



# A WHOLE LOT OF CHOICE

Royal London & Whole of Life Cover

# Who We Are

We are owned by the largest mutual life, pensions and investment company in the UK, and are **committed to looking after the interests of our customers.**

In Ireland we specialise in protection products – life cover, specified serious illness cover, mortgage protection, income protection and business assurance. We have been protecting people in Ireland, who want a trustworthy and straightforward company they can rely on, for over 190 years – we were most recently known as Caledonian Life. Our products are only available from authorised Financial Brokers, who offer financial advice to help you meet your needs.

We are part of the Royal London Group that employs over 3,745 people, provides around 8.8 million policies and is financially strong and secure with more than €132 billion in Group funds under management. And when you need us, we're only a phone call away in our Dublin office on St. Stephen's Green.

Figures as of 30/06/2018

# Whole of Life Cover

Whole of Life is a straightforward **long-term life cover policy**. It has **no expiry date** while you are alive, as long as you keep paying your premiums.

It provides financial protection for the rest of your life and pays out a lump sum when you die. The premium you pay, either monthly or annually, will stay the same throughout the policy. Your premium will never go up unless you choose to increase your cover amount.

You decide how much cover you want when you first take out the policy and that amount is paid out as a lump sum when you die.

You have the option to increase your cover amount by adding Indexation (a feature to help offset inflation) when you first take out the policy or through our Guaranteed Insurability Option. This allows you to increase your cover amount after certain life events without having to answer any medical questions.

The policy can be easily set up for inheritance tax planning. Or it can be used to help pay funeral costs or to provide a legacy after you are gone.

## Helping Hand Service

As soon as you take out a policy with Royal London, you automatically qualify for access to Royal London's Helping Hand service. Helping Hand gives **one-to-one personal support** from your own **Nurse Adviser** who can help you and your family cope with the devastating effects that illness or bereavement can have. It includes unlimited telephone access, providing tailored support to meet your particular circumstances. You, your spouse or partner and children can use this service as soon as your policy starts.



# Policy Features



The policy pays out a lump sum whenever you die. As part of our commitment to put our customers first, you'll also receive some additional features on your policy.

Full details and any terms and conditions which apply are explained in our policy conditions booklet. Your Financial Broker can give you a copy or you can request one from us at any time.

## Other policy features include:

- You can increase your cover amount after certain life events without having to answer any medical questions with our Guaranteed Insurability Option.
- Your cover amount can be paid out if you're diagnosed with a terminal illness that cannot be cured and you're not expected to live more than 12 months.

## Optional extras:

- You can add indexation to your policy as a way to help combat inflation. Your cover will increase by 3% each year and in return your premium will go up by 4.5% each year.
- You can add Royal London's Life Changes Option to your policy for an extra 10% on your premium. This unique option is all about giving you choice and control should your circumstances change in the future. So, under this option, you can stop your premium payments after having had your policy for 15 years or more – and still get something back.



# Life Changes Option

For many people, they're happy to put their policy in place and then put it aside and not think about it too often. However, we understand that what seems reasonable and affordable now, may change in the future.

This option allows you to stop premium payments in the future and not lose all of the benefit provided by your policy. It costs an extra 10% on your premium and you must decide if you want to include it before your policy starts – it can't be added afterwards.

If you include the option and you stop paying premiums after having had your policy for at least 15 years, you will have two choices available to you.

If this option is not included on your policy and you stop paying premiums before you die your policy ends and nothing is paid out.

Also, if you include this option but stop paying premiums before 15 years have passed the policy ends and nothing is paid out.

## YOUR CHOICES:

### 1. Protected Cover:

You can choose to have a lower amount paid out when you die.

### OR

### 2. Protected Cashback:

You can choose to take an immediate cashback amount and end the policy.

After 15 years, the longer you continue to pay premiums before stopping, the higher the Protected Cover and Protected Cashback amounts will be.



# Inheritance Tax Planning

Inheritance tax planning is not something that only the very wealthy need to think about.

If you leave your assets, like your home or savings, to someone other than your spouse or civil partner, they could be liable to inheritance tax of 33% on the value of these assets.



**Inheritance tax is payable to the Revenue Commissioners when the value of the assets inherited is higher than a certain threshold amount.**

For inheritances received from parents this threshold amount is €320,000. Anything over that amount is subject to a 33% inheritance tax.

The threshold is €32,500 where the beneficiary is a grandchild, sibling or niece/nephew of the person who left them the assets. For other people, including couples who live together but are not married to one another or civil partners, the threshold amount is just €16,250. Anything over that is taxed at 33%.

For example, a €500,000 inheritance by a child would be liable to €59,400 inheritance tax even if the full threshold of €320,000 was available to them.

**A whole of life policy can be used to help offset this inheritance tax liability.** You do this by setting it up as a 'Section 72' Life Insurance policy. This is a special insurance policy approved by the Revenue Commissioners under Section 72 of the Capital Acquisitions Tax Consolidation Act 2003. It is taken out specifically to help pay inheritance tax. The money paid out, when it is used to pay inheritance tax, is then not liable to tax.

With enough cover in place you can protect your loved ones from an inheritance tax bill. Otherwise, they may have to sell the family home or take out a loan to pay the tax. So setting up your Whole of Life policy this way can ensure that your assets can be passed on and enjoyed by your loved ones rather than being used to pay a tax bill.

<b>Inheritance</b>		<b>Threshold</b>				<b>Tax Rate</b>		<b>Inheritance Tax Payable</b>
€500,000	-	€320,000	=	180,000	x	33%	=	€59,400

	<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Relationship to the person leaving the inheritance	Son/Daughter	Parent*/Sibling/Niece/Nephew/Grandchild	Relationship other than Group A or B
Group Thresholds on or after <b>10/10/2018</b>	€320,000	€32,500	€16,250

\*In certain circumstances a parent taking an inheritance from a child can qualify for Group A threshold.

For more information on this and the other exemptions and reliefs that are available in certain circumstances, such as agricultural relief, business relief and the dwelling house exemption, visit the Capital Acquisitions Tax section of the Citizens Information website, [http://www.citizensinformation.ie/en/money\\_and\\_tax/tax/capital\\_taxes/capital\\_acquisitions\\_tax.html](http://www.citizensinformation.ie/en/money_and_tax/tax/capital_taxes/capital_acquisitions_tax.html)

**We recommend discussing your options with your Financial Broker. They can make sure your policy choices best suit your needs and personal circumstances. You may also need to obtain tax and legal advice before taking this policy.**



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