



Mortgage Protection

With Serious Illness Cover



Serious Illness Cover for your Mortgage from Caledonian Life

Caledonian Life's Mortgage Protection policy offers you a cost-effective way to meet your Mortgage lenders' requirements to safeguard your property and offers protection to your family, in the event of your death.

Like most people, your Mortgage is probably your largest financial burden. Of course, there's always a worry that should you die or become seriously ill, your family may have difficulty meeting this large liability. Having Caledonian Life's Mortgage Protection policy in place gives you so much peace of mind, at a very cost-effective price.

Caledonian Life's **Serious Illness Cover** provides additional security to you and your family by paying a lump sum to help repay your Mortgage, if you are diagnosed as suffering from one of the **36 specified serious illnesses** we cover. You'll find a comprehensive list of illnesses covered at the back of this brochure.



Additional Security for you and your family

Serious Illness Cover from Caledonian Life

Have you considered how you would continue to pay your Mortgage should you suffer a serious illness? It's not a thought any of us like to dwell on, but the unfortunate reality is that it happens all the time.

Caledonian Life's Serious Illness Cover provides additional security to you and your family by paying a lump sum to help repay your Mortgage, if you are diagnosed as suffering from one of the **36 specified serious illnesses** we cover. You'll find a comprehensive list of illnesses covered at the back of this brochure.

You decide, you choose

One of the key benefits of choosing Serious Illness Cover with your Mortgage Protection policy from Caledonian Life, is that you can choose the amount of Serious Illness Cover you require and can afford, **from 10% to 100%** of your Life Cover. In the event of you making a claim on one of the 36 serious illnesses specifically covered by Caledonian Life, your Life Cover will be reduced by the amount of your Serious Illness Cover.

In most cases your Serious Illness Cover will be assigned to your lender and should you make a claim on the illnesses we cover, the policy proceeds will be paid directly to them. If the policy is not assigned to your lender, the policy proceeds will be paid to you.



Choosing the level of cover you need

Flexible Serious Illness Cover

You decide on the level of cover you need. For example, you have €200,000 Mortgage Protection Cover and you choose to have €150,000 Serious Illness Cover, or expressed in another way, 75% of the Life Cover.

The table below illustrates what would happen over the 30 year term of your Mortgage should you make a claim on one of the 36 specified serious illnesses covered by Caledonian Life. Take for example, at the start of the 11th year of your Mortgage (or 20 years outstanding).

€200,000 Mortgage Protection policy and €150,000 Serious Illness Cover

Outstanding Term (years)	Life Cover@6% Interest Rate	Serious Illness of 75% of Life Cover	Remaining Life Cover after Serious Illness Claim
30	€ 200,000	€ 150,000	€ 50,000
20	€ 166,655	€ 124,992	€ 41,663
10	€ 106,940	€ 80,205	€ 26,735
5	€ 61,205	€ 45,904	€ 15,301

Your Life Cover has reduced over the 10 years to €166,655. Your Serious Illness Cover has also reduced over the 10 years to €124,992. On a serious illness claim, this is then paid to your lender (where the policy has been assigned to them) and your Life Cover now reduces to €41,663. Your premiums will also reduce to reflect the lower Life Cover now in place.

This form of Serious Illness Cover is often referred to as 'accelerated' Serious Illness Cover.



Additional benefits and options

You also receive a number of automatic benefits and options under Caledonian Life's Mortgage Protection with Serious Illness policy:*

- **Guaranteed Insurability option**

This option allows you to increase your level of Life Cover and Serious Illness Cover, without providing further medical evidence, following any of these events:

- increase in your Mortgage, either to purchase a new main residence or for home improvement of your main residence
- marriage
- birth or adoption of a child

The maximum increase you can make following any one of these events is the lesser of €100,000 and 50% of the original level of cover for that benefit. The maximum total increase you can make for all events over the policy term is the lesser of €200,000 and the original level of cover for that benefit. Your premium will be adjusted accordingly.

Any increase in the level of Serious Illness Cover must be matched by the same increase in Life Cover. However, you can choose to increase the Life Cover only.

This option ends when you reach age 55, or when the older person reaches age 55 for a Joint Life policy. The availability of this option is subject to underwriting at the time the original policy is taken out.

**Terms and Conditions apply. Speak to your Broker or see Caledonian Life's Policy Conditions for more details.*



Additional benefits and options*

- **Children's Serious Illness Cover**

If you choose to take out Serious Illness Cover as part of your policy, we will cover all your children between the ages of 1 and 18 (21 if in full-time education) for the same specified serious illnesses as you are covered for.** The cover is 25% of your Serious Illness Cover, up to a maximum of €25,000.

- **Terminal Illness Benefit**

If Serious Illness Cover is included as part of your policy, in the event that you are diagnosed with a terminal illness and have less than 12 months to live, we will pay out the level of Life Cover as at the date of diagnosis.

- **Advance Payment of Benefit for Heart Surgery**

We will pay up to €20,000 of your Serious Illness Cover immediately if you are diagnosed as needing any of the following surgeries and have given us the evidence we need about your condition:

- Aorta Graft Surgery
- Coronary Artery Bypass Graft Surgery
- Pulmonary Artery Surgery
- Heart Valve Replacement or Repair

We will take the amount we pay from your total level of Serious Illness Cover and pay any remaining Serious Illness Cover after you have had the surgery.

For more information on Serious Illness Cover from Caledonian Life talk to your Broker.

*Terms and Conditions apply. Speak to your Broker or see Caledonian Life's Policy Conditions for more details. ** Other than Loss of Independent Existence.



What serious illnesses are covered?

As one of Ireland's leading providers of Life Assurance, Caledonian Life believe that we should always explain to you in clear and concise language exactly what our products do and how they work.

That's why we've developed a booklet, '**Caledonian Life's Serious Illness Definitions Guide**,' to provide you with a detailed description and also an explanation of the 36 illnesses. This booklet clearly states the exact conditions which must be met for a Serious Illness claim to be paid. That means you'll know precisely which serious illnesses are covered under your policy and, of course, what is not.

It is very important that you note that you are only covered under your Caledonian Life Mortgage Protection with Serious Illness policy for illnesses listed below and as defined in your Policy Conditions. You are **not** covered for any other illness or condition.

- Alzheimer's Disease
- Aorta Graft Surgery
- Aplastic Anaemia
- Bacterial Meningitis
- Benign Brain Tumour
- Blindness
- Cancer
- Cardiomyopathy
- Coma
- Coronary Artery Bypass Graft Surgery
- Creutzfeldt-Jakob Disease
- Emphysema
- Encephalitis
- End Stage Liver Failure
- Heart Attack
- Heart Valve Replacement or Repair

- HIV Infection or AIDS as a result of a blood transfusion
- HIV Infection or AIDS as a result of an occupational injury (available to certain occupations only)
- HIV Infection or AIDS as a result of a physical assault
- Kidney Failure
- Loss of Hearing
- Loss of Independent Existence
- Loss of Limbs
- Loss of Speech
- Major Head Injury
- Major Organ Transplant
- Motor Neurone Disease
- Multiple Sclerosis
- Muscular Dystrophy
- Paralysis of Limbs
- Parkinson's Disease
- Pulmonary Artery Surgery
- Rheumatoid Arthritis
- Severe/Third Degree Burns
- Stroke
- Systemic Lupus Erythematosus

Your Broker will be delighted to provide you with a copy of 'Caledonian Life's Serious Illness Definitions Guide' for more information on the illnesses covered by Caledonian Life.

The background features several overlapping, semi-transparent shapes in shades of orange and yellow. These shapes are primarily located in the upper half of the page, creating a layered, geometric effect. The colors range from a light, pale yellow to a vibrant, saturated orange. The shapes are irregular and organic in form, resembling stylized petals or abstract architectural elements.

Notes

Mortgage Protection with Serious Illness Cover from Caledonian Life. Protecting you and your world

We'd be delighted to get your feedback on the content and clarity of this brochure, simply email marketingsupport@caledonianlife.ie or contact your Broker.

Royal Liver Assurance, trading as Caledonian Life, adheres to the codes of conduct issued by the Financial Regulator in Ireland and is authorised and regulated by the UK Financial Services Authority.

Ask your Broker to tell you more about the benefits and advantages of Mortgage Protection with Serious Illness Cover from Caledonian Life.

Broker Stamp

www.caledonianlife.ie

Royal Liver Limited is an Incorporated Friendly Society, Incorporated under the laws of England and Wales. Registered No. of Society 35 coll. Registered Office: Royal Liver Building, Liverpool L3 1HT, England.

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Before making a final decision, this brochure should be read in conjunction with the Policy Conditions and Serious Illness Definitions Guide which are available from your Broker. This brochure does not form any part of any contract. Terms and conditions apply. All information is valid at the time of going to print at 30/09/2007.

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