

# Life of Another

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If you're in a relationship, partnership, or own property — this matters.

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## What is a Life of Another Policy?

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It's a life insurance policy taken out by one person on the life of another — often used when there's a financial connection, such as a shared mortgage, business partnership, or inheritance planning need.

## When Is It Relevant?

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### **Cohabiting Couples**

To help cover potential inheritance tax if one partner dies and the property is jointly owned.

### **Business Partners**

To provide funds if a partner passes away, supporting business continuity or a buyout.



### **Inheritance Tax Planning**

Especially for high-value estates or when the Dwelling House Exemption doesn't apply.

## Why It Matters

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The **inheritance tax threshold** for cohabiting partners (Group C) is only **€20,000**



Anything above that is taxed at **33%**



Without planning, a surviving partner could owe tens of thousands in tax



A Life of Another policy — when structured correctly — can help cover this liability **tax-free**

## Example Scenario

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Mike and Sarah are an unmarried couple who jointly own a €400,000 home. If Mike dies, Sarah inherits his 50% (€200,000).

With a CAT threshold of €20,000, she could owe 33% on €180,000 — that's **€59,400** in tax.

But if Sarah owns and pays for a Life of Another policy on Mike, the payout is hers — **tax-free** — and can be used to pay the liability.



## How To Structure It Properly

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Each person **owns and pays** for the policy on the other



Use **individual (not joint)** accounts for premium payments



Get in touch with us at [BeatTheBank.ie](https://BeatTheBank.ie), we're here to help.

## Other Considerations

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Already have mortgage protection cover in place? **No problem** — we can help you review your current setup and explore whether a Life of Another policy could complement your broader protection plan.

Every client's situation is unique, and the right structure depends on a range of factors — from relationship status to property ownership and inheritance goals.

If you think this might apply to you or someone you love, **reach out today**. We'll walk you through it — jargon-free — and make sure your cover is doing exactly what it should.



# Beat The Bank

## Contact Us Today

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