

IMPORTANT NOTICE FOR CUSTOMERS ON THE LIFE ASSURANCE PREMIUM LEVY

We wrote to you in September 2009 to notify you of a change to your premium following the introduction of the 1% government levy ('the levy') on premiums investing in life assurance policies and as detailed in the Finance Act 2009.

We have updated our administration systems to allow collection of the levy and have set out below details about the levy and a Questions and Answers section to help you with any questions you may have.

In recognition of the time elapsed since the levy was introduced Phoenix Ireland has paid the levy due on the premiums that were paid into your policy in 2009 i.e. August to December 2009 inclusive, and have set out below details of how the levy will be collected depending on your chosen payment method.

Paying by Direct Debit?

We will collect the outstanding levy due as a one off additional direct debit with your next direct debit payment.

Paying by Cash or Cheque?

The revised premium and levy due will be reflected in your next renewal notice

Paying by Standing Order?

Your next renewal notice will reflect the revised premium due. You will need to contact your bank to amend your standing order to the revised amount.

Below is an example of how the levy is calculated and will be collected (for direct debit customers)

Example (for direct debits collected in June)

Current premium amount	€100
1% government levy	€ 1
Revised premium amount	€101
Additional levy due from Jan – May as a one off payment (€1 x 5 months)	€ 5
Total direct debit payment in June	€106
Direct debit payment due thereafter	€101

FREQUENTLY ASKED QUESTIONS

We have set out a Questions & Answers section below which should assist you with any queries you may have.

Q1. What is the new Life Assurance premium Levy?

A. The Minister for Finance announced the introduction of a 1% levy in life assurance premiums in the supplementary budget in April 2009. Under the Finance Act 2009, life assurance premiums, including pensions, savings and investment premiums paid into both new and existing policies on or after the 1 August 2009 would be subject to the levy.

However, the Finance Bill 2010 removed the levy from pension policies with effect from 01 January 2010.

Q2. What Products does the levy apply to?

A. The levy applies to all main policy types

- Protection
- Savings
- Investments

Q3. How long will the levy apply?

A. Despite intensive lobbying by the Irish Insurance Federation (IIF) on behalf of the insurance industry, the 1% levy has been passed into law and is to remain in place indefinitely on all life assurance policies (excluding pensions).

Q4. Do I need to do anything about the new levy?

A. No. There is no need to contact Phoenix Ireland or to take any action (unless you pay by standing order as outlined above) as Phoenix Ireland will collect the levy due by an additional direct debit payment and pay it directly to the government.

Q5. How does the levy affect my policy?

A. Your premium will increase by 1% as outlined above but all benefits and entitlements will remain as per your policy provisions.

Q6. Why are you collecting in arrears?

A. Due to the time required to programme and document the 1% levy into our systems, Phoenix Ireland and other life assurance companies were not in a position to collect the levy starting in August. In recognition of this, Phoenix Ireland has paid the levy due for 2009 (August to December 2009 inclusive).

If you have any other queries in relation to the life assurance premium levy, please call our Customer Contact Desk. Our contact details and opening hours are shown at the top of this notice.