

# Protecting Your Income



taking care of you...



# Income Protection

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An income protection policy could pay you a monthly income if you are unable to work due to an illness or injury

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For most of us, our income is our most important asset. It affects how we live and how we pay for everything from food, light and heating to our mortgage repayments, children's education and family holidays.

It may surprise you to know that many people in Ireland will be out of work for more than six months through illness or injury. What would happen if you were one of them?

Lots of employers don't provide any form of sick pay and for those who do, the majority will only pay you for six months.

Current State Disability Allowance (not everyone is entitled to it) is currently a maximum of €188 per week.

Could you live with a 40 - 80% drop in your income?

Income protection provides you with a replacement income if you are unable to work due to an accident, injury or illness. It can ensure your lifestyle doesn't have to change if illness strikes and it can be used to pay your bills and living expenses until you are able to return to work, or if not, until your retirement age.

# Income Protection At A Glance

<b>How do I benefit?</b>	Income Protection provides you with a replacement income in the event that you are unable to work due to illness or injury.
<b>How long am I covered?</b>	You will continue to receive an income until you are ready to go back to work, and if you are not well enough to return to work, your replacement income will be paid until your chosen retirement age (that's 65 for most people).
<b>Who is income protection for?</b>	Everyone who is in paid employment, whether full-time or part-time (minimum 16 hours per week) and relies on their income.
<b>Is it good value for money?</b>	Not only is Income Protection from New Ireland competitively priced, you can also claim tax relief on your contributions, so a premium of €50 per month could cost just €29.50 after tax*.
<b>How much income should I protect?</b>	<ul style="list-style-type: none"><li>• You can choose the amount of income to protect, up to 75% of your current earnings (subject to a maximum of €250,000).</li><li>• With our Guaranteed Insurability Option you can increase your benefit in line with salary increases as your career progresses (see page 4 for more details) and you can index it in line with inflation.</li><li>• The Confirmed Income Option helps guarantee the amount you will receive at claim stage even if your income has dropped.</li></ul>
<b>Is the premium fixed?</b>	Yes, if you opt for a level premium, the amount you pay is fixed and will not increase during the term of your policy, even if you make a claim.
<b>What if I change my job?</b>	Your cover continues if you change job, regardless of your new occupation. You can also stay covered if you become unemployed, take a career break or parental leave under our Essential Activities Benefit. See page 9 for more details.
<b>Added Benefits - helping you when you need it most</b>	<ul style="list-style-type: none"><li>• The Back to Work Benefit will help with your finances when you return to work after a long term claim e.g. one year. You'll get 50% for the first month back to work and 25% of the benefit in the second month.</li><li>• If you are hospitalised a benefit is payable for every day you spend in hospital after day 7 up to a max of 90 days.</li><li>• We provide access to professional support to help you return to work. We also facilitate those who return to work on a part time basis through our proportionate benefit.</li></ul>

\*€29.50 assumes you are a higher rate tax payer. It is important to understand tax relief is not automatically granted, you must apply to and satisfy Revenue requirements. Revenue limits, terms and conditions apply.

# Income Protection Tailored To Your Lifestyle

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You can choose to protect up to 75% of your annual taxable income from your employer

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Our Income Protection is tailored to meet your needs and personal circumstances, allowing you to spend the money how you wish, should you need to claim.

## How much should I cover?

While 75% of your income is our recommended level, we always ask that a customer protects what they can afford. Remember some cover is better than none.

## When would my payment start in the event of a claim?

You can choose when you would like your payment to start in the event of a claim. We can pay you from as early as eight weeks after an illness or injury occurs. In making this decision consider how long your employer will pay you if you are unable to work, and also if you have savings to fall back on in the short term.

## Will my premium increase during the policy?

Your premium will stay the same, allowing you to budget exactly how much your cover will cost every month, unless you choose the Indexation option. Indexation means the premium and benefits increase in line with inflation, up to a maximum of 3%, helping you maintain your purchasing power into the future.

As you move through your career your income is likely to increase with your experience. It is important that you can increase your Income Protection cover in line with your income. That's why with our Guaranteed Insurability Option you can increase your cover by 20% of the original amount protected every three years. No evidence of health will be required and this option is open to you unless you decide not to use it on two consecutive occasions. The maximum total increase over the policy is 100% of the original cover.

# Benefits

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At New Ireland, we've looked at the market, taken what's best from it and then added further enhancements and improvements.

## **Tax relief**

Full tax relief is usually available on all premiums paid. This reduces the cost to you by up to 41%, if you are a higher rate tax payer (e.g. a premium of €50 per month would only cost you €29.50).

## **Hospital Cash Benefit**

If you are hospitalised, this benefit is payable for every day you spend in hospital after day 7 up to a maximum of 90 days.

## **Confirmed Income Option**

If you select this option and your income falls during the term of your proposal, New Ireland will pay you the higher amount agreed at the outset should you need to claim.

## **Essential Activities Benefit**

Unlike many other providers who refuse to pay out if you are unemployed at the time of claim, we will consider you under our Essential Activities Benefit, which will pay you an annual amount of €15,000 a year should you meet certain criteria. Your premium will reduce in line with the reduced benefit. If you return to full time employment within 12 months, you can re-instate your income protection benefits without having to provide new medical evidence.

## **No Hidden Exclusions**

Some other providers have standard exclusions in their policy conditions. For example if a person develops an alcohol problem later in life this could cause difficulties at claim stage. New Ireland has no such standard exclusions once the policy starts.

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### **Selection of Deferred Periods**

The deferred period defines when your payment will start in the event of claim. Because everyone is different, at New Ireland we've extended the options to include deferred periods of 8, 13, 26 and 52 weeks.

### **Back to Work Benefit**

The Back to Work Benefit will help with your finances when you return to work after a minimum period of one year. You'll get 50% for the first month back to work and 25% of the income protection benefit in the second month.



# Income Protection Case Study

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How long would your employer pay you if you were on prolonged sick leave?

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James currently earns €48,000 a year and has been with his current company for three years.

He relies on his income to meet all his expenses. Without it his life would be very different. He wants to make sure his lifestyle won't suffer if he gets ill in the future.

James knows his current employer will provide him with full pay if he is out sick for up to six months. However, after six months his entitlements would stop. The State Illness Benefit would become payable but this would not be enough to meet his current living expenses, not to mention any additional medical expenses.

The likelihood is that if he was out sick for longer than six months he would have to move home and rely on the support of his parents.

## The Solution

James takes out cover that will pay him a replacement monthly income after six months (when his salary will stop) if he can't work due to illness or injury. He would like to ensure an income of 75% of his current salary.

As a 35 year old seeking income protection cover of €26,224\* and assuming James is a non smoker and accepted at ordinary rates his premium will be €12.57 a week costing him €7.41 a week after tax relief.\*\* Amount quoted is at January 2014.

He knows that his income protection payments combined with the State Illness Benefit will mean he can maintain his current lifestyle and won't have to rely on others if he gets ill in the future.

\* €26,224 combined with the State Illness Benefit will ensure an income of 75% of current salary for James.

\*\* Assumes income tax is paid at the higher rate of 41%. It is important to note that tax relief is not automatically granted, you must apply to and satisfy the Revenue requirements. Revenue limits, terms and conditions apply

# Is It Easy To Set Up An Income Protection Plan With Us?

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At New Ireland, getting cover is a simple three step process.

## Step 1

A face-to-face review with your adviser to determine the right policy and benefits for you and complete a short application form.

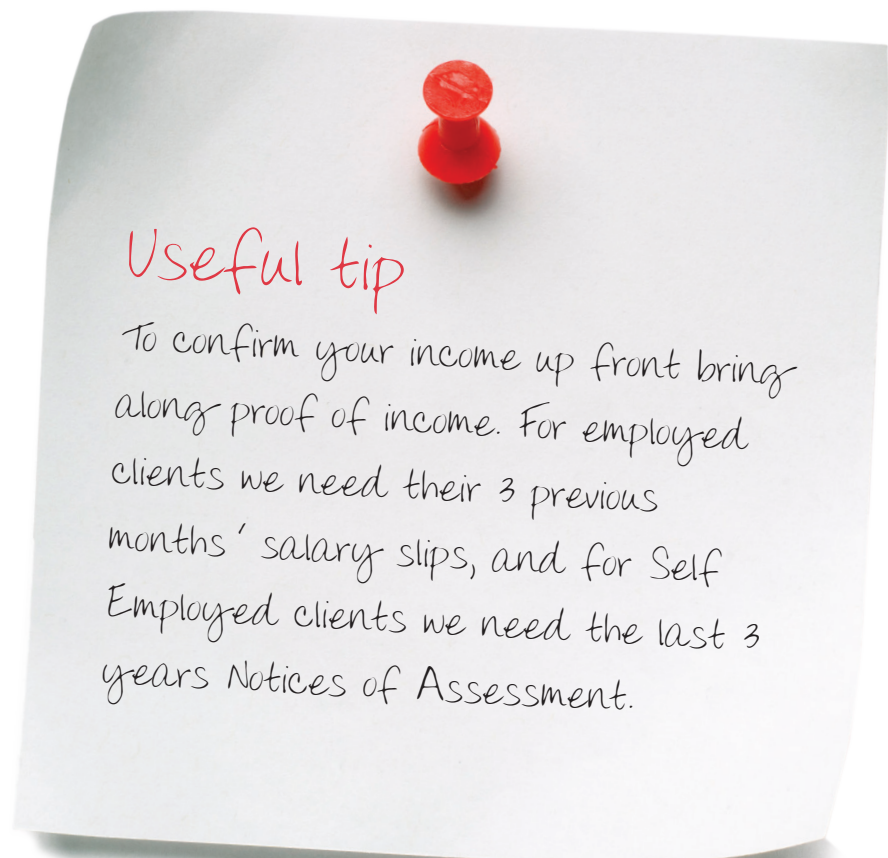
## Step 2

A confidential, tele-interview with a specialist nurse to gather the necessary information for your application. This interview takes place over the phone, at a time that is convenient for you. A copy of the questions and answers will be sent to you, so that you can check what has been said and recorded.

In some cases we may need a report from your GP or require you to undergo a medical examination at our expense.

## Step 3

Once we have accepted your application and put you on cover, you will receive all policy documents by post. Please ensure you keep these in a safe place.





# Our Claims Philosophy

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The true value of any protection policy is in how well it provides for claims. At New Ireland, we are extremely proud of our claims history in the Irish market.

We make every effort to collect the right information at the application stage so that when it comes to claims there are 'no quibbles'. That's why we were the first to introduce tele-interviewing to the Irish market for individual income protection. Because the information is collected by a specialist nurse the risk of non disclosure (that's when not all relevant information is provided) is greatly reduced. This means that we will be able to pay more claims, faster and in full.

Here are a few examples of how we supported customers when they needed our help.

## We helped...

### **A Customer Advisor with back injury**

A 37 year old Customer Advisor slipped on a wet floor and damaged her back. New Ireland Assurance funded rehabilitation for her and after two years, she was able to return to work on a part-time basis. New Ireland continues to pay her claim on a reduced basis while she is working part-time hours.

### **A cyclist in a traffic accident**

A 37 year old Gym Manager was cycling home after work one day when she was struck by a car. She was very seriously injured and suffered multiple fractures. She has been through an extended period of rehabilitation but unfortunately, she remains extremely limited in her ability to carry out the normal activities of daily living. We expect to be paying this claim for her until her retirement age.

### **Someone suffering with depression**

An Engineer in his early twenties was unable to work in the job that he loved due to depression. On receipt of his claim form we arranged for a nurse to visit him and funded counselling for him over a number of months. Following this, we paid him a rehabilitation benefit while he completed a phased return to work. Thankfully, he has now made a full recovery and is enjoying his full time return to the workplace.

### **A lady left paralysed after a sporting injury**

A female client from the financial services sector suffered a serious sporting injury which left her significantly paralysed at the age of 23. She is now working for her employer from home on a part-time basis. New Ireland is pleased to pay a proportionate benefit to supplement her part-time earnings.

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In 2013 we paid over  
€111m across our different  
protection policies

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# Making A Claim

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When you're with New Ireland, making a claim is a simple, straightforward process. We work with you and your adviser to ensure that you are supported every step of the way, leaving you time to focus on getting better.

If you need to make a claim, please ensure you contact us early and let us know, as this will help us pay your claim on time. You can do this by phone: (01) 6172904, e-mail: [incomeprotectionclaims@newireland.ie](mailto:incomeprotectionclaims@newireland.ie) or by writing to us at our Income Protection Claims Team, New Ireland Assurance, 9-12 Dawson Street, Dublin 2.

Once you have notified us, we issue a claim form for you to complete. Please ensure that you return the completed claim form no later than the timelines outlined in our Claims Guide to ensure we can start paying your replacement income without delay.

## **Our commitment to you**

Once you meet the timeframes outlined in the Claims Guide, we will start your payments after the Deferred Period outlined in your policy.

If we have not already done so, we will then follow-up with your doctor or consultant to review your medical status and obtain any medical information we may need to complete the claim assessment.

Once all the medical evidence and documentation has been received our Chief Medical Officer will make a decision on your claim. If your claim is valid, we will continue to make payments to you until you are ready to return to work.

## **Our service doesn't stop there**

Our experience has shown us that customers are keen to get back to work and bring a sense of normality back into their lives. Because of this, we support customers to help them return to work, developing new skills and even starting their own businesses.

This is done at a pace that is right for you. Our approach is built around the individual, supported by a team of professionals.

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### **Claims visitor**

In some cases, we'll arrange for a specialist nurse to call out to you to discuss your claim and offer advice. Alternatively, the Claims Team will guide you through the claims process so you'll know what to expect and help with any questions or worries you may have.

### **Rehabilitation**

We'll work closely with our clients to help them continue to carry out normal everyday activities, and ultimately return to work.

Other supports that may be available include counselling, physiotherapy and re-training all of which are designed to help get our customers back on their feet and working again.



Terms and conditions apply. Benefits are subject to underwriting requirements and policy conditions. It is important to note that certain restrictions, conditions and exclusions apply. Benefits in the course of payment will be subject to tax.

While great care has been taken in its preparation, this document is of a general nature and should not be relied on in relation to specific issues without taking appropriate financial, insurance, investment or other professional advice. The information has been taken from sources we believe to be reliable, however we do not guarantee their accuracy or completeness and any such information may be incomplete or condensed. All opinions and estimates constitute best judgement at the time of publication and are subject to change without notice. The content of this document is for information purposes only. If there is any conflict between this document and the Policy Conditions, the Policy Conditions will apply.



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