

Day 1 Income Protection



Day 1 Income Protection arranged by Omega Financial Management Product Guide & Key Facts

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Omega Financial Management
Investments • Income Protection • Pensions



About Omega Financial Management

Omega Financial Management was founded in 2001 and specialises in the provision of Financial Services solutions mainly to professionals and members of professional bodies.

OFM Financial Ltd trading as Omega Financial Management is regulated by the Central Bank of Ireland.

Our nationwide team of consultants work with clients to gain a deep understanding of your financial situation and to deliver products to meet your financial objectives.

Omega has sourced a **Day 1 Income Protection Product** for professionals in Ireland. This is the only Day 1 Income Protection product in Ireland that attracts tax relief on premiums and that pays claims from the immediate onset of illness or accident, allowing you complete piece of mind.

Omega Financial Management also provide expert advice to professionals in other areas of personal financial planning; investments, deposits, mortgages, protection etc.

For more information, please contact us at 1850 260 261 or email info@omegafinancial.ie

About DG Mutual

DG Mutual is the underwriter and provider of the **Day 1 Income Protection Product** arranged by Omega Financial Management.

DG Mutual is based in Birmingham, England and has specialised solely in the provision of Income Protection Insurance (also known as Permanent Health Insurance) for a wide range of professions since 1927. It is therefore able to demonstrate a high level of expertise. DG Mutual is a Friendly Society which is owned entirely by its members.

- In 2009, 2010, & 2011, DG Mutual paid out over 99% of claims.
- DG Mutual was set up in 1927. Today its members consist mainly of a variety of self-employed professionals including pharmacists, doctors, dentists, physiotherapists and veterinary professionals.

“Our values in treating everyone fairly are reflected in settling claims quickly without hassle to enable members to concentrate on getting back to full health.

Overall we managed to pay out over 90% of claims within two weeks of receipt (in 2011).”*

*DG Mutual

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Introduction

What is Day 1 Income Protection?

Day 1 Income Protection differs from traditional income protection as it commences payment from the first day you become unable to work because of illness or accident. This provides you with a replacement income immediately when you need it and until age 65 if you remain incapacitated. As opposed to other Income Protection products there is no waiting period of 4, 8 or 13 weeks, the replacement income starts from the very first day you are unable to work. You can also choose to have a deferred period policy if you so wish.

So, if you're unable to work because you've broken your arm, are hit by a flu bug or indeed suffer something more serious such as Cancer or Heart Disease, you have your replacement income when you need it, and until retirement if required.

We can tailor your benefit to suit your individual needs using a range of options. You choose the level of income you require between €60 and €1,500 per week up to 66% of your Income and based on your age, and the level of cover selected, you pay a monthly fee for peace of mind. Because DG Mutual is a mutual society in existence solely for the benefit of policyholders, this enables them to deliver very competitive premium rates.

Is Income Protection required?

Illness or accident could have a devastating effect on your income level and in turn your lifestyle. Some employers provide income replacement for employees, at least for a period of time. Some employers don't, and leave employees totally reliant on social welfare benefits which provide a relatively meagre replacement income for individuals.

For the self-employed, unfortunately there is not even this state support in the event of illness or disability.

Day 1 Income Protection provides them with the ultimate peace of mind.

Key Features of Day 1 Income Protection

Who can apply?

This product is available to most professionals and self-employed individuals. All but the highest risk occupations are covered and by taking this stance DG Mutual are able to maintain premium rates at very competitive levels.

You can find out if you are eligible for membership by contacting us by telephone, fax and e-mail or by visiting our website.

You can apply for cover between the ages of 16 and 55 with a retirement age of 65. You should have received an application form with this brochure but you can request a form directly from our office by phoning 01 2884272 or via the website www.omegafinancial.ie

Cover amounts

You can choose cover amounts from €60 per week up to €1500 per week. Your cover cannot exceed 66% of your pre-tax earnings. If your requested cover level is greater than €800 per week, we will seek evidence of these earnings at the outset.

The benefit is paid from day 1 of illness or injury and is payable until you return to work or until age 65 if you remain incapacitated.

Types of cover available

Day 1 Income Protection offers different types of cover to suit your own particular needs. It is really important that the Omega Financial Management consultant gets a full understanding of your particular circumstances to ensure you have the best solution to meet your requirements.

This applies whether or not you receive some sickness benefit from an employer or indeed have some level of existing income protection in place. You may augment these benefits with one of the following;

- Day 1 Constant Cover** – the benefit is paid from the first day of illness or injury at a constant level until recovery, retirement or death.
- Day 1 Reducing Cover** - benefit is paid from the first day of illness or injury until recovery, retirement or death but reduces after 26 weeks to 50% of the original amount. It's an ideal benefit if you have reducing commitments or if you have some other deferred benefit already in place.

**Freephone Omega
on 1850 260 261
or email
info@omegafinancial.ie**

- Deferred Period Cover** – we also provide a full range of products with waiting periods, should you require this cover.

What is the definition of incapacity?

You will be able to claim Day 1 Income Protection benefit if you are totally unable to perform all the essential duties of your own occupation and of any other occupation to which you are suited by training, education or experience, and are not following any other occupation for profit or reward.

The Cost

To maintain your benefit under the Day 1 Income Protection policy, you pay a monthly premium that is calculated based on your age and cover amount. Premiums increase in 5-year age bands and are calculated on the basis of your age at 31st December next.

Please contact the Omega Financial Management Quotations team for a quotation.

Premium & Benefit tax position

All premiums receive income tax relief at your marginal rate of tax (currently either 20% or 40%). Tax relief on premiums is limited to the premiums not exceeding 10% of your total income for the tax year.

Benefits received under the policy are taxed as income.

Income Tax Relief Example*

Gross Monthly Premium	€80.00
Tax Relief	€32.00
Net Premium payable	€48.00

*assumes 40% marginal tax rate.

Making a Claim

DG Mutual claims philosophy

Being able to claim benefit when you are ill is why members join DG Mutual. So we firmly believe that we're not treating you fairly if we make claiming difficult. We pride ourselves on being there for members when they need us most. At the end of the day, the real benefit of this product is that it helps you recover without worrying about your loss of income while incapacitated.

As the underwriter and provider of the Day 1 Income Protection, the track record of DG Mutual in paying claims is very important. The DG claims statistics back up their claims philosophy;

- Over €7.3 million has been paid in Day 1 Income Protection claims since 2007.
- In 2011 alone, nearly €1.6 million was paid to 486 scheme members.
- In 2009, 2010 & 2011, DG Mutual paid out over 99% of claims.
- In 2011, over 60% of claims were paid out within one week and over 90% paid within two weeks.

How to claim

When you join DG Mutual you will receive a set of claim forms so that when you are ill you don't have to wait for us to send you one. You should always have a claim form to hand and under the rules of the scheme, you are required to notify us within 72 hours of commencement of incapacity in the case of immediate benefit.

Alternatively, just contact the Omega Financial Management Claims team at 1850 260 261 as soon as you are unable to work to start the claims process.

The claim form contains two sections, one for you to complete and one for your GP. Payment of any fee to your GP for completion of the form is the responsibility of the member, however any cost incurred for the provision of any additional medical reports would normally be borne by DG Mutual. During any claim you may be requested to complete additional progress forms and attend for examination by a medical practitioner.

When will benefit not be paid?

We will not pay claims arising from: Drug or alcohol misuse, Disorderly conduct, Wilful self inflicted injury, Sterilisation other than on medical grounds, Any surgery or treatment not certified to be necessary on health grounds, Involvement in war, invasion, riot or usurped power, Flying other than as a fare paying passenger on a recognised air route, AIDS arising from infection by any HIV virus or an AIDS related condition due to any HIV virus, or Hazardous pursuits outside of the normal working environment.

Important Facts to Note

Please note the following key facts of Day 1 Income Protection insurance from DG Mutual. These should be read in conjunction with your personal illustration. Full details are contained in the Society's rules which can be found on the DG Mutual website at www.dengen.co.uk/documents.asp. Alternatively printed copies are available on request. If you are in any doubt as to whether this policy is suitable for your needs, you should consult your Omega Financial Management adviser.

Your Commitment

Day 1 Income Protection is designed to help you remove the financial stress that can accompany an illness or an accident. To ensure that this protection remains in place for you, we request that;

- You must commit to paying your premium at the various levels up to your chosen retirement age.
- You must provide all reasonable information on request when applying for membership. This applies to medical and non-medical issues.
- You must inform us in writing of any material change in your circumstances from the date you apply to join and throughout membership.
- You must submit claims for benefit within the specified time limits along with medical certificates, evidence of income and evidence of loss of income.
- It is for you to review your benefit level during your membership to make sure it is a] adequate and b] not over-insured.
- You will become a member of DG Mutual and must conform to its rules. A full copy of the rules can be examined at www.dengen.co.uk/documents.asp

Risk Factors

- You should read the factors below to ensure that you fully understand the risks associated with this product.
- It is of utmost importance that all relevant information is provided when applying for Day 1 Income Protection, both in relation to medical & non-medical issues. Non-disclosure of important information could invalidate your claim.

Your membership and entitlement to benefit is at risk if you stop paying your premium.

- Premium rates are not guaranteed and are reviewable. They are based on historical factors and future assumptions that were made when the rates were originally set. Therefore, they may need to be amended in the future for all members of the Society if our claims costs and expenses so demand.
- Your circumstances may change and you should review your benefit level against your earnings on a regular basis both to ensure adequacy of your cover and also to ensure that you are not over-insured.

Charges

The premium shown in your personal illustration includes all the costs of selling, administration, underwriting, claims and commission. It also includes the fees for any medical examination we might ask you to have.

Your Questions Answered

For your assistance, we have set out below some of the more common questions that we are asked in relation to Day 1 Income Protection.

How does the policy work?

You pay a monthly premium for your chosen level of benefit, type of cover and your age.

At what age can I join and how much of my income can be covered?

You may join from age 16 up to age 55 and you may apply for benefit up to 66% of your pre-tax income up to a maximum of €1,500 per week, less any other continuing income or insurances.

Will the premium be exactly as shown in the brochure?

On occasion DG Mutual will offer you membership at a higher rate to reflect specific medical issues but usually DG Mutual try to deal with this point by excluding any relevant preexisting conditions.

Can I change my mind?

After your application has been accepted, you will receive a Cancellation Notice. If you don't want the policy you will have 30 days to notify us. Any premiums already paid will be refunded less any benefit paid to you.

Do my premiums increase with age?

Premiums will increase in set age bands. We do this so that premiums are lower when you are younger and probably have higher expenses. It also reflects the higher risk of illness at older ages.

Can I increase or change my cover?

Yes, increases in levels of cover are allowed up to age 55. Changes, which do not increase benefit levels, may be allowed after that depending on the new length of deferment required.

What happens if I cancel my cover?

If you cancel your cover there will be no cash sum payable to you.

What is different if I choose Deferred Period cover?

With Deferred Period cover, payment of your replacement income does not commence on the first day of absence due to illness or accident. Payment commences instead after your chosen waiting (deferred) period.

What happens if my circumstances change?

You must tell us if there is a change to your level of earnings, your occupation and your address. If you plan to move or work outside of Ireland please notify us as your cover could be affected.

What happens if I stop paying my premiums?

If you stop paying your premiums for three months your membership will lapse and your entitlement to benefit will cease so it's important to let us know if you are changing bank accounts or have a temporary difficulty.

Will my premium change if I claim?

The number of claims you make will not affect the amount of your premium.

How much medical evidence is required at application and claim stages?

The application and claim forms contain medical questions that you must answer. We may contact your doctor for information or ask you to have a medical examination at our expense.

When will benefit not be paid?

We will not pay claims arising from: Drug or alcohol misuse, Disorderly conduct, Wilful self inflicted injury, Sterilisation other than on medical grounds, Any surgery or treatment not certified to be necessary on health grounds, Involvement in war, invasion, riot or usurped power, Flying other than as a fare paying passenger on a recognised air route, AIDS arising from infection by any HIV virus or an AIDS related condition due to any HIV virus, or Hazardous pursuits outside of the normal working environment.

What will reduce my benefit?

Your benefit will be reduced if you receive income from another source that takes you over the 66% of net pre-tax earnings maximum benefit allowed. This includes earnings or sick pay you are still receiving, amounts you receive from other sickness benefit insurances and pension payments unless you previously received them while working.

What happens if I die?

If you die during membership there is no cash value and the policy ceases.

Other information

How to complain

If you are unhappy about any aspect of the service you have received, please contact the Chief Executive of DG Mutual at the DG Mutual registered address (see below) or e-mail us at complaints@dengen.co.uk. Copies of our internal complaints handling procedure are available on request. Complaints we cannot settle may be referred to the Financial Ombudsman Service. Making a complaint will not prejudice your right to take legal proceedings.

The Financial Services Compensation Scheme

DG Mutual is covered by the Financial Services Compensation Scheme (FSCS) in the UK. This scheme comes into effect if we cannot meet our obligations and are unable, or are likely to be unable to pay claims made against us. You may then be entitled to compensation depending on the type of business and circumstances of the claim. Insurance policies are covered for 100% of the first £2000 and 90% of the remainder of the claim. Further information is available from the FSCS at www.fscs.org.uk

Regulation

DG Mutual is authorised and regulated by the Financial Services Authority in the UK and is registered with that body under firm reference number 139535.

Please note that this guide should be read in conjunction with a personalised illustration.

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DG Mutual is the trading style of The Dentists' & General Mutual Benefit Society Limited, incorporated in 1999 under the Friendly Societies Act 1992. It is a Member of the Association of Financial Mutuals and is authorised and regulated by the Financial Services Authority.

For more information, please freephone 1850 260 261

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