

# Friends First Term Assurance - Frequently Asked Questions



## 1. Why do I need life assurance?

Life assurance pays a tax-free lump sum if you die at any stage over the term of your policy.

Term Assurance is an extremely useful and affordable form of life assurance, which you can apply for at any time as long as you are under the age of 75 (for term assurance) or 65 (for pension term assurance).

If your life assurance policy is not related to a mortgage, you decide how much cover you'd like, and the term, and the premium will be calculated accordingly, based on your age and state of health.

## 2. How much life assurance should I have?

You decide, with the help of your financial adviser, how much life assurance you need. People often want their policy to pay out a multiple of their salary.

You should consider the financial situation of your dependants in the event something was to happen to you when evaluating how much life assurance you require.

## 3. What is Mortgage Protection?

Decreasing term assurance, or Mortgage Protection, is a type of life assurance contract that is designed to cover the outstanding balance on your mortgage in the event of your death. The level of cover decreases over the term of the policy, in line with the balance of your mortgage\*. Because the level of cover is decreasing, it is the cheapest form of term assurance. Mortgage lenders require that you have at least this level of cover in order to lend you the money to buy your home.

\*This product is only guaranteed to match the outstanding balance of your mortgage if you select the guaranteed cover at outset.

## 4. What's the difference between single, joint, and dual life assurance?

- A single life contract covers one person
- A joint life contract covers two people, and pays out on the first death of either person covered.
- A dual life policy covers two people, and pays out the sum assured on the death of each person covered.

## 5. How much does it cost?

The cost depends on several factors, including the amount of cover you need, the term of the cover, your current health and personal details, and the basis of the contract.

Your financial adviser can provide you with a personalised quotation, and help you to decide how much cover you need.

## 6. Will my monthly payment amount change over the term of the policy?

No. Your payments are guaranteed for the term of the policy, as long as the benefits under the policy do not change.

If you select indexation at the outset of your policy, your benefits will increase by 5% each year to help keep in line with inflation, and your payment will increase by 8% each year.

## 7. How does my health affect the amount I pay for life insurance, and why do you need my personal information?

The payment you make for your life cover is determined, in part, by your current state of your health. Having a clear view of your

medical history helps us to determine what premium you need to pay, and allows us to charge a fairer price to all our customers.

We realise that the information we request from you is personal and sensitive. For this reason, the information we collect is kept confidential and shared with only those who must have this information to determine your eligibility for benefit.

## 8. Should I even bother applying for life assurance if I know I have an existing medical condition?

Yes! While it may be that you will be declined for cover depending on your condition, we will review your medical history and personal details, and we may also offer you acceptance terms at an increased premium.

## 9. Why are you concerned with my medical condition when my doctor may not be?

If you have a medical problem that requires no immediate attention, your physician may not be concerned. If and when the medical condition becomes more severe or if there are any complications, your doctor can respond by starting treatment or conducting further tests.

However, when Friends First are evaluating that same medical condition, we have only a narrow window of time to assess your condition, and predict future changes in that condition.



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## 10. Will I have to take a medical exam or get a report from my GP, and if so, will I have to pay for it?

Based upon your age and the amount of cover you are applying for, a report from your GP, or a medical exam and/or additional medical tests may be required to help us make the most informed decision. These tests will provide us with the information we need to fairly assess your eligibility for cover.

Any medical reports, exams, or other tests are at the expense of Friends First, and you will not have to pay for any medical requirements we may have.

The medical exam can be conducted by either a registered nurse at your home or business or by a doctor at their surgery, depending on your age and the amount of cover you have requested.

## 11. How long does the underwriting process take?

As soon as you send in your application form, we will review your details and decide on our requirements to make a full evaluation of your case. In many cases, acceptance terms are issued immediately and you can be covered within a few days.

Where we need further information such as medical reports or examinations, we will write to you immediately to tell you what we need. As soon as we have all of the required information, we will let you know if you have been accepted (and on what terms) or declined.

## 13. What other benefits can I choose in addition to life assurance?

Depending on the product you apply for, you may be able to take out additional benefits such as:

### Terminal Illness benefit

All Friends First Term Assurance policies automatically provide terminal illness benefit at no extra cost. This means that if you are diagnosed with an illness from which your Doctor expects you to die within a year, your life cover amount will be paid out immediately.

### Critical Illness Benefit

This benefit covers you if you are diagnosed with one of a list of specified illnesses (for a list of these illnesses, please see our explanation leaflet, available on our website or through your financial adviser.)

### Hospital Cash Benefit

This benefit pays you a sum of money if you need to spend any time in hospital. At the outset of your plan, you choose your deferred period (how long you must spend in hospital before the benefit is paid out: either 3 or 7 days), and which level of daily benefit you require (either €60 or €120 per day).

### Guaranteed Increase Option

You can choose to add the guaranteed increase option to your contract. This means that every three years, Friends First will contact you to offer you an additional 20% of the original sum assured, without the need to provide us with any further medical information. We will offer this to you five times, from the 3rd anniversary to the 15th anniversary. If you fail to take up the option more than once when offered, we will not offer it again.

### Waiver of premium benefit

Premiums due on the product will be waived following six months of disability (as defined in your policy conditions). If this is a joint or dual life contract, this benefit may only apply to one of the persons covered, and the person to be covered must be chosen at commencement.

### Permanent and Total Disability benefit

This benefit may be added to the policy if Critical Illness benefit is chosen. You choose at outset whether you require an "Own Work" or "Quality of Life" definition:

Own work: You will be considered to be totally and permanently disabled if you are permanently unable to do your usual job because of sickness or injury.

Quality of Life: You will be considered to be totally and permanently disabled if you qualify under the mental and physical health tests as set out in the policy conditions.

### Overseas surgery benefit

Overseas surgery benefit is automatic on contracts with Critical Illness cover attached. If you or one of your children require an immediately necessary surgical procedure or operation which cannot be performed in any hospital in Ireland, €7,000 will be paid towards the cost of that surgery.

To discover the difference, please contact your Financial Adviser or contact Friends First Direct on **1890 201 430**. Alternatively, you can contact us online at **[www.friendsfirst.ie](http://www.friendsfirst.ie)**



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