

Ex-smokers urged to reap the financial rewards as smokers pay double for life assurance

This month thousands of people all over the country will have reached a very significant milestone in their lives. Men and women throughout Ireland who gave up smoking as a 2017 New Year resolution, and stuck to it, will find themselves 12 months nicotine free.

Experts at leading protection specialist Royal London are advising that there are financial benefits for those who have given up, along with the positive benefits to their health and their bank balances which they will have already experienced. Those who are nicotine free for a year can potentially take advantage of a reduction in their life assurance premiums which can amount to tens of thousands in savings over the years.

Colette Houton, Underwriting and Claims Lead at Royal London explained,

“When it comes to life assurance, smokers pay significantly higher rates than their non-smoking counterparts. But on the plus side – if you manage to kick the habit then you only have to be 12 months nicotine free to be recognised as a non-smoker for life cover purposes which could mean, all things being equal, that you can avail of the cheaper non-smoker rates.

Given the time of year, there is likely to be a group of people throughout the country celebrating the one year anniversary of when they kicked the habit for good. Now

is the time for them to inform their life insurance provider and apply for non-smokers rates.” Royal London report that the price difference between rates for smokers and non-smokers adds up substantially over time. The cost analysis below reveals that a smoker turning 45 on their next birthday will pay over ?16,500 more in premiums for Level Term Life Cover, over a 25 year term, than their non-smoking counterpart. While a smoker turning 45 on their next birthday will pay over ?63,500 more than their non-smoking peer during the course of a Specified Serious Illness policy over a 25 year term.

Figures are the best-in-market prices subject to Royal London’s ?15.15 minimum premium. Age refers to age next birthday.

Colette continued, “We’re all aware of the many damaging health effects of smoking, which medical professionals warn us all about. But aside from the obvious benefits to your well-being, once you quit there are quite clear financial gains, which include a potential reduction in the cost of your life insurance.”

Smoking in Ireland – The Stats

The Healthy Ireland Survey 2017 reports that more than one in four people (27%) used to smoke, which means more smokers have succeeded in quitting than currently smoke (22%). While smoking is still prevalent in Ireland, statistics show that it is dwindling in popularity and a high level of those who do still smoke want to stop. In fact, according to this report, of those who have smoked in the past 12 months, 12% have successfully quit during this time, 13% are currently trying to quit and 57% are considering it.

Colette concluded, “When it comes to smoking it seems we are increasingly becoming a nation of quitters, which is good news for our health and our bank balance. It’s interesting to note that 42% of current smokers have made an attempt to cut out the habit in the past 12 months.* If you’re one of them the potential cost savings on your life insurance is another reason to break the habit that you can add to the list.”

Royal London say that to

be classed as a non-smoker you must not have used any tobacco products in the last 12 months and have no intention to do so in the future. This includes e-cigarettes and nicotine replacement products such as patches or chewing gum. In some cases, a person could be asked to complete a cotinine test (smoker test) which is a simple test to screen for tobacco use by testing a sample of saliva or urine. If you are a Royal London policyholder who has stopped smoking over 12 months ago and would like to be considered for non-smoking terms you can do so, subject to underwriting terms and conditions, by submitting a Non-Smoker Terms Form.





LEVEL TERM ASSURANCE LIFE COVER

Age	Term (years)	Monthly premium non-smoker	Monthly premium smoker	Savings over 25 year term
45	25	€53.01	€108.53	€16,656.00

SPECIFIED SERIOUS ILLNESS COVER

Age	Term (years)	Monthly premium non-smoker	Monthly premium smoker	Savings over 25 year term
45	25	€270.71	€482.67	€63,588.00

Source: Bestadvice.ie as at 24/11/2017.
 Figures are the best-in-market prices subject to Royal London's ?15.15 minimum premium. Age refers to age next birthday.