

Levy – Questions and Answers

Current From: 27 October 2009

Important Update for Protection Customers

As previously advised the 1% Government levy on life assurance policies is due on any premium paid from 1st August 2009.

We will start to collect the levy in the first week of November 2009.

If you pay by direct debit we will collect the regular premium plus the levy from your account. As a result you will see your regular direct debit payment increase by 1%. Your next direct debit payment after we start to collect the levy will also include any outstanding levies due since 1st August 2009 as well as the levy due on the premium being collected on that date.

For example, if your premium is currently €100 per month, payable on the 10th of the month, the levy will cost €1 per month (1% of €100). On November 10th we will therefore have to collect €104 in total from you - €100 for the premium PLUS €1 for the levy PLUS €3 for the levy payable on your premiums paid in August, September and October.

If you pay by cash your bill will include the amount of any levy payable.

New Ireland Assurance will pass the levy on to the Government.

Introduction

The 2009 Finance Act introduced a new 1% Government Levy on life assurance premiums with effect from 1st August 2009.

As a result New Ireland Assurance will collect an additional 1% of the premium from customers on the following policies:

- life cover policies
- mortgage protection policies
- policies which pay an amount on a specified illness or on disability

If you pay your premiums by direct debit your regular payment amount will automatically increase by 1%.

This levy will be collected by New Ireland Assurance and passed directly to the Government.

This levy is due on any premium paid from 1st August 2009.

Customers do not need to take any further action. All policy benefits and entitlements remain the same and will not be affected by the levy.

Life Assurance Levy

For further details on the levy and how it applies please see below:

When does the Government premium levy come into force?

The 1% premium levy was announced by the Government in April 2009 and comes into effect in accordance with the 2009 Finance Act on August 1st 2009.

What does the Government premium levy apply to?

The 1% premium levy applies to the premiums paid to all life assurance companies from 1st August 2009, on both existing and new policies. The levy applies to most types of life assurance policy including:

- Protection
- Pensions
- PRSAs
- ARFs
- Annuities
- Savings
- Investments

Some types of group pension schemes are exempt.

While the scope of the levy is very wide, New Ireland will be implementing the levy on protection business only.

How is the levy calculated?

The government levy is calculated as 1% of the policy premium. Where the levy is implemented it will be charged in addition to the usual policy premium.

For example, if your premium is currently €100 per month for your protection policy the levy will cost €1 per month (1% of €100). We will therefore have to collect €101 in total from you - €100 for the premium PLUS €1 for the levy.

I have a protection policy with New Ireland – do I have to do anything now?

No.

The levy is due on any premium paid from 1st August 2009.

If you pay by direct debit we will collect the premium plus levy from your account. As a result you will see your regular direct debit payment increase by 1%. We will start to collect the levy in the first week of November 2009. Your next direct debit payment after we start to collect the levy will also include any outstanding levies due since 1st August 2009 as well as the levy due on the premium being collected on that date.

For example, if your premium is currently €100 per month, payable on the 10th of the month, the levy will cost €1 per month (1% of €100). On November 10th we will therefore have to collect €104 in total from you - €100 for the premium PLUS €1 for the levy PLUS €3 for the levy payable on your premiums paid in August, September and October.

If you pay by cash your bill will include the amount of any levy payable.

Life Assurance Levy

New Ireland Assurance will pass the levy on to the Government.

Your policy benefits and entitlements will remain the same and will not be affected by the levy.

I have an investment / pension product with New Ireland – how am I impacted?

Since the announcement of the levy by the Government last April the insurance industry has been engaged in discussions with the Department of Finance regarding alternatives to the levy. While these discussions continue we are deferring collecting the levy for investment and pension customers. If, at the end of these discussions, the levy remains we will start collecting the levy on these policies and may also have to collect any outstanding levies due (from the 1st August 2009).

Your policy benefits and entitlements will remain the same and will not be affected by the levy.