ROYAL LONDON IRELAND

Press Release

Homeowners could be overpaying by up to 28pc on mortgage protection cover

Switching from the bank could save thousands of Euros

Consumers could make substantial savings by buying mortgage protection cover through a financial broker rather than a bank. This conclusion was arrived at through a 'mystery shop' undertaken by Royal London Ireland, one of the country's leading life insurance and pensions companies, who compared the premiums quoted by a bank with those secured through a broker.

Joe Charles, Proposition Director at Royal London Ireland, said,

"In the scenarios we looked at, a mortgage protection policy with identical cover was almost 30pc more expensive with a bank than through a financial broker, and there is a very simple reason for this. Brokers have access to multiple life companies' products and prices, rather than just one provider, which is generally the case for banks. So, financial brokers can shop around to get the best product and price to meet their customers' individual needs.

Our findings from the mystery shop demonstrate that the broker market is far more competitive and offers better value to customers than dealing directly with a bank".

Royal London Ireland took two common scenarios

1. A young couple, both aged 35, with a €250,000 mortgage and 30 years remaining on their term
2. A 50-year-old couple trading up with 15 years outstanding on their term.

Both couples were looking for dual-life mortgage protection. This type of policy is designed to cover two people, usually partners or spouses and it typically pays out upon the death of the first person insured. Cover then continues for the surviving individual but on a reducing basis. The primary purpose of this insurance is to ensure that the mortgage debt is repaid in the event of a death.

Mr. Charles explained,

"In both scenarios, we found that purchasing the same level of mortgage protection through a financial broker was significantly cheaper than through a mainstream bank - on average by 27.5pc. The difference in cost is substantial over time and can really add up. Taking out mortgage protection through your mortgage provider i.e., your bank, when you first purchase your home is very common. But whether they know it or not, and many don't, homeowners are free to change providers. We want to emphasise that by reviewing their policy, consulting a financial broker and possibly switching, homeowners could make significant savings.

With new mortgage providers entering the market, and the likelihood of an ECB interest rate cut later in the year, many people will be looking to switch mortgage providers and they should take the opportunity to also look at their mortgage protection cover too".

Cover	Dual Life	Dual Life
Sum Assured	€250,000	€500,000
Term	30	15
Age	35	50
Smoker Status	Non-smoker	Non-smoker
Broker	€22.17	€84.14
Bank	€30.35	€116.44
Percentage savings	27%	28%
Maximum savings over term	€2,944.80	€5,814.00

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Notes to editors

About Royal London Ireland:

Royal London Ireland has a history of protecting its policyholders and their families, and it is committed to continue to do so for a long time to come. Our businesses heritage in Ireland is almost 200 years starting when the Caledonian Insurance Company's first office opened on Dame Street, Dublin 2. Today, Royal London Ireland is owned by The Royal London Mutual Insurance Society Limited – the UK's largest mutual life insurance, pensions and investment company, and in the top 30 mutuals globally, with assets under management of €187 billion, 8.5 million policies in force, and over 4,200 employees. Figures quoted are as at 31 December 2023.

Royal London Ireland's office is based at 47-49 St Stephen's Green, Dublin 2.

www.royallondon.ie

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