

Life Savings Insurance

- Finglas Credit Union Limited has a Life Savings policy in place that can potentially pay a benefit to members. The benefit available is based on the amount of savings a member has made during their lifetime.
- The savings balances covered are based on the lowest balances held within a share account, up to the date of death, at different ages, and capped at a maximum cover of €5,000.
- Provided by ECCU Assurance DAC.
- Compulsory for all ILCU affiliated Credit Unions.
- No direct charge to members – a major benefit of being a member.
- Paid as an operational expense by the Credit Union.
- Unique to Credit Unions.

Life Savings Insurance

- From 01/08/2022, the level of benefit/insurance cover available for Finglas Credit Union members is:

Level of benefit/cover
€5,000

- Members savings **up to** the chosen level of €5,000 qualifies for cover. (subject to T&C's)
 - Share Account Balances.
 - Joint Share Account Balances.
 - Accidental Death & Dismemberment.

Eligibility

- There are eligibility requirements for Life Savings Insurance.
- Members must have joined the Credit Union **before age 70.**
- Lodgements must be made before age 70.
- All savings up to €5,000 belonging to members are insured regardless of their health or ability to carry out their normal duties.
- Must remain a member of the Credit Union.
- The **total** share balances the member has in the credit union include:
 - Share Accounts
 - Special Share Accounts
 - Joint Share Account balances
- Accounts held by clubs, associations or in the name of a company are **NOT** eligible for cover.

Joint Accounts

- Normally the first member on the account is the member who is insured.
- Joint account cover allows for both named members to be insured.
- Benefit is payable on the first death and the account then changes to a single account.
- A second benefit is payable when the surviving member dies.

Accidental Death & Dismemberment

- Claim payment doubled if death is as a result of an accident (road, industrial, etc).
- Suicide does not qualify.
- Additional benefit paid if dismemberment occurs as a result of an accident (assuming member survives).
- Certain exclusions such as self inflicted injuries, hazardous sports injuries, etc.
- Cover ceases at age 70.

The Myth about Life Savings cover

“If you are a member of a credit union (all) your savings are doubled when you die”

This is indeed a myth!



Life Savings Cover

- The amount paid will depend on the members age and savings history with the Credit Union – the intention is to reward consistent & regular savers.
- The maximum benefit is limited to the Credit Union's Life Savings insurance cover limit, which is €5,000.
- The insurance cover limit is subject to review and subject to change by the Board of Directors of Finglas Credit Union Limited.

Table of Benefits

Age Limits	% of Savings Cover
Up to Age 55	100% of insurable savings balance at age 55 or the lowest balance thereafter until date of death
Age 55-60	Insurable savings lodged between age 55-60, or the lowest balance thereafter until date of death, are insured at 75%
Age 60-65	Insurable savings lodged between age 60-65, or the lowest balance thereafter until date of death, are insured at 50%
Age 65-70	Insurable savings lodged between 65-70, or the lowest balance thereafter until date of death, are insured at 25%
Over 70	<u>Additional Savings</u> after 70 do not qualify for cover – 0%

Example 1 – No Withdrawals

A member died at age 72. He made no withdrawals from his shares after age 55. His balance was €3,000 at age 55; €3,800 at age 60; €4,400 at age 65; €5,000 at age 70 and €5,600 when he died.

	Age	Balance	Calculations	Rate	Benefit
(1)	55	€3,000	Insurable savings balance on 55 th birthday or lowest balance thereafter	(1) @ 100%	€3,000
(2)	60	€3,800	Insurable savings balance on 60 th birthday or lowest balance thereafter	(2) – (1) @ 75%	€ 600
(3)	65	€4,400	Insurable savings balance on 65 th birthday or lowest balance thereafter	(3) – (2) @ 50%	€ 300
(4)	70	€5,000	Insurable savings balance on 70 th birthday or lowest balance thereafter	(4) – (3) @ 25%	€ 150
(5)	72	€5,600	<u>No insurance on additional savings of €600</u>	Nil. 0%	€ 0
Total Shares:		€5,600	+ Plus	Total Life Savings Cover Due:	€4,050

Effect of Withdrawals

- Withdrawals reduce the amount of Life Savings Insurance held as the claim is based on the lowest balance after each of the relevant ages.
- Additional amounts lodged after the age of 70 are not insured. However, withdrawals after 70 **do reduce** the level of cover.

Never ever forget . . .
LOWEST BALANCE THEREAFTER
Means Lowest balance thereafter
UNTIL DATE OF DEATH

Example 2 - Withdrawals

A member died at age 72. His balance was €3,000 at age 55; €3,800 at age 60; he made a withdrawal at age 64 reducing his balance to €1,200. At age 65 he had €2,200 in shares and €2,800 at age 70. His balance was €3,200 when he died.

	Age	Balance	Calculations	Rate	Benefit
(1)	55	€3,000 €1,200	Insurable savings balance on 55 th birthday or lowest balance thereafter	(1) @ 100%	€1,200
(2)	60	€3,800 €1,200	Insurable savings balance on 60 th birthday or lowest balance thereafter	(2) – (1) @ 75%	€ 0
(3)	65	€2,200	Insurable savings balance on 65 th birthday or lowest balance thereafter	(3) – (2) @ 50%	€ 500
(4)	70	€2,800	Insurable savings balance on 70 th birthday or lowest balance thereafter	(4) – (3) @ 25%	€ 150
(5)	72	€3,200	No insurance on additional savings of €400	Nil. 0%	€ 0
Total Shares:		€3,200	+ Plus	Total Life Savings Cover Due:	€1,850

Example 3 - Withdrawals

- A member died at the age of 84.
- Share balances:
 - Age 55 €3,000
 - **Age 58 €2,500**
 - Age 60 €4,000
 - **Age 63 €2,000**
 - Age 65 €3,500
 - Age 70 €6,000
 - Age 84 €8,000
- At **age 58** the member withdrew €500 leaving a balance of **€2,500**.
- At **age 63** the member withdrew €2,000 leaving a balance of **€2,000**.

Example 3 - Result

	Age	Balance	Calculations	Rate	Benefit
(1)	55	€ 3,000 €2,000	Insurable savings balance on 55 th birthday or lowest balance thereafter	(1) @ 100%	€2,000
(2)	60	€4,000 €2,000	Insurable savings balance on 60 th birthday or lowest balance thereafter	(2) – (1) @ 75%	€ 0
(3)	65	€3,500	Insurable savings balance on 65 th birthday or lowest balance thereafter	(3) – (2) @ 50%	€ 750
(4)	70	€ 6,000 €5,000 (Cap)	Insurable savings balance on 70 th birthday or lowest balance thereafter	(4) – (3) @ 25%	€ 375
(5)	84	€8,000	No insurance on additional savings of €2,000	Nil. 0%	€ 0

Total Shares: €8,000

+ Plus

Total Life Savings Cover Due:

€3,125

Example 4 - Withdrawals

- A member died at the age of 86.
- Share balances:
 - Age 55 €3,000
 - Age 60 €4,000
 - Age 65 €5,000
 - Age 70 €6,000
 - Age 72 **€ 300 – lowest balance**
 - Age 72 €6,000 – 2 weeks later
 - Age 86 €8,000
- **At age 72 the member withdrew €5,700 leaving a balance of €300.**
- **€5,700 was lodged back in 2 weeks later, bring balance back to €6,000.**

Example 4 - Result

	Age	Balance	Calculations	Rate	Benefit
(1)	55	€3,000 € 300	Insurable savings balance on 55 th birthday or lowest balance thereafter	(1) @ 100%	€ 300
(2)	60	€4,000 € 300	Insurable savings balance on 60 th birthday or lowest balance thereafter	(2) – (1) @ 75%	€ 0
(3)	65	€3,500 € 300	Insurable savings balance on 65 th birthday or lowest balance thereafter	(3) – (2) @ 50%	€ 0
(4)	70	€6,000 € 300	Insurable savings balance on 70 th birthday or lowest balance thereafter	(4) – (3) @ 25%	€ 0
(5)	86	€8,000	No insurance on the extra savings of €2,000	Nil. €0	€ 0

Total Shares: €8,000

+ Plus

Total Life Savings Cover Due:

€ 300

Benefits Summary

- Benefits are based on the share balances, at the members' date of death, if under 55yrs. (25% up to 6 months).
- Benefits are proportionately based on a members' share balances, at 55yrs, 60yrs, 65yrs and 70yrs – OR the lowest balance to a members' date of death, if lower.
- Claims are capped at €5,000.
- Members should always consider taking out a loan instead of withdrawing their savings, if the withdrawal would negatively effect their Life Savings Insurance benefits.
- Members should only consider taking out a loan, if their loan repayments are within their ability to repay.

Benefits Summary Continued

- Insurance benefits earned during the member's lifetime are paid after death to the member's nominee.
- Members should check that they have a valid nomination in place.
- Marriage revokes a previous nomination but divorce or separation does not. Following a divorce or separation, if a member wishes to change their nomination they can do so at the Credit Union where such writing instructions would be witnessed & dated.
- Life Savings Insurance cover / benefits are subject to change and as determined by the Board of Directors of Finglas Credit Union Limited.