

## Financial Protection Explained

	Health Insurance	Mortgage Protection	Life insurance	Critical illness insurance	Income Protection
<b>Advantages</b>	<ul style="list-style-type: none"> <li>Provides financial cover for medical costs - hospital accommodation, tests, treatments &amp; procedures, consultant fees, GP fees and alternative therapies</li> <li>You can choose from Semi-private or Private hospital accommodation</li> </ul>	<ul style="list-style-type: none"> <li>Repays the value of your mortgage to your financial institution on death</li> </ul>	<p>Provides a lump sum benefit payment in the event of death or diagnosis of a terminal illness to your next of kin.</p>	<ul style="list-style-type: none"> <li>Provides a lump sum benefit on diagnosis of one of a list of specified critical illnesses (usually have to survive a minimum of 14 days)</li> <li>Lump sum benefit is not taxed</li> <li>The self-employed, employees and unemployed (homemaker) are all eligible for critical illness cover</li> <li>You choose the sum assured</li> <li>Children are generally automatically covered under insured's policy for cover up to the region of €25,000</li> <li>Optional benefits can include: indexation, hospital cash benefit, surgical cash benefit, accident benefit, specified injury benefit, option to increase level of cover, waiver of premium</li> <li>Few occupations if any occupations are excluded for cover</li> </ul>	<ul style="list-style-type: none"> <li>Typically provides up to 75% of net profits or salary (employees) less state benefits, if unable to return to work due to any accident, illness or disability</li> <li>Regular premiums are tax-deductible subject to an overall limit of 10% of income.</li> <li>The provision of a regular income while unable to work.</li> <li>Income payments will continue until age 60 or 65, or earlier recovery.</li> <li>Any illness, injury, accident or disability that prevents you from being able to do your normal occupation qualifies for payment</li> <li>Optional benefits can include: indexation, benefit escalation, hospital cash benefit, option to increase level of cover, waiver of premium while receiving benefit</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>Does not replace income or provide a capital lump sum</li> </ul>	<ul style="list-style-type: none"> <li>Does not pay your spouse/family any benefit to help cope with ongoing bills and cost of living as a single person</li> <li>People with a significant medical or family history of illness may be subject to higher premiums or may not be covered</li> </ul>	<p>People with a significant medical or family history of illness may be subject to higher premiums or may not be covered</p>	<ul style="list-style-type: none"> <li>People with a medical or family history of illness may be subject to higher premiums or may not be covered</li> <li>With no tax relief on premiums, they are generally more expensive than Income Protection</li> <li>The illnesses covered are only those specified in the policy, for example angina would not qualify as a heart attack.</li> </ul>	<ul style="list-style-type: none"> <li>Medical underwriting is more strict and moderately poor health may preclude obtaining the cover.</li> <li>Income payments in the event of a claim are subject to income tax in the same way as normal income.</li> <li>In the event of a claim income payments can only be paid after a minimum period of 13 weeks. Deferred periods are usually 13, 26 or 52 weeks - the shorter the deferred period the more expensive the policy premium.</li> <li>Many occupations are excluded from cover e.g. Fitness instructor, taxi driver, farmer etc.</li> <li>Spouses who work in the home cannot be insured</li> <li>Sum assured is dependant on your income, if you become unemployed during periods of cover the policy ceases</li> <li>There is no benefit for children as this is a form of cover based on income</li> </ul>
<b>Why do you need it?</b>	<ul style="list-style-type: none"> <li>If you become ill hospital stays and the costs of medical procedures can be expensive. Health insurance provides cover for your medical expenses.</li> </ul>	<ul style="list-style-type: none"> <li>Everybody with a mortgage must set-up a mortgage protection policy or have adequate life assurance in place to ensure that your next of kin can repay the balance of your mortgage to your lender should you die.</li> </ul>	<ul style="list-style-type: none"> <li>If you die your family will receive a lump sum payment to help pay off any outstanding mortgage, loans, ongoing living expenses</li> </ul>	<ul style="list-style-type: none"> <li>If you become seriously ill and cannot work for a time if at all, it can be used to pay off your mortgage in full, help with medical expenses and/or treatment abroad, be used to employ a full-time carer or to make adjustments to your accommodation i.e. wheelchair etc</li> </ul>	<ul style="list-style-type: none"> <li>If you become ill or have an accident and cannot work, income protection will pay you a regular income, after a set time period, until you can return to work or retirement, whichever comes sooner.</li> </ul>
<b>Who needs it?</b>	<ul style="list-style-type: none"> <li>Everybody – the type and level of cover will be dependent on your stage of life</li> </ul>	<ul style="list-style-type: none"> <li>Everybody with or applying for a mortgage</li> </ul>	<ul style="list-style-type: none"> <li>Anybody with dependants or with a share in a business</li> </ul>	<ul style="list-style-type: none"> <li>Homeowners, those with dependants, self-employed, those who work in the home are all dependent on their health and ability to perform their daily work.</li> </ul>	<ul style="list-style-type: none"> <li>Mainly the self-employed as their income is dependent on their health and ability to work, employees usually receive some level of income from employers for the 1st year out of work</li> </ul>

