



Press Release

10 January 2020

Thousands of ex-smokers could cash in on New Year's resolution

Ireland is now a nation with more quitters than smokers

This month, thousands of people in Ireland will make a New Year's resolution to give up smoking. Those who gave up in January 2019 and have managed to stick to it may be able to avail of reduced life assurance premiums, say experts at Royal London. Figures released today by the leading protection specialist reveal the substantial difference in the cost of life cover for smokers versus non-smokers, with smokers paying around twice as much for life insurance than their non-smoking counterparts.

Colette Houton, Underwriting and Claims Lead at Royal London, explained, *"Each year thousands of people throughout Ireland aim to give up smoking, with the beginning of the New Year seen by many as the perfect time to jumpstart their health goals. Statistics from the Healthy Ireland Survey 2019* show that more and more people in the country are trying to kick the habit. The overall number of smokers in Ireland has dropped from 23% in 2015 to 17% in 2019. The report shows that 46% of those who smoked in the 12 months before the survey made an attempt to quit, and that 25% of those attempts have been successful.*

*"Given that tobacco use is the leading cause of preventable death in Ireland each year, with almost 6,000 smokers dying per annum from tobacco related diseases**, the health benefits of quitting can't be understated. But there are also significant financial benefits as well. Saving the money previously spent on buying cigarettes might easily spring to mind, but the thousands in savings that can be made on life cover might not be so obvious to a lot of people.*

“Smokers who have managed to give up for more than 12 months and already have life cover in place can potentially avail of a reduction in the cost of their premiums. If you’re an ex-smoker, we recommend that you get in touch with your financial broker to see if you can avail of cheaper rates and start the New Year by saving money on your insurance policy.”

Recent cost analysis from Royal London reveals the difference in premiums paid by the two groups.

Royal London Cost Analysis

Level Term Assurance Life Cover for €300,000 sum assured ^

Age	Term (years)	Monthly premium non-smoker	Monthly premium smoker	Savings over 25-year term
35	25	€24.07	€43.15	€5,724.00
45	25	€52.67	€107.24	€16,371.00

Specified Serious Illness Cover for €300,000 sum assured ^

Age	Term (years)	Monthly premium non-smoker	Monthly premium smoker	Savings over 25-year term
35	25	€114.39	€188.45	€22,218.00
45	25	€278.78	€490.46	€63,504.00

Speaking of the cost analysis, Ms Houton said,

“The price differential here is quite substantial. Our experience is that, while many people expect that smokers will pay more in premiums, they don’t actually realise how much more. The Healthy Ireland Survey 2019 found that smoking rates are the highest among the 25-34 years age group – 26% of this cohort are smokers – the age at which most people take out life cover for the first time.”

Royal London says the classification of a non-smoker is based upon total abstinence from any tobacco products in the last 12 months, including the use of e-cigarettes and nicotine replacement products, such as patches or chewing gum. There must also be an intention to continue to abstain in the future.

Ms Houton commented,

“If a person wishes to be re-categorised as a non-smoker, in some cases, they could be asked to complete a cotinine test (smoker test). This is a simple test which involves screening a

sample of saliva or urine for tobacco use. If you are a Royal London policyholder who stopped smoking over 12 months ago and would like to be considered for non-smoking terms, you can do so, subject to underwriting terms and conditions, by submitting a Non-Smoker Terms Form.”

Ms Houton concluded,

“The number of smokers in Ireland has been decreasing overall, and it would seem that the Government’s campaigns to reduce the number of people smoking, for example through the standardisation of non-branded packaging, are having the desired effect – 25% of those surveyed in the Healthy Ireland Report agreed that the health warnings on packs have made them more motivated to quit in the past month. The HSE’s Tobacco Free Ireland Report 2018^^ contends that, assuming this current downward trend continues and all other factors remain constant, Ireland is on course to be ‘tobacco free’ by 2052, which by their definition means that less than 5% of the population use tobacco products.”

-ENDS-

Note to the editor

Sources:

*Healthy Ireland Survey, 2019 – <https://assets.gov.ie/41141/e5d6fea3a59a4720b081893e11fe299e.pdf>

The HSE’s Healthy Ireland Survey 2019 reports that while 17% of Irish people smoke –19% of men and 16% of women – the overall prevalence of smoking has declined from 23% in 2015 to 17% in 2019. The age group with the highest prevalence of smokers is 25-34 year olds, at 26%. In terms of quitting, the report showed that 40% of current smokers at the time of the report were actively trying to quit, with a further 28% at least thinking about quitting.

** HSE, Smoking, The Facts

<https://www.hse.ie/eng/about/who/tobaccocontrol/kf/>

^ Bestadvice.ie as at 18/12/2019

Figures are the best-in-market prices. Age refers to age next birthday. Sum assured in each case €300,000.

^^ The State of Tobacco Control in Ireland: HSE Tobacco Free Ireland Programme 2018

<https://www.hse.ie/eng/about/who/tobaccocontrol/the-state-of-tobacco-control-in-ireland%E2%80%932018-report.pdf> | p. 17