

## Smokers could save nearly £2,000 on life insurance by quitting mid policy.

Smokers save as much as £1,640<sup>1</sup> a year by quitting but could also benefit from cheaper life assurance even if they were smokers when they took out their policy.

Ben Heffer, Insight Analyst at Defaqto says: “For a male aged 25, wanting £100,000 of life assurance, if he smokes it will cost him on average 62% more than if he is a non-smoker. Typically, for a 25 year old in good health a £100,000 of cover costs between just £5 and £7 per month, roughly the cost of 20 cigarettes; a smoker could pay as much as £10 or £12 per month.”

Mr Heffer goes on to say: “Most insurers will class you as a non-smoker if you have not smoked cigarettes, cigars or pipe tobacco for 12 months, but it is important that you are truthful on the application form because if you do not disclose the full facts, your cover could be invalid. But smokers should also be aware that there are still some savings to be had with the right providers for efforts to give up or stop.”

### Insurers that give non-smoker rates to those wearing a nicotine patch:

Provider	Product name	Typical rate for male aged 25, £100k cover 25ys	Typical rate for female aged 25, £100k cover 25yrs
HSBC Life (UK)	Fixed Term Life Cover	£12.93	£10.38
Police Mutual	Life Cover	£5.85	£4.64
Scottish Provident	Self Assurance	£6.70	£5.96

### Insurers that will reduce premiums if you stop smoking

Provider	Product name	Reduction <sup>2</sup>	Saving over policy term	Defaqto Star Rating <sup>3</sup>
Aegon Scottish Equitable	<b>Personal protection</b>	£2.68	£804	4 Star Rated
Axa	<b>Protection account</b>	£2.94	£882	5 Star Rated
Bright Grey	<b>Lifestyle protection</b>	£3.13	£939	5 Star Rated
Bupa	<b>Life cover</b>	£3.19	£957	5 Star Rated
Fortis Life	<b>Your Life Cover</b>	£3.47	£1,041	5 Star Rated
HSBC Life	<b>Fixed Term Life</b>	£5.75	£1,725	2 Star Rated
Legal and general	<b>Term Assurance</b>	£2.21	£663	4 Star Rated
LV=	<b>Flexible protection plan</b>	£3.45	£1,035	5 Star Rated

Being a non smoker is the best way to keep premiums down and according to our research, taken across the board the best life insurance deals are currently with Axa or Aviva.

<sup>1</sup>A person smoking on average 15 cigarettes a day @ £6.00 per packet of 20 could spend £1,640 a year on cigarettes.

<sup>2</sup> Premium reduction for converting to non-smoker status calculated from the difference between standard smoker and non-smoker rates for Male aged 25 over 25 year term.

<sup>3</sup> We currently do not rate life assurance only plans. Those indicated have been rated in our life assurance plus critical illness category.

**Notes to editors:**

**Ben Heffer** is an Insight Analyst for Life and Protection

Ben graduated from Leeds University in 1984 and, after a spell in the civil service, entered the financial services industry working first for Bradford & Bingley Building Society and then at Countrywide Independent Advisers as a pensions researcher. In April 1994, Ben helped to establish the new company and the launch of the very first release of Aequos. Initially a pension specialist, in the course of his career with Defaqto, Ben has at various times been involved with annuities, investments, statistics, general database management and, latterly, the Defaqto Service Project. He now works in the Insight team with special responsibility for the life and protection brief.

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