

The Switching Gap

Mortgage Protection Review Inertia and the Cost of Unreviewed Life Cover for Irish Homeowners

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IMPORTANT

Homeowners should not cancel existing mortgage protection until replacement cover has been fully underwritten, accepted, started and, where required, assigned to the lender.

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Abstract

Mortgage protection life insurance is a mandatory or near-mandatory feature of the Irish owner-occupier mortgage journey, yet it is rarely reviewed with the same discipline as the mortgage interest rate itself. Irish law requires a mortgage lender to arrange life assurance for a housing loan unless a statutory exception applies, and the Competition and Consumer Protection Commission states that borrowers may buy mortgage protection from a lender, an insurer or a broker rather than being tied to the lender's quote (Irish Statute Book, CCPC). This paper defines the "Switching Gap" as the gap between the number of homeowners who could benefit from reviewing mortgage protection and the number who actually do so.

The core finding is that public evidence supports a large review gap, but not yet a definitive official count of mortgage protection overpayment. Central Bank of Ireland research shows that many Irish mortgage borrowers fail to act even when significant mortgage savings are available: 67% of eligible borrowers in one loan-level study did not take up a cost-free refinancing offer, foregoing average savings of €5,400 over the remaining term of the mortgage (Central Bank of Ireland). The Central Bank also found that 62% of eligible private dwelling home mortgages could save more than €1,000 in the first year by switching mortgage provider, while only 2.9% of eligible switchers switched provider in the second half of 2019 (Central Bank of Ireland).

Applying those behavioural findings to mortgage protection, with transparent assumptions rather than a claimed official statistic, indicates that approximately 245,000 to 421,000 Irish mortgage accounts may sit in the "review opportunity" pool and that roughly 60,000 to 170,000 homeowner households may plausibly be overpaying for mortgage protection or holding cover that should at least be benchmarked against current terms. This estimate is directional and deliberately conservative: it excludes households for whom switching would be unsuitable because of age, health, underwriting changes, policy features, assignment issues, conversion options or continuity-of-cover risk.

The policy implication is not that consumers should cancel existing mortgage protection. The policy implication is that mortgage protection should be subject to a structured review trigger, comparable in spirit to mortgage switching prompts, because the cost of inaction is predictable, persistent and avoidable when the consumer can secure equivalent or more suitable cover.

Keywords: mortgage protection insurance; life insurance; mortgage switching; consumer inertia; financial advice; protection gap; Ireland; Consumer Credit Act 1995; Central Bank of Ireland; fair value; insurance switching; behavioural economics.

The estimate at a glance. On a deliberately conservative scenario model built from 698,335 Irish principal-dwelling-house mortgage accounts, approximately **245,000 to 421,000** accounts may merit a structured mortgage-protection review, and approximately **60,000 to 170,000** households (central estimate ~110,000) may plausibly be overpaying or holding cover that should be benchmarked. This is a market-sizing estimate, not a measured official statistic — and the safe consumer rule is to *review first and switch only if suitable*, never cancelling existing cover until replacement cover is fully accepted, in force and assigned where required.

Key findings

What is the Switching Gap in mortgage protection insurance? The Switching Gap is the difference between the number of homeowners who could save money or improve suitability by reviewing their mortgage protection life insurance and the number who actually review or switch their policy.

How many Irish homeowners may be affected? A defensible planning estimate is that approximately 60,000 to 170,000 Irish homeowner households may be overpaying for mortgage protection or holding a policy that should be benchmarked against current alternatives, based on 698,335 principal dwelling house mortgage accounts and conservative assumptions about policy coverage, review inertia and the share of reviews likely to reveal a better-value equivalent option (Central Bank of Ireland).

Why does this happen? It happens because mortgage protection is often bought at mortgage drawdown under time pressure, then left untouched for years while the homeowner focuses on interest rates, property values and monthly repayments.

Should every homeowner switch mortgage protection? No. A homeowner should not cancel an existing policy until replacement cover is fully accepted and in force, and switching may be unsuitable where health, age, underwriting, conversion rights or lender assignment requirements make the existing policy more valuable than a cheaper quote.

Important consumer-protection note. This paper does not argue for indiscriminate policy replacement. A mortgage

protection review should begin with the existing policy, compare like-for-like and advice-led alternatives, and preserve continuous cover throughout any replacement process.

1. Introduction

Mortgage protection is one of the most widely held life insurance products in Ireland because it is embedded in the residential mortgage process. Section 126 of the Consumer Credit Act 1995 provides the statutory basis for mortgage protection insurance on housing loans, subject to exceptions including cases where the property is not intended as the borrower's principal residence, where the borrower is over 50 at approval, where acceptable cover cannot be obtained except at a significantly higher premium, or where the borrower has otherwise arranged sufficient life assurance (Irish Statute Book).

The consumer-facing rule is simple: the lender must ensure that mortgage protection is in place when the mortgage is taken out, but the borrower does not have to buy it from the lender. The CCPC states that borrowers can buy mortgage protection from a lender, an insurance company or through a broker, and it warns that even a €5 monthly difference can save more than €2,000 over a 35-year mortgage term (CCPC).

That simple rule sits inside a more complex consumer decision. Mortgage protection is normally arranged when a purchaser is trying to close a property transaction, satisfy lender conditions, manage legal documentation and secure mortgage drawdown.

Once the policy is assigned and the mortgage is completed, the homeowner may treat mortgage protection as a fixed background cost. The premium is often small relative to the mortgage repayment, the product is associated with death or serious illness, and the perceived hassle of reviewing it may outweigh the perceived benefit.

This paper argues that this is a structural consumer problem, not merely an advice-market opportunity. Irish mortgage research, international insurance-pricing investigations and behavioural-economics literature all point in the same direction: where financial products are complex, low-salience and administratively awkward to change, many consumers remain inert even when the benefits of action are material (Central Bank of Ireland, OECD).

The "Switching Gap" is therefore not simply the number of people who have not changed insurer. It is the gap between what a disciplined review process would identify and what the market currently prompts consumers to do.

2. Research question

The primary research question is: how many Irish homeowner households are likely to be overpaying for mortgage protection life insurance because they have not reviewed their policies in years?

The secondary research questions are:

- What does authoritative Irish evidence show about consumer inertia in mortgage-related decisions?
- What does international evidence show about loyalty penalties, insurance pricing and switching friction?
- How should mortgage protection review be framed so that it improves outcomes without encouraging unsuitable or unsafe policy replacement?
- What review triggers could help consumers benchmark cover at the right moments without encouraging careless cancellation?

3. Methodology

The methodology is evidence-led and deliberately conservative. It uses Irish official mortgage-account data as the denominator, Irish regulator research on mortgage-switching inertia as the behavioural analogue, Irish and UK insurance-pricing investigations as evidence that long-tenure insurance customers can face higher prices, and consumer guidance as evidence that small monthly differences compound materially over mortgage terms.

This paper does not claim that an official Irish dataset currently identifies each mortgage protection policy, its premium, its policy age, its underwriting status, its channel of sale and the equivalent current market premium. Public sources reviewed for this paper do not provide that level of policy-level mortgage protection data.

Instead, the paper uses a scenario model:

1. Start with the number of Irish principal dwelling house mortgage accounts.
2. Estimate the proportion likely to have mortgage protection or equivalent cover.

3. Estimate the proportion likely to be unreviewed or behaviourally inert.
4. Estimate the proportion of unreviewed policies likely to reveal a better-value equivalent or more suitable structure after review.
5. Present a range, not a single false-precision figure.

This approach is consistent with the quality of the available evidence. It avoids exaggerating the certainty of the estimate while still turning the evidence into a usable market and policy insight.

4. The Irish legal and market context

At end-June 2025, there were 698,335 private residential mortgage accounts for principal dwelling houses in Ireland, with a total value of €106 billion (Central Bank of Ireland). The CSO's Household Finance and Consumption Survey 2023 found that 30% of Irish households had a mortgage on their main residence and that the median outstanding balance was €117,900 (CSO).

Mortgage protection is distinct from a mortgage interest rate, but it is tied to the same life event and often the same lender-driven process. The Consumer Credit Act 1995 requires the mortgage lender to arrange a life assurance policy for a housing loan unless a statutory exception applies, and the Act provides that excess policy proceeds over the mortgage debt are payable to the surviving borrower or the deceased borrower's estate (Irish Statute Book).

The CCPC's guidance makes the competition point explicit. A borrower may buy mortgage protection from the lender, from an insurance company or through a broker, and the borrower does not have to take the lender's policy (CCPC).

The same CCPC guidance also illustrates the compounding effect of small premium differences. A €5 monthly difference can save more than €2,000 over a 35-year mortgage term, which means that apparently modest monthly overpayment is economically meaningful when multiplied across a mortgage term (CCPC).

5. Why mortgage protection is prone to inertia

Mortgage protection has four features that make inertia likely. It is compulsory or near-compulsory at the point of mortgage drawdown, it is often a decreasing-term product whose declining cover is not obvious to consumers, it is medically underwritten so replacement can be emotionally and administratively unattractive, and it is usually paid by direct debit with little annual attention.

Irish regulator research shows that consumer inertia is already material in the adjacent mortgage market. In a Central Bank of Ireland loan-level study of approximately 46,000 borrowers, only 33% of eligible borrowers took up a cost-free refinancing offer when it was optimal, meaning approximately 67% did not act (Central Bank of Ireland).

The same Central Bank paper estimated that non-refinancing borrowers in that sample gave up average savings of €490 in the first year and €5,400 over the remaining term of the mortgage (Central Bank of Ireland). The same study estimated €166 million in foregone lifetime savings among those who did not refinance (Central Bank of Ireland).

The Central Bank's broader review of Irish mortgage switching found that 182,272 mortgages were eligible switchers in the dataset studied and that 62% of those eligible switchers could save more than €1,000 in the first year (Central Bank of Ireland). The same review found that only 2.9% of eligible switchers switched provider in the second half of 2019, despite widespread potential savings (Central Bank of Ireland).

The Central Bank's evidence on barriers is especially relevant to mortgage protection. Its mortgage-switching research identified uncertainty, perceived complexity, lack of knowledge, financial literacy and behavioural characteristics such as inattention and present bias as factors associated with inhibition toward switching (Central Bank of Ireland).

Mortgage protection review is likely to face at least the same behavioural obstacles as mortgage switching. In practice it may face additional obstacles because a protection review can require health disclosures, medical underwriting and careful replacement sequencing.

6. International evidence on insurance loyalty penalties

The most directly comparable official evidence on insurance overpayment comes from general insurance rather than mortgage protection. The Central Bank of Ireland's differential pricing review found that long-tenure customers staying with the same insurer for nine years or more paid, on average, 14% more on private car insurance and 32% more on home insurance than equivalent first-renewal customers (Central Bank of Ireland).

The Central Bank described price walking as charging customers higher premiums relative to expected costs the

longer they remain with an insurer, and it concluded that this practice could result in unfair outcomes for some consumers (Central Bank of Ireland). The review used a consumer survey of 5,466 policyholders and a dataset of almost 11 million policy records covering private car and home insurance records between 2017 and 2019 (Central Bank of Ireland).

The UK Financial Conduct Authority reached similar conclusions in its general insurance pricing practices market study. The FCA found that 6 million policyholders paid high prices in 2018 and would have saved £1.2 billion if they had paid the average price for their actual risk (FCA).

The FCA also found that firms used complex techniques to identify consumers more likely to renew, increased prices to those customers each year, and that many affected consumers mistakenly believed their renewal price was competitive (FCA). The FCA noted that some firms used practices discouraging consumers from shopping around, including making automatic renewal harder to cancel (FCA).

These findings do not prove that Irish mortgage protection policies are priced like motor or home insurance renewals. They do prove that insurance markets can generate persistent consumer detriment when inactive customers do not benchmark their cover.

7. Protection-specific regulatory relevance

Protection insurance is receiving increased international regulatory attention. The FCA launched a market study into pure protection products including term assurance, critical illness cover, income protection and whole of life insurance, stating that commissions may affect consumer outcomes, product value or design (FCA).

The FCA's pure protection study is also examining whether commission structures encourage advisers to suggest switching that may not benefit consumers, whether premiums are raised to pay higher commission, whether products provide fair value, whether the market supports innovation and the extent of the protection gap (FCA). The FCA stated that around £4.85 billion was paid out in 2023 on individual policies supporting people affected by bereavement, illness and injury (FCA).

The International Association of Insurance Supervisors has also emphasised fair treatment across the insurance product lifecycle. Its 2025 Application Paper addresses design, distribution, communications, advice, customer assistance, claims, complaints, and product monitoring and review (IAIS).

This matters for mortgage protection because fair value is not limited to the initial sale. A product that was suitable and well-priced at mortgage drawdown can become relatively expensive or structurally outdated if it is never reviewed.

8. Lessons from France

France provides a useful comparator because borrower insurance linked to mortgages has been an explicit competition and switching-policy issue. The French official public-service portal states that a borrower may choose another insurer rather than the bank's group insurance contract, provided the chosen contract meets the criteria required by the bank (Service-Public.fr).

The same official French source states that a borrower can change insurer at any time after the loan is signed, subject to bank approval of equivalent guarantees, and that the bank must indicate reasons for refusal if it rejects the substitution request (Service-Public.fr). The source also states that each year the bank must inform the borrower of the right to terminate borrower insurance at any time and explain how to do so (Service-Public.fr).

The French approach is not directly transplantable to Ireland because legal rules, distribution structures, underwriting practices and mortgage documentation differ. It does, however, show that borrower-insurance switching rights can be framed as a mainstream consumer competition issue rather than a niche insurance topic.

9. Evidence of Irish mortgage protection price dispersion

Irish market evidence also suggests that mortgage protection pricing can vary materially by distribution channel. A Royal London Ireland mystery shop found that, in the scenarios examined, buying the same level of mortgage protection through a financial broker was on average 27.5% cheaper than through a mainstream bank (Royal London Ireland).

The Royal London Ireland mystery shop considered two dual-life mortgage protection scenarios: a couple aged 35 with a €250,000 mortgage and 30 years remaining, and a couple aged 50 trading up with 15 years outstanding (Royal London Ireland). Royal London attributed the difference to brokers' access to multiple life companies' products and

prices, whereas banks generally have a more limited provider range (Royal London Ireland).

This evidence should be used carefully. A mystery shop is not a national policy-level dataset, and it does not prove that every bank-sourced or old policy is overpriced.

It is nevertheless directionally consistent with the policy concern. Where the original purchase happened through a restricted channel and the consumer has never benchmarked the policy, a review is rational.

10. Estimating the Switching Gap

The correct way to estimate the Switching Gap is to separate three groups:

Group	Definition	Policy interpretation
Review opportunity pool	Homeowners with mortgage protection or equivalent cover that has not been benchmarked in years	Should be prompted to review
Overpayment subset	Homeowners in the review pool for whom equivalent or better-suited cover is available at lower net cost	May benefit from switching or restructuring
Non-switch group	Homeowners for whom the existing policy remains better because of health, age, underwriting, conversion, assignment, or other suitability factors	Should usually retain or adapt existing cover

The denominator is 698,335 principal dwelling house mortgage accounts at end-June 2025 (Central Bank of Ireland). The model then applies assumptions that are conservative and transparent.

Scenario	PDH mortgage accounts	Share with mortgage protection / equivalent	Unreviewed or inert share	Review opportunity pool	Share where review reveals better-value option	Estimated overpayment subset
Low	698,335	70%	50%	244,417	25%	61,104
Central	698,335	80%	60%	335,201	33%	110,616
High	698,335	90%	67%	421,096	40%	168,438

The low scenario assumes that only 70% of principal dwelling house mortgage accounts have mortgage protection or equivalent cover, that only half of those policies are meaningfully unreviewed, and that only one quarter of unreviewed cases reveal a better-value equivalent option. The high scenario still avoids assuming universal policy coverage or universal overpayment.

On this basis, the estimated overpayment subset is approximately 60,000 to 170,000 Irish homeowner households. The central planning estimate is approximately 110,000 households.

The review opportunity pool is larger than the overpayment subset. Under the same assumptions, approximately 245,000 to 421,000 Irish mortgage accounts may merit a structured mortgage protection review.

These figures should be read as a policy and market-sizing estimate, not as a measured official statistic. A measured statistic would require policy-level data on premium, insurer, channel, policy start date, policy type, sum assured, remaining term, smoker status, underwriting rating, assignment status, product options and equivalent current quotes.

11. Economic significance

The economic significance of the Switching Gap is not limited to spectacular savings cases. The CCPC's example shows that a €5 monthly difference can save more than €2,000 over a 35-year mortgage term (CCPC). If 100,000 households were overpaying by only €5 per month, the annual excess premium would be €6 million. If the same 100,000 households were overpaying by €10 per month, the annual excess premium would be €12 million.

This arithmetic is intentionally modest. It uses the CCPC's low monthly-difference example rather than headline claims of thousands of euro per household.

The larger consumer issue is that a mortgage protection premium is paid every month for a long period and is often invisible in household budgeting. A small leak can become a large lifetime cost when it is attached to a 20-, 25-, 30- or 35-year mortgage.

12. Why "switching" must not mean careless cancellation

The term "switching" can be misleading in protection insurance. Mortgage protection is not a commodity utility contract because underwriting and claim certainty matter as much as price.

A homeowner should not cancel an existing mortgage protection policy before replacement cover is fully accepted, issued, assigned where necessary and in force. The risk is not theoretical: a customer may discover during underwriting that a health event, medical history, occupation, smoking status or age now produces a rating, exclusion, deferral or decline.

Cheaper cover is not automatically better cover. A policy with conversion rights, guaranteed insurability options, favourable underwriting terms, dual-life structure, level cover, illness benefits or other features may be worth preserving even where a new headline premium appears lower.

A proper mortgage protection review therefore asks four questions:

Review question	Why it matters
Is the policy still required and correctly assigned?	Mortgage balances, lenders and ownership structures change
Is the cover amount and term still appropriate?	Overpayments, top-ups, remortgages and term extensions change the risk
Is equivalent or better cover available at lower cost?	Pricing, competition and distribution channels change over time
Would replacement reduce consumer protection?	Health, age, options and underwriting may make the old policy more valuable

The policy answer is "review first, switch only if suitable." That is the correct consumer-protection framing.

13. Behavioural diagnosis

The Switching Gap is best understood through behavioural economics. The OECD states that regulators and supervisors can use behavioural economics insights to inform remedies that help financial consumers, and its work identifies common biases in financial decision-making (OECD).

The Central Bank's mortgage-switching work shows how behavioural barriers operate in Irish household finance. The Central Bank identified procrastination, present bias and inattention as common behavioural barriers, and it found a positive association between switching inhibition and characteristics such as impulsivity, preference for credit rather than saving, and inattention (Central Bank of Ireland).

The Central Bank also demonstrated that better-designed communications can change behaviour. In a randomised controlled trial of approximately 12,000 variable-rate mortgage customers, behaviourally enhanced disclosures and reminders increased refinancing by up to 76% compared with the standard disclosure, and refinancers saved an average of €1,209 in the first 12 months (Central Bank of Ireland).

The lessons for mortgage protection are practical. Consumers are more likely to act when communications are personalised, show euro savings, simplify next steps, use reminders and reduce ambiguity.

14. A review-trigger model for mortgage protection

Mortgage protection should be reviewed at predictable trigger points rather than left to chance. The following model would align consumer protection, advice suitability and market competition.

Trigger	Review rationale
Fixed mortgage rate expiry	The household is already reviewing mortgage costs
Mortgage switch or refinance	Policy assignment, term and amount may need updating
Top-up or equity release	Existing cover may be insufficient or mismatched
Term extension	Existing policy may expire before the mortgage
Major overpayment	Cover may exceed the actual debt profile
Marriage, separation or changed ownership	Life assured and ownership structure may need redesign
Childbirth or dependants	Broader family protection may need to be considered
Smoking cessation	Non-smoker terms may be available after qualifying period
Health improvement or changed occupation	Underwriting terms may have improved
Every three to five years	Long-term inertia should be interrupted

The most important trigger is the mortgage-rate review. The Central Bank's mortgage switching protections already require lenders to tell borrowers about cheaper mortgage options before fixed-rate expiry, provide personalised euro savings estimates and provide reminders (Central Bank of Ireland). A parallel prompt to review mortgage protection would be proportionate because the borrower is already engaged in mortgage-cost decision-making.

15. Policy recommendations

Recommendation 1: Add mortgage protection prompts to mortgage-switching journeys. Mortgage switching communications should include a plain-language prompt reminding consumers to review mortgage protection before completing a mortgage switch, refinance or term change. The prompt should not encourage cancellation; it should state that existing cover should remain in force until replacement cover is fully accepted and assigned where required.

Recommendation 2: Require euro-cost visibility. Consumers should be able to see the remaining projected cost of their existing mortgage protection and compare it with equivalent current market alternatives. The French official borrower-insurance framework requires information on total insurance cost over the total duration of the loan, which illustrates the consumer value of cost visibility in borrower insurance (Service-Public.fr).

Recommendation 3: Use behavioural prompts and reminders. Consumer communications should use personalised euro amounts, simplified next steps and reminders. This recommendation is supported by the Central Bank's mortgage refinancing field trial, where enhanced disclosures and reminders materially increased refinancing uptake (Central Bank of Ireland).

Recommendation 4: Protect against unsuitable replacement. Any review framework must distinguish between price comparison and suitability. The FCA's pure protection market study is examining whether commission structures can encourage switching that is not beneficial, which reinforces the need for evidence-based replacement advice rather than simplistic price-led switching (FCA).

Recommendation 5: Create an anonymised mortgage protection review dataset. Irish policymakers, insurers, brokers and consumer bodies should consider an anonymised dataset capturing policy age, channel, premium, cover amount, term, replacement quote and outcome. Such a dataset would allow the Switching Gap to be measured rather than modelled.

16. Implications for financial brokers

Financial brokers are well placed to address the Switching Gap because they can compare multiple insurers, evaluate policy features and manage replacement risk. Royal London Ireland's mystery shop found that broker-sourced mortgage protection was on average 27.5% cheaper than mainstream bank-sourced cover in the scenarios examined, which supports the value of market access in simple protection cases (Royal London Ireland).

The broker role should not be framed as "always switch." It should be framed as "review, benchmark, document and protect continuity of cover."

A high-quality broker review should include:

- Current policy premium, remaining term and cover profile.
- Mortgage balance, mortgage term and lender assignment requirements.
- Product type, including decreasing, level, joint-life, dual-life and any illness cover.
- Policy options such as conversion or guaranteed insurability.
- Underwriting history, medical changes and smoking status.
- Replacement quotes on like-for-like and advice-led alternatives.
- A written explanation of whether to retain, amend, replace or supplement the existing policy.

17. Implications for consumers

Consumers should treat mortgage protection as a reviewable financial product. A policy taken out years ago may still be the right policy, but that conclusion should come from evidence rather than inertia.

The safest consumer sequence is:

1. Locate the existing policy schedule and note premium, cover amount, remaining term and life assured.
2. Check whether the policy is assigned to the current lender and whether the mortgage details still match.

3. Request a like-for-like comparison from an independent broker or adviser.
4. Review whether health, age or policy options make the existing policy valuable.
5. Apply for replacement cover only if the review supports it.
6. Keep the existing policy live until the replacement is fully issued and accepted by the lender where relevant.
7. Cancel the old policy only after continuity of cover is confirmed.

18. Limitations

The main limitation is the absence of public policy-level data on Irish mortgage protection premiums. Neither the Central Bank mortgage-account statistics nor the CSO household-finance survey identify the premium, insurer, start date, channel and replacement quote for each mortgage protection policy.

The second limitation is that mortgage-account counts are not identical to household counts. Some households may have more than one mortgage account, and some mortgage accounts may not require mortgage protection because of statutory exceptions or alternative life assurance arrangements.

The third limitation is that insurance pricing evidence from motor, home and UK general insurance cannot be mechanically applied to Irish mortgage protection. It is used here as evidence of a broader mechanism: inactive insurance consumers can pay more when markets rely on switching and benchmarking to discipline price.

The fourth limitation is that a cheaper quote does not always mean a better consumer outcome. Any estimate of overpayment must exclude cases where switching would weaken claim certainty, remove valuable options or expose a consumer to underwriting risk.

19. Conclusion

The Switching Gap is real, even though the precise policy-level count has not yet been officially measured. Ireland has 698,335 principal dwelling house mortgage accounts, a legal framework that makes mortgage protection a standard feature of home ownership, and regulator evidence showing that many mortgage borrowers do not act even when substantial savings are available (Central Bank of Ireland).

A conservative model indicates that approximately 245,000 to 421,000 Irish mortgage accounts may merit a structured mortgage protection review and that approximately 60,000 to 170,000 homeowner households may plausibly be overpaying or holding cover that should be benchmarked against current alternatives.

The practical answer is not mass cancellation. The practical answer is a disciplined review regime that uses personalised cost information, behavioural prompts, broker-led market comparison and careful replacement safeguards.

Mortgage protection should protect families from catastrophe. It should not quietly become a long-term penalty for consumers who did the right thing when they bought their home but were never prompted to look again.

Consumer FAQ

What is mortgage protection insurance? Mortgage protection insurance is life cover designed to repay the mortgage if the insured borrower dies during the mortgage term. The CCPC describes it as cover that pays off the mortgage if the borrower or another policyholder dies during the mortgage term (CCPC).

Is mortgage protection compulsory in Ireland? Mortgage protection is generally required for Irish housing loans, subject to statutory exceptions in Section 126 of the Consumer Credit Act 1995 (Irish Statute Book).

Do borrowers have to buy mortgage protection from their bank? Borrowers do not have to buy mortgage protection from their lender because the CCPC states that cover can be bought from the lender, an insurance company or through a broker (CCPC).

How often should mortgage protection be reviewed? Mortgage protection should be reviewed at major mortgage events, major life events and at least every three to five years. This is an advice recommendation based on the evidence that consumer inattention and inertia are significant in mortgage-related financial decisions (Central Bank of Ireland).

How much can a small mortgage protection saving matter? The CCPC states that even a €5 monthly difference in policy price could save more than €2,000 over a 35-year mortgage term (CCPC).

How many Irish homeowners may be overpaying? A conservative scenario model suggests approximately 60,000 to

170,000 Irish homeowner households may be overpaying or holding mortgage protection that should be benchmarked, but this is an estimate rather than an official measured statistic.

Why not simply switch immediately? Mortgage protection should not be cancelled until replacement cover is fully accepted, issued and assigned where required. A cheaper quote can be unsuitable if it removes valuable policy features or exposes the borrower to underwriting risk.

What is the best consumer action? The best consumer action is to obtain a structured review from a qualified adviser or broker, compare equivalent cover, check policy features and maintain continuous protection throughout any replacement process.

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About this paper

This is the first paper in the mylife.ie Research Working Paper Series. It frames mortgage-protection review inertia as a structural consumer problem and sets out a safe, suitability-first review framework. It is intended to inform Irish consumers, policymakers and the wider research community, and is available without restriction at mylife.ie/research. A plain-English consumer companion is available at mylife.ie/guides/mortgage-protection-switching-gap.

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Use of AI. AI systems were used to assist in researching, formatting and compiling this document. Editorial responsibility, factual accuracy and methodological choices remain with the named author.

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