't disclosed, leading to the claim."

CHOOSING THE RIGHT COVER

- What age are your children? How long will you need cover for? What income needs to be replaced? These are all questions to ask before you buy.
- There are policies that cover either life or specified illnesses, known as accelerated plans. This is a better-value option than stand-alone policies, but there's only one payout.
- Consider your current medical history, fitness levels and smoking – they will all affect the premium.

Indeed, smoking is one of the single biggest factors in cost (see panel, which shows the alarming difference). Giving up has benefits on your premium and for your health.

FUTURE-PROOF YOUR FINANCES

- Make sure you have somewhere your loved ones can easily find your important financial information such as your will, house deeds and life insurance policies. Tell them where they are, to avoid delays after your death.
- Use a broker to put vital cover in place. They will smooth the way through the application form and get the best price for you. Most life insurance products are price-matched across the industry, so you won't pay more than you need to.
- Don't confuse mortgage protection with life insurance: it only pays off the mortgage and the bank gets the policy. Life insurance gives your family a lump sum to replace your income.
- If your children are grown up, you may be over-insured – don't pay for unnecessary cover. Divert the premium to serious illness cover for yourself instead.

If you're financially in the clear and don't need to pay off any debts, you'll only need a low level of specified illness cover; but if you still need to pay for long-term debts – such as a mortgage – you might think about getting a higher level of cover to ensure you have enough to pay for these loans if you're unable to work.

Publication Name: The Herald
Published Date: February 12, 2018
Media Reach: 315,000
Media Cost: €9,788,00
Page Numbers: 18

HOW THEY COMPARE

SPECIFIED ILLNESS COVER

INSURER	NON-SMOKER	SMOKER
Friends First	€71.76 per month	€131.86 per month
Zurich	**€76.43 per month**	**€137.08 per month**
Royal London	€76.84 per month	€143.89 per month
Aviva	**€80.43 per month**	**€147.93 per month**
New Ireland	€82.80 per month	€146.00 per month
Irish Life	**€93.63 per month**	**€165.85 per month**

Quote courtesy www.Lifebroker.ie: 44-year-old for €100,000 level specified illness cover for 20 years