



## Press Release

### **Men in Ireland Value Themselves 64% More than Women**

Women appear to be underprovided for financially when it comes to life insurance. New research reveals that men in Ireland insure themselves on average for 64% more Life Cover compared to women, and 26% more for Specified Serious Illness Cover. This was the primary finding from leading protection specialist Royal London, following an analysis of life insurance policies over the 5-year period 2016 – 2020.

Karen Gallagher, Interim Head of Proposition at Royal London explained,

*“These figures reveal significant discrepancies between the amount of financial protection men and women put in place for themselves, which can have significant ramifications for people down the line. Over the last five years, the amount of Life Cover taken out by men is almost two-thirds higher (64%), on average, than the amount of cover taken out by women. The average sum assured on a life insurance policy (Term Assurance) is €177,409 for women and €291,162 for men. One positive we could draw from the analysis was that while the gap has remained consistent at 57% for the past two years, the longer term trend is moving in the right direction considering it was almost 83% in 2017. However, the question remains - why are men more likely to insure their lives for a higher amount than women?”*

<b>Term Assurance</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Average</b>
<b>Female</b>	€181,082	€168,277	€185,834	€180,665	€171,185	<b>€177,409</b>
<b>Male</b>	€291,739	€307,888	€304,656	€283,272	€268,255	<b>€291,162</b>
<b>Average</b>	<b>€236,411</b>	<b>€238,083</b>	<b>€245,245</b>	<b>€231,969</b>	<b>€219,720</b>	<b>€234,285</b>

Karen continued,

*“The reasons for the disparity may mirror the wider societal issue of gender stereotypes and/or the gender pay gap. Considerably more women (98%) than men work in the home as a stay-at-home parent\*, and our research suggests that a lot of people may undervalue this role in the home from a monetary perspective and therefore select a reduced level of insurance cover for themselves.*

*“Following our own research earlier this year, our calculations suggest that the value of the work a stay-at-home parent does is worth nearly €49,000 per year, whereas our consumer survey results indicate that people tend to value the role for a much lower amount (€29,000)\*\*. This unpaid role is not cheap to replace should the worst happen to the stay-at-home parent, and it makes adequate coverage a necessity. This is particularly relevant if the primary earner wants to continue working as they would have additional expenses such as childcare or housekeeping to cover.”*

### **Life Insurance**

According to the Royal London data, the last five years have not seen a huge change in the average levels of Life Cover. Life Cover, also known as Term Assurance, pays out a lump sum amount if the person dies during the term of the policy. This lump sum amount can be used by family to help cover funeral costs, ongoing living expenses, settle debts or provide an inheritance.

Karen went on to comment,

*“Over the last five years, the average sum that people insure themselves for has remained relatively stable, with the average amount for Term Assurance being €234,285. For a family with monthly bills of about €2,500, this amount would last approximately eight years. Another way of looking at it is that it would provide over €29,000 per annum for approximately eight years, which is below the average annual income of €40,283\*\*\*. While everyone’s personal circumstances are different, these figures suggest that the cover in place may not be enough to meet the financial needs of a family if it is intended to replace either the primary earner’s income or a stay-at-home-parent’s role, particularly where there are very young dependents or if the family will have ongoing rental costs.”*

### **Specified Serious Illness Cover**

According to the Royal London data, the average sum assured for Specified Serious Illness Cover# policies in the last five years was €69,645 - less than one-third of the average Life Cover policy.

<b>Specified Serious Illness Cover</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Average</b>
<b>Female</b>	€58,923	€63,138	€65,743	€62,365	€57,771	<b>€61,588</b>
<b>Male</b>	€74,286	€81,258	€84,429	€76,492	€72,040	<b>€77,701</b>
<b>Average</b>	<b>€66,605</b>	<b>€72,198</b>	<b>€75,086</b>	<b>€69,429</b>	<b>€64,906</b>	<b>€69,645</b>

Karen commented,

*“It’s positive that so many people are insured against serious illnesses and while €70,000 might seem like a lot, as with Life Cover, people should ask themselves how far will this amount really go when they factor in all the day-to-day costs of running a home, and possibly the costs of dependents, over a number of years. Our results show that women insure themselves by approximately 26% less*

*than men for Specified Serious Illness Cover, which again suggests that perhaps the economic contribution made by women to the family is not always being factored into financial plans.”*

Karen concluded,

*“Historically, women have been underprovided for financially when it comes to salary, savings, and pensions. Hence, we are encouraged by the introduction of legislation such as the Gender Pay Gap Information Bill 2019, which aims to provide transparency on the gender pay gap in Ireland and incentivise employer measures to narrow the gap. At an individual and family level, when it comes to financial planning and protection, we would encourage people to consider the financial cost of replacing both partners’ contribution to the family - even if one is a stay-at-home parent or not the primary earner.*

*“When considering Life Cover and financial protection, we would always recommend that you talk with a Financial Broker, who will help you put plans in place to meet your own personal circumstances. If you would like to review the financial protection you already have or you would like to put protection in place, your local Financial Broker is an ideal starting point.”*

**ENDS**

**Sources:**

\* Women and Men in Ireland 2016, CSO, 2016 - <https://www.cso.ie/en/releasesandpublications/ep/p-wamii/womenandmeninireland2016/socialcohesionandlifestyles/>

\*\* Royal London commissioned survey conducted by iReach, 2021, found that average salary value people would place on the role of a stay-at-home parent was €29,000, while wage figure estimates suggest the actual amount could be nearly €49,000 - [42% of people place more value on the role of stay-at-home parents following Covid-19 lockdowns - Royal London](#)

\*\*\* Central Statistics Office, Earnings and Labour Costs Annual, 2019 - <https://www.cso.ie/en/releasesandpublications/er/elca/earningsandlabourcostsannualdata2019/>

# Specified Serious Illness Cover pays a guaranteed lump sum on diagnosis of a specific covered illness during the term of the policy – the lump sum paid out in the event of a claim is based on the amount of cover people put in place.

## Notes to the Editor:

### About Royal London:

Royal London has a history of protecting our policyholders and their families for over 190 years in Ireland, and we're committed to continue to do so for a long time to come! Today we are owned by The Royal London Mutual Insurance Society Limited – the largest financial life, pensions, and investments mutual in the UK, with over 4,000 people, providing around 8.8 million policies and more than €178 billion in Group funds under management. (Figures as at June 2021).

Royal London's Irish office is based at 47-49 St Stephen's Green, Dublin 2.

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