

# Money Matters

A series of weekly articles by Quintas Experts

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## THE IMPORTANCE of life assurance & income protection

Nobody likes to talk about life assurance but if you have young dependents or people that depend on you, you should have it.

Protection policies are taken out for three main reasons; to protect your family, your income and your home. Life assurance is primarily about providing financial cover for dependents in the event of death, although the general term may also be applied to products providing benefits in the event of suffering a specified illness or disability. By putting a life assurance policy in place it gives you the peace of mind that if you die, or are diagnosed with a specific illness, your family will not have to suffer financially.

### **Security**

Thousands of people in Ireland have no life assurance and thousands more don't have enough to provide financial security for their loved ones. We may ask ourselves why? The answer is unclear, although it may incorrectly be attributed to the cost of providing cover. Life assurance isn't necessarily expensive - for example a 30 year old man can ensure that his dependents receive €200,000 if he dies within the next 10 years at a premium cost of about €13 a month.

### **Increase**

In the current climate we have noticed an increase in the uptake of income protection insurance as people now realise just how important their income is and the benefits attached to protecting their income. Income protection, or PHI as it is often referred to, provides you with a replacement income if you cannot work as a result of an illness or injury after a certain period of time.

Premiums paid for this type of policy are eligible for tax relief at your marginal rate of tax up to a limit of 10 per cent of income. Unfortunately a lot of people are currently cancelling their life assurance policies as they feel they cannot afford the premiums but many of the life assurance companies have dropped their rates and enhanced the benefits, so it is a great time to shop around for your protection policy.

Really there is no such thing as the cheapest quote as each company will have their strengths and weaknesses when it comes to basic life assurance. Some companies specialise in covering older clients where others offer better terms to younger clients. Premiums are usually more expensive for smokers. In summary, each individual should shop around for the best rate for their own personal profile.

At Quintas Wealth Management we aim to take the hassle out of shopping around as we will carry out a free, no obligation financial review and research all the life assurance providers to present you with the quote that best suits your needs. If you would like further information, please do not hesitate to contact a member of the Quintas Wealth Management team at [info@qwm.ie](mailto:info@qwm.ie) or call us on 021-4641480.

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