

Giving you a whole lot more

A guide to Whole of Life



ROYAL
LONDON
IRELAND

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Welcome to Royal London Ireland

We've a strong heritage in Ireland and have been protecting customers here for over 190 years. Based in Dublin, we're a fully owned subsidiary of The Royal London Mutual Insurance Society Limited – the largest mutual life, pensions and investment company in the UK. Our parent company's mutuality, meaning it is customer and member owned with no shareholders, allows us to adopt a mutual mindset. This means we take a longer-term view and focus on providing best customer outcomes. Whoever you are and whatever your aims, we'll look to provide you with great long-term value, first class service and support at all times.

Key Information

Whole of Life from Royal London Ireland is a life assurance protection policy. The purpose is to provide a lump sum on death. The policy does not have a fixed end date.

It is designed solely to provide protection benefits and there is no cash sum payable if you decide to cancel the policy. The one and only exception to this is if the Life Changes Option applies (to find out more about this option see page 13).

If you cancel the policy we will not return your premiums, even if you have not made a claim under the policy.

This policy can currently be used under Section 72 of the Capital Acquisitions Tax Consolidation Act 2003 (Section 72) for inheritance tax planning but for this policy to maintain its Section 72 status it must comply with all relevant laws and Revenue rules for as long as it is in force. You may also need to obtain tax and legal advice before taking out this policy. Before making any changes to your policy you should check if the Section 72 status will be affected by the proposed change.

This brochure is designed as a quick reference to the main features of your Whole of Life policy. It should be read in conjunction with the relevant Policy Conditions booklet which contains full details of the Benefits provided and the Terms and Conditions which apply. Your Financial Broker will provide you with the Policy Conditions or you can request a copy from us at any time.

To keep things simple, we'll talk about 'you' throughout this brochure, even though sometimes it might be someone else you're insuring.

Your cover explained

Financial security when it's needed

Death is understandably a topic that people don't like to think a lot about. But as we all know, it's an unavoidable part of life. By putting financial measures in place now you may be able to make this time less difficult for your loved ones.

Whole of Life is a straightforward long-term life cover policy. It pays out a lump sum when you die. So you can have peace of mind knowing you have helped to take care of your family financially after you have gone.

How does it work?

As the name suggests, it can provide life cover for the rest of your life. So as long as you keep paying your premiums, it will pay out a lump sum to your personal representatives whenever you die.

Personal representatives

Personal representatives are usually family members but can be anyone named in your will as an executor or anyone administering your estate (the assets you leave behind) after you die.

What is it for?

The policy aims to provide a lump sum whenever you die. Depending on how you set it up, the money can be used, for example, to:

- help pay your funeral costs
- help with ongoing bills and living expenses
- help settle any outstanding debts
- help provide a legacy to your loved ones
- help to pay inheritance tax bills

A unique feature giving you choice in the future – you're in control

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 know that what seems reasonable and affordable now, may change in the future.

So we provide an option that allows you to stop your premium payments in the future and not lose all of the benefit provided by your policy.

We've called this our **Life Changes Option**. With this option, which costs an extra 10% on your premium, if you stop paying premiums after having had your policy for at least 15 years, you will have two choices available.

1. You can choose to have a lower amount paid out when you die.
2. You can choose to take an immediate cashback amount and end the policy.

To find out more about this option turn to page 13.

By choosing Whole of Life you know that your cover amount and regular premium payments will stay exactly the same throughout your life.

Your premiums will only ever increase if you choose to increase your cover amount through our Guaranteed Insurability Option (explained on page 10). Or you add Indexation to your policy. Indexation is an option that can help protect against the impact of inflation.

Whole of Life is available to residents of the Republic of Ireland between the ages of 18 and 74, with cover starting from €10,000.

Indexation

Selecting Indexation can help protect your cover against the negative effects of inflation. Inflation is the rise in the general cost of living over the years. It can eat away at the real buying power of your money. With indexation, your cover increases by 3% each year in return for a 4.5% increase in your premiums each year. Please turn to page 18 for more details on this option.

Your cover explained continued

Inheritance Tax

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

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 €400,000. Anything over that amount is subject to a 33% inheritance tax.

The threshold is €40,000 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 €20,000. Anything over that is taxed at 33%.

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. This means that as long as you have the right amount of cover, the assets you leave behind, like your family home or holiday home, will not need to be sold or borrowed against to pay the tax bill. Please turn to page 20 for more details.

How much cover do you need?

The amount of life cover you need will depend on your personal circumstances. This is why getting advice from a Financial Broker is so important. When considering your cover amount, it's important to think about what you want the money paid out to be used for after you die.

- Do you want to pay for any funeral costs?
- Are there any loans or bills that would need to be repaid?
- Do you want to leave money for your family to use to meet ongoing expenses?
- Could there be an inheritance tax liability?

How much do you pay?

You pay a fixed premium amount every month or year by direct debit. When you start your policy, this payment amount depends on factors such as:

- the amount of cover you choose
- if you add your spouse or partner to the policy
- your age
- whether or not you smoke
- your health, occupation and pastimes (and those of your spouse or partner if applicable)
- whether you choose to add additional features like Indexation or our Life Changes Option to the policy

Premiums start from as little as €15.15 per month, inclusive of the 1% Government levy (May 2025).

Your cover explained continued

Who is covered under this type of policy?

You can cover your own life only, known as 'single life cover', or you can take out cover for both you and your spouse or partner; on either a 'joint life cover' or a 'dual life cover' basis. The choice is yours.

However, if you want to use your policy for inheritance tax purposes for relief under Section 72, it is only available as single life cover or for joint life second death cover in the case of spouses or civil partners. Please read on for a full explanation of these policy types.

Cover on one life only

This is known as single life cover.

Cover is provided on one life only and the policy will pay out once, after that person dies.

Cover on two lives

This can be either joint life cover, which can be set up in two different ways, or dual life cover.

Joint life first death

Cover is provided for two lives, for example you and your spouse or partner, who are both insured for the same amount. The policy will pay out once, after the death of either you or your spouse or partner, whichever happens first. The policy then ends.

Joint life second death

Cover is provided for two lives who are both insured for the same amount. The policy will pay out once, after the second death. This means that when the first person dies, no money is paid out and premiums must continue to be paid by the remaining person.

Dual life cover

Cover is provided separately for the two lives. As the two lives are covered independently, a claim for one of the lives has no impact on the cover relating to the other life. Cover can continue for the second life as long as premiums continue to be paid. The premium will reduce as only one life is now covered.

Who is the lump sum paid to?

In all cases the lump sum is paid to the person legally entitled to receive it. Normally, this will be your personal representatives after your death.

If the policy has been assigned, meaning that ownership has been legally transferred to another party such as a bank, we will pay that party.

If the policy is in trust, we will pay the benefit to the trustee(s) who must then follow the terms of the trust to distribute the money to the chosen beneficiaries.

Policies in trust

A trust is a legal arrangement. It allows you to appoint trustees who are responsible for distributing the money to the chosen beneficiaries. This can help to ensure the correct tax treatment of the policy when it is used for inheritance tax purposes. This would mean that any part of the benefit used to pay inheritance tax would not be considered part of your estate when you die. Please turn to page 25 for more details.

For more information about trusts you should speak with your Financial Broker or a Solicitor. It is important you understand the effect of putting your policy under trust before you do so.

Life cover for peace of mind

Reasons to choose Whole of Life cover from Royal London Ireland

- You can have life cover for the rest of your life – so it can last until you die.
- You can help to take care of your loved ones' financial wellbeing even after you are gone.
- Comfort in knowing you've provided money towards your funeral costs.
- You can help to protect your beneficiaries against inheritance tax liabilities. More information on how this works is on page 20.
- Your premium payments are fixed and will not increase.
 - But you can choose to increase your cover or to add indexation. If you do your premiums will increase along with your new cover amount.
 - The Government levy may also change in the future. It is currently 1% (May 2025).
- With our Life Changes Option, which costs an extra 10%, if you stop paying premiums after your policy has been in place for at least 15 years you can still get something back. Page 13 has all the details.
- The policy can be paid out immediately if you're diagnosed with a terminal illness that meets our definition. Please turn to page 11 for more details and how this can affect inheritance tax planning.
- You, your spouse or partner and children have full access to the Helping Hand service from Royal London Ireland. This offers emotional and practical support during difficult moments in life such as the loss of a loved one. Read more about this service on page 19.
- Ultimately, you have the peace of mind in knowing that when you die, you've helped to provide for your family financially.



Cover to suit you

Policy benefits

This policy pays out a lump sum whenever you die. As part of our commitment to put our customers first, you'll also receive some extra benefits with your policy.

Full details and any terms and conditions which apply are explained in our policy conditions booklet.

Guaranteed Insurability Option

As you get on with living your life, some events may happen which mean you need to increase the amount of life cover you have. But, depending on your health, getting another insurance policy could be too expensive or may not even be possible.

This feature allows you the option to increase your level of life cover without having to answer any medical questions, following any of these events:

- marriage
- the birth or legal adoption of a child
- the amount of inheritance tax your loved ones would have to pay increases, except if this is due to the removal of a tax exemption

You can increase your cover after any one of these events by up to €100,000 or half your original level of life cover, whichever is lower. Your premium payment will change accordingly.

The total increase to your cover that you can make for all events during the lifetime of your policy is €200,000 or the amount of your original level of life cover, whichever is lower. These limits apply across all policies you have with Royal London Ireland.

This option ends when you reach age 65, or when the older person of the two people covered reaches age 65 for a joint life policy.

This option is only available if we offer you standard terms when you apply for cover.

Terminal Illness Benefit (Prepayment of life cover)

This feature means that if during the lifetime of your policy you're diagnosed with a terminal illness (that meets our definition below) we will pay out the full amount of your life cover straight away.

If you have joint life cover and it is on a joint life first death basis, the money can be paid when the first person covered on the policy is diagnosed with a terminal illness. If your policy is on a joint life second death basis, the money can be paid when the first person covered under the policy has died and the second person is diagnosed with a terminal illness.

Terminal illness definition:

Terminal illness means a definite diagnosis by the attending consultant and Royal London Ireland's Chief Medical Officer that an illness satisfies both of the following:

- the illness has no known cure or has progressed to the point where it cannot be cured; and
- in the opinion of the attending consultant and the Chief Medical Officer the illness is expected to lead to death within 12 months.

Warning

If a terminal illness claim is paid under a policy that has been set up for the specific purpose of paying inheritance tax, the proceeds will not be exempt from inheritance tax.

But the proceeds may be exempt from Gift Tax under Section 73 of the Capital Acquisitions Tax Consolidation Act 2003 (Section 73) if used to pay gift tax arising from a lifetime gift made by you within one year of the date of your terminal illness claim being paid.

If you do not make a lifetime gift within one year of your terminal illness claim being paid, Section 72 relief for inheritance tax and Section 73 relief for gift tax will both be lost.

Turn to page 20 for more information on whole of life insurance and inheritance tax planning.



Extra options which you pay for

Many people are happy to put their policy in place and then put it aside and not think about it too often. However, we know that what seems reasonable and affordable now, may change in the future.

So we offer you a choice to add the Life Changes Option to your policy.

Life Changes Option

This unique option is all about giving you choice and control. We understand that circumstances can change over time and what suits you now, may change in the future. Your premiums could become unaffordable, or tax thresholds could increase and inheritance tax may no longer be a concern.

Whole of Life is designed to pay out whenever you die. But if you stop paying premiums before you die then your policy ends and you get nothing back.

With this option, if you want to stop your premium payments in the future and still get something back, you can – provided you've had your policy, and paid premiums, for at least 15 years.

The option costs an extra 10% on your premium and it must be included when you first take out your policy. It cannot be added at a later date.

Warning

If you include this option but do not pay premiums and keep the policy in force, for at least 15 years, your policy will end, you will not be covered anymore and you will get nothing back.

Full details and any terms and conditions which apply are explained in the policy conditions, which are available from your Financial Broker.

Your choices:

If you stop paying premiums at any time after you have had the policy for at least 15 years, you can choose between two options. You can have a lower amount paid out when you die (or meet the terminal illness definition). Or you can take an immediate cashback amount and end the policy. After 15 years, the longer you continue to pay premiums before stopping, the higher the claim amount or cashback amount will be.

Extra options which you pay for continued

Option 1 – Protected cover

If you stop paying premiums, a lower amount is paid out when you die. The revised amount will be calculated by taking into account the number of premiums paid and the number that you would have paid assuming you lived to age 100.

There's a formula to work out this amount. It is:

$$\begin{array}{l} \text{Original} \\ \text{cover amount} \end{array} \times \frac{\begin{array}{l} \text{Aggregate number of} \\ \text{months Premiums have} \\ \text{been paid} \end{array}}{\begin{array}{l} \text{Aggregate number of} \\ \text{whole months from the} \\ \text{Policy Start Date to the} \\ \text{Premium Expiry Date} \end{array}}$$

Please take a look at the example on page 16 to see how this works.

Premium expiry date

The premium expiry date is the 100th birthday. This is the latest date that premiums could potentially be paid.

- For joint life first death policies, the number of months to age 100 is based on the older life when the policy started.
- For joint life second death policies, the number of months to age 100 is based on the younger life when the policy started.
- For dual life policies, separate calculations are performed for each life.

Option 2 – Protected cashback

If you stop paying premiums, the policy ends and you take an immediate cashback amount. This amount will be 70% of the premiums you have paid so far (excluding the Government levy, currently 1%). However, it is subject to a maximum of 90% of the protected cover amount calculated under the formula in Option 1) above.

If you choose this cashback option the policy will end and it cannot be reinstated.

No income tax or exit tax is payable on the cashback amount. But if the policy was set up for the specific purpose of paying inheritance tax, the proceeds will **not** be exempt from inheritance tax (as explained on page 26). However, if the policy was set up for paying inheritance tax, the cashback amount may be used to pay gift tax as long as certain conditions are met.

So, if you pass assets to someone while you are still alive, you can use the cashback amount to pay their gift tax liability. When used for this reason, within a year of the cashback amount being received, it does not add to their gift tax liability.

Gift Tax

Gift tax of 33% may be payable on gifts that you make during your life to people other than your spouse or civil partner. Typical examples are money, jewellery, cars, a transfer of a house or land or a transfer of stocks and shares.

Turn to page 27 for more information about this.

Extra options which you pay for continued

Life Changes Option Example:

James and Amanda take out a whole of life policy with joint life cover of €150,000. Their cover is on a joint life second death basis and they choose the Life Changes Option.

Their monthly premiums are €150 (excluding the 1% Government levy) and Amanda is the youngest person on the policy, aged 50 exactly at the start date.

Having had the policy for 15 years, they then choose to stop paying premiums and use their Life Changes Option. Their choices are:

Choice 1 – Protected cover:

Choose the protected cover option so that their beneficiaries will still receive some money when they both die. The protected cover amount will take into account:

- Their original cover amount? €150,000
- How long they had paid for the policy? 15 years or 180 months
- How long could they have kept paying for the policy? 50 years or 600 months

You simply take Amanda's age (as she is the younger of the two) when the policy started away from 100 – the age that premiums would automatically end. Based on the above, the formula then is:

$$\begin{array}{rcl} 150,000 & \times & \frac{180}{600} \\ \text{Cover} & & \text{Number of months} \\ \text{amount} & & \text{premiums paid} \end{array}$$

Number of months to age 100 of the younger life from the start date of the policy

Therefore the protected cover amount would be:

$$150,000 \times \frac{180}{600} = 45,000$$

So in this example, if James and Amanda stopped paying premiums after 15 years, their beneficiaries would get €45,000 when they are both gone.

Choice 2 – Protected cashback:

Choose the protected cashback option, end the policy and receive some money immediately. In this case that amount would be:

$$\begin{array}{l} \text{€150 per month for 15 years} = \text{€27,000} \\ \text{27,000 X 70\%} = 18,900 \end{array}$$

So in this example, James and Amanda could get €18,900 there and then.

The policy would end and nothing would be paid out when the couple die.

The table below shows how James and Amanda's payout choices under the Life Changes Option would increase if they continued to pay premiums.

Youngest age when the policy started	Amount of years paying premiums	Total Payments, ex. Government levy, made so far	Protected cover option amount	Protected cashback option amount
50	15 years	€27,000	€45,000	€18,900
50	20 years	€36,000	€60,000	€25,200
50	25 years	€45,000	€75,000	€31,500
50	30 years	€54,000	€90,000	€37,800
50	35 years	€63,000	€105,000	€44,100

The figures in this table are for illustrative purposes and only apply to the set of circumstances in this example. Your Financial Broker will be able to show you the options that would be available to you based on your personal circumstances.

Remember: The protected cashback amount is subject to a maximum of 90% of the protected cover amount.

Indexation option

Indexation

Selecting indexation on your policy can help protect your cover against the negative effects of inflation.

Inflation, or the rise in the general cost of living over the years, can eat away at the real buying power of your money. It may have the same effect on your life cover. So the amount of cover that was suitable when you first took out the policy, may at some stage in the future no longer meet your own or your family's needs.

Indexation increases your cover by 3% each year in return for a 4.5% increase in your premium payments each year. This can help to protect the real value of your cover as time passes.

The following table shows the negative effects inflation has on the buying power of a €500,000 payout.

Timeframe	Buying power of the money paid out
3% inflation rate	
0 years	€500,000
10 years	€372,047
20 years	€276,838

For example, after 20 years with inflation at 3% per year, €500,000 life cover has the buying power of €276,838 in today's terms. The money paid out would still be €500,000 but its value is much lower because inflation means it buys less in the future than it would today.

Full details of indexation and the terms and conditions which apply are explained in our policy conditions booklet.

Our Helping Hand service

Protecting more than just your finances – with a Helping Hand

We believe good protection is about more than just money. That's why Whole of Life Cover comes with Helping Hand, a comprehensive and personal support service, at no extra cost.

If you ever suffer a serious illness, injury or bereavement, Helping Hand provides you with the additional support you might need beyond a financial payout.

We work with a company called RedArc who'll give you access to the support of a dedicated nurse. They'll provide tailored and personal support whenever it's needed, for as long as it's needed. With over 20 years' experience, RedArc has earned a reputation for service excellence, supporting individuals and their families through serious illness, chronic health conditions, bereavement and disabilities.

While your medical team focuses on your treatment, RedArc helps by providing 'softer' skills – a friendly listening ear, practical information, and much needed emotional support for both you and your family. (When we say 'family' we mean the spouse or partner of the Royal London Ireland Life Assured and their children.)

To help speed up recovery, specialist therapy may also be provided through Helping Hand, such as:

- Bereavement counsellors *or*
- Speech and language therapists *or*
- Face-to-face second medical opinion *or*
- Complementary therapies *or*
- Physiotherapy for specific, serious health conditions *or*
- Many others according to nurse assessment.

These extra specialist therapies are only provided if recommended by your personal RedArc nurse and are limited to one type.

Helping Hand is available to use from the day your policy starts – not just when making a claim. It doesn't cost anything extra to use and your partner and children can use it too. And once your support from your RedArc nurse starts, there's no limit to how often you can speak to them.

Helping Hand is an additional service offered with all new Royal London Ireland policies. The service can be amended or withdrawn at any time.

Helping with inheritance tax

You can decide who you want to receive your assets, like your home, savings or possessions, after you die. If you leave them to someone other than your spouse or civil partner, they could have to pay inheritance tax of 33% of the value of those assets over a certain threshold amount.

You can use your Whole of Life policy 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 your assets can be passed on and enjoyed by your loved ones rather than being used to pay a tax bill.

The amount of cover you choose will depend on:

- the value of the assets you are making inheritance tax provisions for
- who you are leaving your assets to
- the subsequent amount of inheritance tax they would have to pay
- what you can afford, as the higher your cover, the higher your premium payments

Remember

Your Financial Broker will be able to answer any questions you have and help you decide on the amount of cover that's best for you.

What is inheritance tax?

Inheritance tax is a type of Capital Acquisitions Tax (CAT). CAT is made up principally of two separate taxes. One is a gift tax payable on lifetime gifts and the other is inheritance tax.

Inheritance tax is a tax paid to the Revenue Commissioners when someone inherits money, property or other assets following a death. The person who receives the inheritance is responsible for paying the tax. The tax rate is currently 33% (May 2025).

Surviving husbands, wives and civil partners are treated differently to other beneficiaries. So, if you leave money or assets to your spouse or civil partner, no matter how valuable, they will not have to pay inheritance tax.

In the case of other beneficiaries, whether inheritance tax has to be paid depends on:

- the value of the inheritance
- previous gifts or inheritances they have received
- their relationship to the person who has died

When the value of the assets they receive is higher than a certain threshold amount they will have to pay a 33% inheritance tax on the value in excess of the threshold.

Threshold amounts

The thresholds are the combined tax-free amounts available for both inheritance tax and gift tax. There are three different thresholds, grouped into categories. The groupings depend on the relationship between the beneficiary and the person who has given them the gift or inheritance. The table below shows the current CAT thresholds valid from October 2024 onwards.

Group	Relationship to the deceased	Threshold amount
A	Child	€400,000
B	Parent,* sibling, niece, nephew, grandchild	€40,000
C	All other people	€20,000

*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, https://www.citizensinformation.ie/en/money_and_tax/tax/capital_taxes/capital_acquisitions_tax.html

Helping with inheritance tax continued

Each person is entitled to one threshold per group A, B and C for all inheritances and gifts received since 05 December 1991 (as at May 2025). For example, a child has a threshold of €400,000 for any inheritance and gifts received from both parents. Likewise, inheritances or gifts received from people in Group B (siblings, grandparents, aunts and uncles) are added together for the €40,000 threshold. And inheritances or gifts received from people in Group C are added together for the €20,000 threshold.

For example: Sheila's estate (her home and possessions) is valued at €750,000 on death and she has left it to her son. He has an inheritance tax threshold of €400,000. So he can currently inherit up to €400,000 without having to pay any inheritance tax. Tax would be payable at a rate of 33% on the balance of €350,000 (the inheritance of €750,000 less the threshold of €400,000). In this instance, tax of €115,500 would be due.

€115,500 tax bill breakdown	
Value of inheritance (Sheila's estate)	€750,000
Number of beneficiaries	1
Relationship of beneficiary to deceased	Son
Threshold amount applicable (Group A)	€400,000
Taxable inheritance	€350,000
Tax payable (at 33%)	€115,500

It is important to note that in the above example, Sheila's son had his full threshold amount for Group A available to him. If for example, he had already received an inheritance or gift from his father, after 05 December 1991, then that would have reduced his available threshold and the amount of inheritance tax due would have been higher.

Once the inheritance is received, the tax owed has to be paid shortly afterwards. So unless Sheila's son had savings to pay his tax liability he would have to decide whether to sell his mother's house, which depending on the market or economy at the time may not be practical, or else take out a loan to pay the bill.

Section 72 Life Insurance policy

Section 72 Life Insurance is set up to help pay any inheritance tax bill your loved ones would face after you die. It is a tax efficient solution and, with the right amount of cover in place, it can mean that your beneficiaries will not have to sell part of their inheritance (usually the family home) or have to borrow money to pay their inheritance tax liabilities.

This policy provides a lump sum whenever you die which your loved ones use to pay any tax bill that arises when they inherit. The money itself is free from any inheritance tax liability as long as it is used for that purpose.

For example: The table below shows the normal tax advantage of a Section 72 Life Insurance policy compared to ordinary life cover.

If you had ordinary life cover of €175,000, when you died, the money would become part of your estate (the assets you leave behind after you die) because the policy was not specifically set up for inheritance tax purposes. Therefore it could be liable to inheritance tax. If there was no threshold amount available to your beneficiaries, they would have to pay 33% inheritance tax on the money paid out. In this example that would be €57,750 between them.

With a Section 72 Life Insurance policy, your beneficiaries will not normally have to pay inheritance tax on the money paid out, where it is used exclusively to pay inheritance tax.

Type of policy	Cover amount	Maximum inheritance tax owed on money paid out	Money remaining
Ordinary life cover policy	€175,000	€57,750 (33% of €175,000 if no threshold is available)	€117,250
Section 72 Life Insurance Policy (where the money is used to pay inheritance tax)	€175,000	€0	€175,000

Helping with inheritance tax continued

You must decide to have your policy set up as a Section 72 Life Insurance policy before it starts. It is not possible to gain Section 72 status for it at a later date.

Understandably, the value of your assets and the inheritance tax liability that may go with them can change as the years go by. But your full cover amount will still be paid out when you die. If the cover on your policy at that time is more than the inheritance tax owed, the full amount is still paid out. Your beneficiaries may then have to pay inheritance tax on the extra amount.

Setting up a Section 72 Life Insurance policy

You can set up your policy in two ways.

- 1 To cover your own life only (single life cover). The policy pays out following your death.
- 2 To cover you and your husband, wife or civil partner on a joint life second death basis. In this case, the policy only pays out when both of the persons covered under the policy have died. This means that when the first person dies, there is no payout and premiums must continue to be paid.

As Section 72 Life Insurance policies are used for tax purposes, there are a few Revenue conditions to keep in mind too:

- Your cover amount must normally be at least eight times the annual cost of your policy.
- Payments need to be made regularly, on time and for at least eight years. (The eight year requirement does not apply if premium payments stop as a result of the cover becoming payable).
- If you stop making regular payments, even after the eight-year period, you cannot start them again.
- If your payments are doubled or halved in any continuous eight year period, your policy may no longer qualify for Section 72 relief.
- Joint life cover is only available to spouses and civil partners.

Remember

Your Financial Broker will be able to advise you on the best way to set up your policy to suit your personal circumstances.

Section 72 Life Insurance policy in trust

You also have the option to set up your policy 'in trust' for someone. A trust is a legal arrangement. It allows you to appoint trustees who are responsible for distributing the money to the chosen beneficiaries when you die.

To set up your policy in trust you need to fill out a Section 72 trust form for your Financial Broker to submit along with your application. While we can provide a sample trust form, we recommend that you obtain professional advice from your tax and legal advisers in order to ensure that it is suitable for your needs.

Trustees

The person who holds the policy, if it has been issued in trust, is called the trustee. They look after all matters relating to the policy. If we pay a claim, it is paid out to the trustee. The trustee is responsible for distributing the proceeds to the beneficiaries named in the trust form.

You are the trustee while you are alive. Or if your cover is on a joint life basis, then you and your spouse or civil partner are the trustees. You choose who you want to take over as trustee when you and your spouse or civil partner have died. They will then look after the policy and make sure the money is paid to your requested beneficiaries.

Revenue recommendations

To make sure that your beneficiaries receive the tax relief available on Section 72 Life Insurance, Revenue recommend you either:

- put your policy in trust; or
- state in your Will that the money from the policy is to be used to pay inheritance tax for your beneficiaries.

The information in this brochure is based on our understanding of current Revenue practice and conditions (May 2025) which may change in the future.

Helping with inheritance tax continued

Section 72 Life Insurance policy with Life Changes Option

If after 15 years you want to stop your premium payments, you will have two choices available.

Choice 1 – Protected cover:

You can choose to have a lower amount of money paid out when you die. This payout will still be free from any inheritance tax liability as long as it is used to pay inheritance tax.

Choice 2 – Protected cashback:

You can choose to receive an immediate cashback amount and end the policy. As the payment will be made while you are still alive, the policy will lose its Section 72 status in relation to the payment of inheritance tax on your subsequent death.

But the cashback amount will be exempt from gift tax under Section 73 if used to pay gift tax arising from a lifetime gift made by you **within one year** of the date you received your cashback amount.

If you give someone a valuable gift while you are still alive, you can use the cashback amount to pay their gift tax liability.

When the proceeds of a Section 72 Life Insurance policy are used in this way, they do not add to that person's gift tax liability.

If you were to give them money to pay the gift tax from your deposit account it would increase their tax liability. This is because Revenue would regard that as an additional gift.

Warning

For the cashback amount to be exempt from gift tax under Section 73 it must be used to pay gift tax arising from a lifetime gift made by you within one year of the date you received your cashback amount. The payment of your beneficiary's gift tax liability in this way is not treated as another taxable gift to them.

If you do not make a lifetime gift within one year of receiving the cashback amount, Section 72 relief for inheritance tax and Section 73 relief for gift tax will both be lost.

What is gift tax?

Like inheritance tax, gift tax is a type of Capital Acquisitions Tax (CAT). Gift tax is payable to the Revenue Commissioners on gifts received at a time other than on a person's death. In other words, the person making the gift is alive at the time the gift is made.

Gifts typically include money, jewellery, cars, a transfer of a house or land or a transfer of stocks and shares. The person who receives the gift is responsible for paying the tax. The tax rate is currently 33% (May 2025).

As with inheritance tax, gifts made to husbands, wives and civil partners are exempt from gift tax. In the case of other beneficiaries, whether gift tax has to be paid or not depends on:

- the value of the gift
- previous gifts or inheritances they have received
- their relationship to the person providing the gift

The first €3,000 of gifts received by a beneficiary from any person in a calendar year is exempt from tax. After that, gifts received that are higher than the CAT threshold amounts (see page 21) are charged a 33% gift tax.

The value of all gifts and inheritances received by an individual are taken into account for the purpose of the thresholds. As in the case of inheritance tax, certain exemptions and reliefs are available.

Our approach to claims

We understand that when someone makes a claim, it is at a difficult time in their lives. So we believe it's important to make things as easy as we can and to treat every claim with care and compassion.

Making a life cover claim

The best way to start the claim process is for the person making the claim to talk to your Financial Broker or to contact us to find out what they need to do.

To pay a claim quickly we need the person making the claim to provide:

- the original death certificate or an officially certified copy
- proof of age of the person covered by the policy (for example your original/certified copy birth certificate)

- proof of any change of name of the person covered by the policy (for example the original/certified copy of your marriage certificate if you changed your name when you got married or if you changed your name by deed poll)
- evidence of their entitlement to the benefit amount (for example a will and grant of probate or letters of administration)
- in some circumstances, we may reasonably require some medical evidence

Certified copies

To certify a document as a true copy of the original, you need to get the original version copied, signed and dated by a professional person. This can be a practicing solicitor, chartered accountant, bank or building society official, consulate official or a member of An Garda Síochána.

They need to officially confirm that it is a true copy of the original document and include their position and contact details.

When we receive all the documents and information we need to pay the claim, we will pay the benefit amount to the person(s) legally entitled to receive it. Normally, this will be your personal representatives or the trustee if your policy was set up under trust.

For Section 72 Life Insurance policies, the beneficiaries then use their share of the benefit amount to pay their inheritance tax bill.

Making a claim following a terminal illness diagnosis

If you have been diagnosed with a terminal illness that meets our definition and want to make a claim, please contact us directly. We'll explain what you need to give us so that we can pay your claim as quickly as possible.

How to contact us

Call 01 429 3333 and our Dublin based team will help you. Or you can write to us at:

Claims Department
Royal London Insurance DAC
47–49 St Stephen's Green
Dublin 2

Things you need to know

Although the vast majority of claims are paid, some claims may be declined and the benefit not paid or paid only in part. Reasons for this can include:

- You stopped paying your premiums for the policy and had not selected the Life Changes Option (explained on page 13).
- You stopped paying your premiums and although you had selected the Life Changes Option, you had the policy for less than 15 years.

Our approach to claims continued

- Your death or terminal illness occurs within a year of you taking out the policy, as a result of intentional self-inflicted injury.
- Your terminal illness does not meet our definition.

Full details of the standard exclusions that apply are contained in our policy conditions booklet. Any extra exclusions or special terms added during the application process will be outlined in your Policy Schedule.

Your application for cover – duty of disclosure

The answers you provide to the questions we ask in your application will be used in the underwriting process to establish material facts about you which will influence the assessment and acceptance of cover (including the terms, the amount of cover and the calculation of the premium).

We will issue the policy to you on the understanding that the information you give in response to the questions we ask in the proposal and any related document (including that provided by a third party on behalf of you or a life assured) is true and that the questions we ask are answered honestly and with reasonable care by or on behalf of you or a life assured. If this is not the case, we may be entitled to void the policy without return of premium, deny liability, treat the policy as if it had been entered into on different terms, or limit the amount paid out in the event of a claim.

You must also tell us if there's a change to anything that would affect any of the answers to the specific questions in your application in the time after you've applied for your cover, but before the start date.



About Royal London Ireland

We've a strong business heritage in Ireland and have been protecting customers here for over 190 years.

Over that time, we've been protecting people like you who want a trustworthy and straightforward company they can rely on for their life, illness and income protection cover.

Our financial strength

Solvency II regulations have been designed to help insurance businesses, such as Royal London Ireland, calculate their available capital (which is broadly assets minus liabilities), assess and manage their risks and ensure that they hold sufficient capital to take account of those risks.

Royal London Ireland is strongly capitalised, with a solvency ratio of 186% as of 31 December 2024.

This means we hold 1.86 times the regulatory capital required to meet all our obligations, including expected future claims.

About our parent company

We're owned by The Royal London Mutual Insurance Society Limited – the largest mutual life, pensions and investment company in the UK.

With assets under management of €210 billion*, you can rest assured you're in safe hands.

As part of the Royal London Group we are committed to looking after the interests of our customers. Our parent company's mutuality, meaning it is customer and member owned with no shareholders, allows us to adopt a mutual mindset. This means we take a longer-term view and focus on providing best customer outcomes.

Whoever you are and whatever your aims, we'll look to provide you with great long-term value, first class service and support at all times.

A secure choice for your financial needs

Needless to say, death or serious illness is not something any of us like thinking about. But it's important that you do – if only to make sure that your family is financially protected. Our products are only available from authorised Financial Brokers, who offer financial advice to help you meet your needs.

When you need us, we're only a phone call away in our Dublin office.

*Group assets under management figure as at 31/12/2024.

Want to know more?

If you have a question about Whole of Life you should contact your Financial Broker. They can provide you with any additional information that would help. See details below.

Financial Broker Stamp:

For information about Royal London Ireland visit our website:



Website
www.royallondon.ie

For information about our Privacy Policy, please read our Privacy Notice available at www.royallondon.ie/privacy-policy

This brochure is a marketing guide to Royal London Ireland's Whole of Life cover. Its purpose is to provide a general overview and guidance on the benefits of a Royal London Ireland Whole of Life policy, including details of our Helping Hand service.

This brochure is for illustration purposes only and does not form any part of any contract between us. For further details of the cover and the exclusions provided under Whole of Life cover, please see our Key Features Document and the Policy Conditions booklet. If you take out a policy, your application, the policy conditions booklet and the policy schedule will set out your contract with us. We strongly recommend that you consult with your Financial Broker before taking out the policy as this brochure is provided without any liability or responsibility on our part.

The information contained in this brochure is based on Royal London Ireland's understanding of current law and Revenue practice as at May 2025 which may change in the future.



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Feedback on the content and clarity of this booklet is very welcome.

Please email feedback@royallondon.ie

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