Consumer Guide to Life Insurance in Ireland

Protecting your family with clear, practical cover

A plain-English consumer guide from Mylife.ie

SMP Financial Ltd t/a Mylife.ie is regulated by the Central Bank of Ireland.

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Life insurance at a glance

What it does	How to size it	Mylife.ie process
Pays a lump sum if the life insured dies during the policy term, helping loved ones meet household costs and future needs.	Start with household outgoings, deduct mortgage payments already cleared by mortgage protection, then deduct realistic survivor income.	Online data capture, whole-market comparison across major Irish life offices, adviser review and practical budget-led recommendations.

This guide is written for individuals and families in Ireland who want life insurance that protects loved ones, not just a bank. It explains what life cover does, how Mylife.ie thinks about appropriate cover, why affordability matters, when serious illness cover may be considered, and why family protection should be kept separate from mortgage protection.

The guide is deliberately practical. Rather than asking a family to complete a perfect household budget, it uses broad figures, worked examples and adviser-led judgement to help decide what level of cover is sensible, affordable and worth comparing across the market.

Mylife.ie was founded in 2006 and has been providing expert advice and full market analysis for 20 years. Mylife.ie compares live quotes from Irish Life, Aviva, Royal London, New Ireland and Zurich Life, and SMP Financial Ltd t/a Mylife.ie is an authorised insurance intermediary regulated by the Central Bank of Ireland.[5]

Contents

Source URLs and regulatory information are included on the relevant pages.

Sources on this page

5. Mylife.ie: https://mylife.ie

What this guide covers

This guide explains term life insurance for family protection in Ireland. It is not a guide to mortgage protection, business protection, inheritance-tax planning or pension term assurance, although those areas may overlap with a full financial review.

The focus is simple: if a person dies, what lump sum would allow the household to keep going, absorb the transition and avoid rushed financial decisions?

Term life insurance is commonly used because it pays a lump sum if the life insured dies during the policy term, and if the person survives the term the policy ends with no payout.[1]

Quick answer

Life insurance is cover for people who depend on you. A suitable policy should help your family meet household expenses, clear or avoid pressure from debts, maintain children's routines, and bridge the period until earnings, pensions, assets or other supports can take over.

Mylife's starting point is not "match the insured person's income". The better question is: what monthly household outgoings would still have to be paid if that person died, after allowing for mortgage protection, survivor income and realistic changes in the household?

Plain-English test

A good level of life cover should help the surviving household buy time. It should give them room to grieve, reorganise work and childcare, make decisions slowly and keep essential spending funded.

Sources on this page

1. CCPC, Term life insurance: https://www.ccpc.ie/consumers/money/insurance/life-insurance/

What life insurance does

A term life policy is designed to pay a lump sum on death during the selected term. The CCPC describes term life insurance as one of the simplest and cheapest forms of life insurance when compared with whole-of-life cover.[1]

Irish Life describes life insurance as cover that can provide loved ones with a tax-free lump sum, which may be used to pay a mortgage, loans, car payments or help maintain a family's standard of living without the insured person's income.[6]

Aviva distinguishes life insurance from mortgage protection by explaining that life insurance gives dependants money for other expenses such as childcare, electricity costs and loans, while mortgage protection pays the outstanding mortgage balance.[7]

Cover	Main purpose	Who normally benefits	Typical warning
Family life insurance	Provides a lump sum for loved ones if death occurs during the term.	Family, estate or named policy owner/beneficiary.	Needs should be reviewed as income, children, debts and assets change.
Mortgage protection	Helps repay the mortgage if death occurs during the mortgage term.	Usually the lender first if the policy is assigned.	Do not rely on bank-assigned cover to protect family income needs.
Serious illness cover	Pays if the insured person is diagnosed with a covered illness and meets the policy definition.	The policy owner while alive.	It is more expensive, definitions matter, and it does not replace income.

Sources on this page

1. CCPC, Term life insurance: https://www.ccpc.ie/consumers/money/insurance/life-insurance/
6. Irish Life, Getting started with life insurance: https://www.irishlife.ie/life-insurance/
7. Aviva, Life insurance Ireland: https://www.aviva.ie/insurance/life-insurance/

The Mylife method

Within reason, it is hard for a young family to buy too much life cover. In practice, the limiting factors are usually affordability, reasonable cost and what a household is genuinely willing to maintain every month.

Mylife generally recommends starting with household expenses rather than salary. Life cover is not intended to replicate payslips; it is intended to fund the outgoings the family will still face.

Step	Question to ask	Why it matters
1. Choose a broad monthly outgoings figure	Is the household broadly spending €3,000, €5,000, €12,000 or another realistic amount each month?	This does not need to be a forensic budget. A sensible broad-brush number is usually enough to begin.
2. Remove mortgage repayments if protected	Would the mortgage be cleared by a separate mortgage protection policy?	If yes, deduct the mortgage payment because that outgoing should fall away on death.
3. Deduct realistic survivor income	What after-tax income would the surviving adult actually be able to earn?	Do not assume full-time work if childcare, grief, health or business disruption would make that unrealistic.
4. Add slack	Would a margin help cover the transition?	A clean calculation that leaves no room for change is rarely practical.
5. Convert annual gap into capital	What lump sum could fund that gap until income, assets or pension benefits take over?	The younger the family, the longer the bridge normally needs to last.

Brokers Ireland’s protection guidance also starts with the income gap and recognises the need to clear loans, cover future costs, allow for reduced working hours of a surviving partner and consider existing pensions or benefits.[4]

Capital sum framework

A useful planning shortcut is to turn the annual household gap into a capital sum that can be invested and gradually drawn down. For someone in their mid-20s, Mylife may use an initial income figure of roughly 6% of the capital sum as a broad guide. As the person approaches retirement, the income-replacement period shortens and the need normally tapers towards nil.

This is a framework, not a promise about investment returns. The point is to recognise that a young family may need a lump sum capable of supporting decades of outgoings, while an older household may need a shorter bridge because assets, pension rights and State Pension eligibility are closer.

Sources on this page

4. Brokers Ireland, A guide to protection for financial brokers: https://brokersireland.ie/wp-content/uploads/2018/02/a-guide-to-protection-for-financial-brokers.pdf

Life stage	Practical planning emphasis	Common adviser judgement
Younger family	Long bridge to pension age, childcare years, future education costs.	Higher cover need. The annual income gap may be thought of as a modest percentage of the capital sum.
Mid-career family	Mortgage may still exist, children may still depend on household income, survivor may keep earning.	Use the expense gap, existing benefits and affordability to choose a realistic lump sum.
Later-career family	Assets may be higher, mortgage may be lower or gone, pension age is closer.	Need usually falls. Cover may be reduced, shortened or focused on a defined transition period.
Retirement or near retirement	Earned income may be replaced by pension income, savings or investments.	Traditional family income-replacement cover may be unnecessary or very limited.

The State Pension Contributory is generally available from age 66, and people born during or after 1958 can choose a date between age 66 and 70 to access any entitlement, with actuarially increased rates where access is deferred.[11]

Worked examples

The following examples are simplified. They show how the method works, not what any particular household should buy.

Example	Broad calculation	Indicative outcome
Young couple with children	Monthly outgoings €6,000. Mortgage €2,200 is expected to be cleared by mortgage protection. Survivor income may be nil for a period because of childcare. Add €700 slack.	Gap: €4,500 per month, or €54,000 per year. At a long-bridge planning rate of 6%, an idealised capital sum is about €900,000.
Dual-income couple	Monthly outgoings €5,500. Mortgage payment €1,800 is protected. Survivor net income €3,000. Add €500 slack.	Gap: €1,200 per month, or €14,400 per year. Depending on age and term, cover around €250,000 to €300,000 may be a practical starting point.
Later-career household	Monthly outgoings €4,500. No mortgage. Survivor income €2,500. Gap €2,000 per month, but pension age and existing assets are closer.	The ideal cover may be materially lower than a young family's need and may be set for a shorter term.

Why examples matter

Families often discover that the "ideal" answer and the "affordable" answer are different. The adviser's job is to show both clearly, then help the client make a sensible choice.

Sources on this page

11. gov.ie, State Pension Contributory: https://www.gov.ie/en/department-of-social-protection/services/state-pension-contributory/

Affordability reality

In two decades of advice experience, Mylife finds that the textbook structure is often adapted by budget. If someone can reasonably spend €100 per month, there is little value in recommending a policy that costs €300 per month. If the real budget is €50 per month, a €500-per-month idealised solution is not a solution.

That is why the conversation often becomes one of two practical questions: how much cover will a particular monthly budget buy, or how much will a particular sum assured cost?

Budget-led question	Cover-led question
"How much family life cover will €x per month buy me, across the market, with and without conversion or serious illness options?"	"How much would €y of cover cost for the term we need, and does the premium still make sense beside other household priorities?"

The right recommendation should make the trade-off visible. A family may decide to buy less than the ideal capital sum, use a shorter term, include conversion, split cover between two policies, or revisit the level later as affordability improves.

Single, joint and dual life

The CCPC describes single cover as cover on one person, joint cover as cover on two people that normally pays once on first death, and dual cover as separate cover on each person where each could generate a separate claim during the term.[1]

Basis	How it works	When it may suit	Caution
Single life	One person insured. Pays if that person dies during the term.	Where one person's death creates the main financial risk.	Couples may need separate cover for both lives.
Joint life	Two lives insured. Usually pays once on first death and then ends.	Lower-cost cover where the need is mainly first-death protection.	After a claim, no cover may remain for the survivor.
Dual life	Two lives insured separately under one plan. A claim on one life does not necessarily use up the other life's cover.	Families where both deaths would create separate financial needs.	Usually costs more than joint life, but can provide stronger family protection.

For family protection, dual life is often worth considering where both adults contribute income, care or household stability. The correct answer depends on cost, underwriting and how the household would actually operate after a death.

Sources on this page

1. CCPC, Term life insurance: https://www.ccpc.ie/consumers/money/insurance/life-insurance/

Term and options

Term

The policy term should usually run until the financial dependency reduces. For many families that means until children are financially independent, the mortgage is gone, pension benefits are available, or the household could comfortably self-insure.

Conversion option

Mylife strongly favours including a conversion option where available and appropriate. The premium increase is usually small compared with the value of being able to continue cover later without new medical underwriting.

The CCPC explains that a conversion option can allow a policyholder to convert to a new policy before the end of the term without new health proof, with the new premium based on age at conversion.[1]

Royal London’s key features document says the conversion option may allow the life assured to convert existing cover into another policy without providing details of health, subject to policy terms and age limits.[8]

Indexation

Indexation can help cover keep pace with inflation, but it also increases the premium. It is useful when a family wants the real value of cover protected, but affordability must still be tested.

Aviva describes indexation as an option to increase cover each year to help keep up with inflation without further evidence of health.[7]

Sources on this page

1. CCPC, Term life insurance: https://www.ccpc.ie/consumers/money/insurance/life-insurance/
7. Aviva, Life insurance Ireland: https://www.aviva.ie/insurance/life-insurance/
8. Royal London Ireland, Term Assurance and Specified Serious Illness Cover key features: https://www.royallondon.ie/siteassets/site-docs/broker-centre/key-features/rl-ta-ssi-kfd.pdf

Serious illness cover

Many families consider adding accelerated serious illness cover to a life policy. It can be valuable, but the selected serious illness amount is often lower than the life cover amount because serious illness cover is more expensive. It is more expensive because the probability of a claim is higher and the underwriting is more involved.

The CCPC explains that serious illness insurance pays a tax-free lump sum if the insured person is diagnosed with one of the specific illnesses or disabilities covered by the policy, but it does not replace income and pays only a once-off lump sum.[2]

The Central Bank's insurance rules require firms to explain restrictions, conditions and exclusions before a consumer completes a proposal form for serious or critical illness insurance.[3]

Type	What happens on claim	Practical point
Accelerated serious illness	The serious illness claim is paid first and the life cover is reduced by the amount paid.	Often cheaper than separate cover, but leaves less life cover after a serious illness claim.
Standalone or additional serious illness	The serious illness claim is separate from the life cover.	Stronger protection, but normally more expensive.

Zurich gives a simple accelerated-cover example: with €150,000 life cover and €100,000 accelerated serious illness cover, a €100,000 serious illness claim would leave €50,000 payable on a later death during the term.[9]

New Ireland describes specified illness cover as available on a standalone or accelerated basis and notes that under accelerated cover the lump sum on death is reduced by any accelerated specified illness benefit paid.[10]

Refer to the dedicated guide

For assessing serious illness benefit amounts, illness definitions and provider choice, clients should refer to Mylife's consumer guide to serious illness life insurance.

Sources on this page

2. CCPC, Serious illness insurance: https://www.ccpc.ie/consumers/money/insurance/serious-illness-insurance/
3. Central Bank of Ireland, Consumer Protection Code insurance rules: https://www.centralbank.ie/regulation/consumer-protection/consumer-protection-code/section-48-regulations/part-4-insurance
9. Zurich Ireland, Accelerated serious illness cover: https://www.zurich.ie/life-insurance/serious-illness-cover/accelerated/
10. New Ireland Assurance, Specified Illness Cover: https://www.newireland.ie/insurance/specified-illness-cover/

Separate family cover

One of the most common mistakes Mylife sees is family life cover being written together with mortgage or other loan cover. This can confuse two separate interests: the family's need for money and the lender's need for loan repayment.

Where a mortgage protection policy is assigned to a lender, section 126 of the Consumer Credit Act 1995 provides that any excess policy proceeds over the amount due to the mortgage lender are payable to the surviving borrower or the deceased borrower's estate.[12]

That statutory wording is a useful reminder: the lender is a party to mortgage-related cover. Family protection should generally sit outside bank-assigned mortgage protection so the family's interests are not mixed with the bank's.

Do	Avoid
Keep mortgage protection for the mortgage and family life cover for the family.	Assuming a bank-assigned mortgage policy will provide flexible money for household expenses.
Review both policies together so the total plan makes sense.	Cancelling or replacing an assigned policy without lender approval and replacement cover in force.
Use separate policies where the needs, beneficiaries and assignment arrangements are different.	Combining family and bank needs simply because it seems administratively convenient.

Switching cover

Switching life insurance can save money or improve terms, but caution is required. Do not cancel an existing policy until replacement cover is accepted, issued and in force.

The CCPC warns that switching may become more expensive as a person gets older and advises consumers not to cancel an old policy until the new policy has been confirmed in writing.[1]

Extra care is needed when switching a policy that includes serious illness benefits. Illness definitions evolve, and an older definition set may sometimes be more favourable than a modern equivalent. The policyholder's health, occupation, pastimes and underwriting position may also have changed.

Royal London's key features document warns consumers replacing an existing policy to take special care that the new policy meets their needs and to understand the financial consequences of replacement.[8]

Sources on this page

1. CCPC, Term life insurance: https://www.ccpc.ie/consumers/money/insurance/life-insurance/
8. Royal London Ireland, Term Assurance and Specified Serious Illness Cover key features: https://www.royallondon.ie/siteassets/site-docs/broker-centre/key-features/rl-ta-ssi-kfd.pdf
12. Irish Statute Book, Consumer Credit Act 1995 section 126: https://www.irishstatutebook.ie/eli/1995/act/24/section/126/enacted/en/html

Before switching	Question
Health	Would a new insurer accept the same terms today?
Serious illness definitions	Are the old or new definitions better for the illnesses that matter?
Options	Would conversion, indexation or guaranteed increase options be lost?
Timing	Is the new policy fully live before the old policy is cancelled?
Assignment	Is any policy assigned to a lender, and has the lender approved a change?

Why comparison matters

Life offices can price the same life differently. They can also differ on underwriting outcomes, conversion rules, serious illness definitions, child benefits, digital medical services, policy options and how they handle non-standard cases.

Mylife.ie compares quotes from Irish Life, Aviva, Royal London, New Ireland and Zurich Life, and recommends an option based on price and service.[5]

Whole-market analysis matters most when the case is not perfectly standard: smoker status, medical history, high cover amounts, hazardous sports, complex family circumstances, serious illness cover, or the need for conversion and flexibility.

Price is not the only comparison

A cheaper policy may be right, but only if the term, cover basis, conversion option, underwriting decision, exclusions and serious illness definitions are also suitable.

Sources on this page

5. Mylife.ie: https://mylife.ie

How Mylife.ie helps

Mylife's process combines efficient online data capture with adviser review. The online process helps gather the details needed to compare the market; the adviser review helps ensure the recommendation reflects the person, the household and the practical budget.

Mylife.ie describes its service as a straightforward process where clients answer simple questions, receive quotes from major Irish life insurers and can then speak with an adviser to complete an application.[5]

Stage	What happens	Consumer benefit
1. Fact find	Capture age, smoker status, health, family situation, mortgage position, desired cover and budget.	Fewer surprises later in the process.
2. Needs discussion	Estimate household outgoings, mortgage deduction, survivor income and capital need.	Advice starts with real family expenses.
3. Market analysis	Compare pricing and terms across the major Irish life offices.	The client sees practical options rather than one provider's answer.
4. Adviser review	Check cover basis, term, conversion, serious illness options and underwriting considerations.	The recommendation is filtered through experience, not just software.
5. Application support	Help complete underwriting, evidence requests and policy setup.	Reduces delays and keeps the client informed.

Checklist

- ✓ What monthly household outgoings would still have to be funded?
- ✓ Would a separate mortgage protection policy clear the mortgage?
- ✓ What after-tax income could the surviving adult realistically earn?
- ✓ Is childcare, a career break, business disruption or grief likely to reduce earnings?
- ✓ What existing savings, pensions, death-in-service benefits or other life policies already exist?
- ✓ How long should the cover last?
- ✓ Should the policy be single, joint or dual life?
- ✓ Should conversion be included?
- ✓ Is serious illness cover needed, and should it be accelerated or standalone?
- ✓ What is the maximum monthly premium the household will genuinely maintain?
- ✓ Has bank/mortgage cover been kept separate from family cover?
- ✓ If switching, is the new policy fully accepted and live before cancelling the old policy?

Sources on this page

5. Mylife.ie: https://mylife.ie

Comprehensive FAQ

What is life insurance?

Life insurance is protection that pays a lump sum if the insured person dies during the policy term. It is usually bought to protect dependants or loved ones.[1]

Is life insurance the same as mortgage protection?

No. Mortgage protection is normally designed around a mortgage and may be assigned to a lender. Family life insurance is intended to provide money for loved ones and household expenses.

How much cover do I need?

Start with monthly household outgoings, deduct mortgage repayments if mortgage protection would clear the mortgage, deduct realistic survivor income, add slack, then convert the annual gap into a capital sum.

Should cover match my income?

Not usually. Mylife generally focuses on household expenses rather than gross or net income. The policy should fund what the household needs to spend, not replicate a payslip.

Can I buy too much cover?

Within reason, it is hard for a young family to have too much protection. In reality, affordability and reasonable premium cost usually set the limit.

What if my budget is fixed?

Then the recommendation should work backwards from that budget. A practical adviser should compare how much cover the budget buys and explain the compromises clearly.

Should couples choose joint or dual life?

Joint life may be cheaper because it usually pays once. Dual life can be stronger because each person has separate cover. The right choice depends on cost and the financial effect of either death.

How long should cover last?

Usually until dependency reduces: children are independent, debts are lower, assets are stronger, pension income is available or the household can self-insure.

Do I need a conversion option?

Mylife generally regards conversion as very valuable because it can allow cover to continue later without new medical underwriting, subject to the policy terms. [1] and [8]

Sources on this page

1. CCPC, Term life insurance: https://www.ccpc.ie/consumers/money/insurance/life-insurance/
8. Royal London Ireland, Term Assurance and Specified Serious Illness Cover key features: https://www.royallondon.ie/siteassets/site-docs/broker-centre/key-features/rl-ta-ssi-kfd.pdf

Should I add serious illness cover?

It may be worth considering, but it is more expensive than life cover and claims depend on policy definitions. Many families choose a smaller serious illness amount than life cover.[2]

What is accelerated serious illness cover?

It pays a serious illness benefit from the life cover amount. If a serious illness claim is paid, the remaining life cover is reduced by that claim.[9]

Can serious illness cover be standalone?

Yes, some people choose standalone or additional serious illness cover so that a serious illness claim does not reduce life cover, but this is generally more expensive.[2]

Should family cover be combined with mortgage cover?

Mylife generally says no. Bank and family interests should be kept separate because mortgage policies may be assigned to the lender.[12]

Can I switch life insurance?

Yes, but do not cancel the existing policy until replacement cover is accepted, issued and in force. Be especially cautious where serious illness cover is involved.[1]

What affects the premium?

Age, smoker status, health, family history, occupation, pastimes, amount of cover, term, cover basis and added options can all affect the premium.[1]

Why use a broker or adviser?

A good adviser compares providers, checks underwriting and policy options, and helps make the level of cover practical rather than theoretical.

Sources on this page

1. CCPC, Term life insurance: https://www.ccpc.ie/consumers/money/insurance/life-insurance/
2. CCPC, Serious illness insurance: https://www.ccpc.ie/consumers/money/insurance/serious-illness-insurance/
9. Zurich Ireland, Accelerated serious illness cover: https://www.zurich.ie/life-insurance/serious-illness-cover/accelerated/
12. Irish Statute Book, Consumer Credit Act 1995 section 126: https://www.irishstatutebook.ie/eli/1995/act/24/section/126/enacted/en/html

Important notes

This guide is for general consumer information. It is not personal financial, tax, legal or investment advice. The appropriate policy, sum assured, term, ownership and beneficiary structure depend on individual circumstances.

All insurance applications are subject to underwriting, policy terms and acceptance by the relevant insurer. Serious illness claims depend on the policy definitions in force for that policy, not on general illness names.