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INSURANCE & FINANCIAL BROKER

BROKERS IRELAND

BROKER EXPERT AWARDS

Nominations Open!

Closing Date Extended to 15th July

NEW PRESTIGIOUS BROKER EXPERT AWARDS

Celebrating the work, contribution, achievements, and success of the Irish Broker community.

Brokers Ireland's new Broker Expert Awards aim to shine a light on excellence through recognising Insurance and Financial Brokers who offer the highest level of professionalism, innovation, performance, and service to their clients.

The Broker Expert Awards now seek nominations from Brokers nationwide who fully understand the environment in which they operate and, at its core, truly know their customers' needs and the market. **Nominations can be submitted online at: https://brokersireland.ie/broker-expert-awards-2022/**

The seven different categories for the Broker Expert Awards will be judged by an independent panel to include:

- Broker Expert Awards – Motor Insurance Expert 2022
- Broker Expert Awards – Home Insurance Expert 2022
- Broker Expert Awards – Commercial Insurance Expert 2022
- Broker Expert Awards – Pensions Expert 2022
- Broker Expert Awards – Investments Expert 2022
- Broker Expert Awards – Protection Expert 2022
- Broker Expert Awards – Mortgage Expert 2022

NEXT STEPS

Once the judging panel has reviewed and shortlisted nomination forms under each Broker Expert Award category, the full list of shortlisted companies will be published in September 2022 and the overall winners of each product category will be announced at the Broker Expert Awards gala ceremony event in November. Winners will also be published online and in Irish Broker magazine.

The best of luck with your nominations and we look forward to seeing you and your colleagues at the Broker Expert Awards gala night in the RDS in November.

For further information on the Broker Expert Awards 2022, go to **BrokersIreland.ie/news** or email **events@brokersireland.ie**

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Back for 2022

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Thursday 15 September 2022 | Hall 4, RDS, Dublin
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Brokers Ireland Meet the Market Day will host over 80 general insurance suppliers operating in the Irish marketplace who will be available to answer Broker questions and discuss your clients insurance needs.

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Meet The Market Day is a great opportunity for Brokers to make real-time business contacts, collate useful updates and seek product information from specialist suppliers.

- **Insurers – General Insurance Companies**
- **Lloyd Brokers**
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EDITORIAL

The Role of the Regulator

THE objective of business is simple. It is to maximise shareholder value - that is an absolute. Meeting this objective is however far from simple; a skilled business person or manager must navigate the complexities of the world we live in, the zeitgeist, rules and regulations and then choose how to best allocate resources to their best advantage. Optimal allocation of available factors of production requires acumen, knowledge and experience. It's both art and science. Given the same starting point, different people will do different things, take different decisions and follow different paths leading to different outcomes. This explains why a skilled manager or CEO is so highly valued.

At a universal level, the roll of a regulator is less clear though is often well defined locally. Take our own Central Bank of Ireland, it's roll is defined and empowered by legislation, to borrow directly from the CBI's own words: *"The Central Bank of Ireland serves the public interest by safeguarding monetary and financial stability and by working to ensure that the financial system operates in the best interests of consumers and the wider economy."*

So there's our base line for regulation in Ireland, well mostly. Though the Central Bank is tasked in regulating financial institutions such as Brokers, it is not always solely responsible for regulating all of the the products or key people involved. Meet the Pensions Authority who draw their authority from the Pensions Act 1990, in their own words: *"The Pensions Authority regulates occupational pension schemes, trust RACs and Personal Retirement Savings Accounts (PRSAs)."*

It's a strange carve-out that effectively leaves our industry with two regulators drawing their authority from sometimes different and other times similar sources. When it comes to their role in our industry, both cover similar territory. In business, participants in a market create competition. This is healthy and not only provides a self regulatory mechanism for pricing but also for many other things such as ensuring quality and service to consumers. When it comes to regulation quite the opposite applies, competition creates undesirable behaviors. A regulators priorities are not those of business. They are guardians of the system and should flow through it seamlessly. Where a regulator sees itself as a strong man or wishes to outshine its peers, it stops serving the system it was empowered to protect.

A skilled regulator is akin to a master pianist who deftly moves from key to key skillfully ensuring harmony and a subtle balance whereby the whole thing works seamlessly in its entirety. Good regulation requires steel and strength but also utter control and composure, humility and a distinct lack of personal ambition. The temptation to overreach is compelling. The temptation to look inwards or at those making rules in a higher authority is likewise compelling but misses the point entirely. Being best in class does not involve killing the chicken for fear that it may at some point dirty the egg.

Much as the business person must strive to drive value, the regulator must strive to meet their mandate. Locally that is to act "in the best interests of the consumer and the wider economy". This objective can not be achieved by heavy handedness or over reach. The consumer is not best served by adding layers of regulatory cost to the financial products they need. The consumer is not best served by regulators forcing the withdrawal of essential financial products essentially to suit their own business objectives. And the best interests of the economy are most certainly not best served by a diminution in competition driven by overreaching regulation.

This is a delicate time for business and consumers. Those tasked with oversight would be well served to draw breath and look back to their core remit.

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Overregulation...

WINSTON Churchill whilst arguing against the stifling regulations of industry and commerce by the post-war Labour Government in 1949 said "If you make ten thousand regulations you destroy all respect for the law". This statement rings through for our members at present. From surveys carried out and talking to members, the number one issue at the forefront of our members concerns is the overregulation of the sector and the costs associated with keeping up to speed with continuous regulatory changes.

The majority of our Brokers are non-cash handling, non-product producing sellers of regulated products. In addition, when client monies are transferred to the Broker they are taken as being received by the provider. Therefore, prudential risk for consumers is much less for the clients of Brokers than when dealing with other financial firms. The Central Bank itself categorises the intermediary sector as low risk but despite this fact, over the past 15 years or so, Brokers have had to embrace a significantly increased regulatory landscape. Brokers had to come to terms with being categorised as MAI's, AA's and least we forget RAIPIs!, then requirements which included the Central Bank of Ireland's (CBI) Consumer Protection Code, compliance with the Minimum Competency Code, Fitness and Probity requirements, the updated Prudential Handbook, new requirements coming from the Insurance Distribution Directive (IDD), guidance on outsourcing and operational resilience, the 5th AML Directive, Packaged Retail Investment Products (PRIPs), General Data Protection Regulation (GDPR), Disclosure Regulations, the Consumer Insurance Contracts Act and, most recently, requirements in respect of sustainable finance. These developments are superimposed on general national rules and legislation such as taxation law and company law.

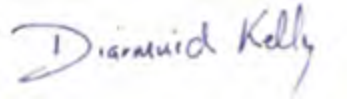
We understand the Central Banks mandate for consumer protection, but members feel that much of the regulatory requirements which are applied wholesale across all financial providers are not proportionate to the nature and scale of their business or indeed the risks they pose to consumers. From a consumer protection point of view, feedback from members is that the volume of documentation required is becoming increasingly large and there is a strong sense that many customers are becoming overburdened with documentation; and that this is sowing confusion. The issue of overdocumentation is acknowledged at both national and European level. A valid question to ask is whether the level of documentation makes things clearer for the customer or does it just succeed in putting the customer off?

An important way to measure consumer satisfaction with Brokers is to look at complaint data contained within the Financial Services and Pensions Ombudsman (FSPO) annual reports. These reports consistently show that the level of complaints against intermediaries is very low. In 2019, they received 345 complaints concerning intermediaries, which was equivalent to just 6.5 per cent of total complaints received. In 2020, it received just 293 complaints concerning intermediaries, which was equivalent to just 5.4 per cent of total complaints received and in 2021, it received just 300 complaints concerning intermediaries.

As I am sure you are aware, Brokers Ireland in conjunction with Jim Power of Jim Power Economics has published a paper on the proportionate regulation of intermediaries, this paper focuses on the concept of proportionality and the application of the SME Test particularly the 'think small first principle' and that regulations should be both created and administered in a way that minimises obstacles for SMEs and requires their interests to be taken into account at each stage of policymaking.

I believe Brokers have a vital role within the financial services industry, particularly at a time when all across Ireland there is significant withdrawal of banks and post offices from local communities. Brokers have an increasingly important role to play in ensuring that consumers have proper access to financial services advice.

Our members support balanced and proportionate regulation, as essential both to protecting consumers and to upholding the integrity of the Irish financial services industry. Implementing balanced, proportionate regulation is also essential to ensuring that young financial services professionals continue to see our industry as one where they can have a viable future, perhaps as business owners. It is not an exaggeration to state that the future of Insurance and Financial Brokers is at stake!



Diarmuid Kelly, CEO Brokers Ireland

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With the return to office programme in full swing, and new processes introduced during lockdown fully embedded with various digital supports introduced, Rachel McGovern, Director Financial Services, Brokers Ireland recently paid a visit to Irish Life and spoke to Declan Bolger CEO, Irish Life Group and Dermot Gaskin Director Brokerage, ILFS about these and other issues in the market place

DECLAN, now that lockdowns are hopefully consigned to history, how are your return to office plans progressing?

DB: In February this year our Return to Office strategy began with key staff being invited back to experience the new working environment. Since that time almost all staff have returned to the office, which is now fully hybrid work enabled. By the end of July, we expect to be firmly established in our hybrid pattern, with staff splitting their working week equally between home and the office. We have made sure that systems and processes are in place now to support hybrid as staff have returned to the office. This focus means that Brokers can still expect excellent service and even more technology developments to help them develop their business in this new world of work.

Service levels are a really important issue for Financial Brokers and their customers, how did these hold up with staff working from home and have you plans to continue to improve?

DG: We decided at the outset of lockdown that the best way to support Brokers was to ensure our service levels were maintained at best possible levels. Having moved over two thousand staff from Abbey St to working from home we then had to supply them with all the equipment required to work effectively, we achieved all of that within two weeks. We then embarked on an 'ease' programme to make Brokers interactions with us as simple and as pain free as possible. Basically, this meant removing paper from as many processes as we could. Anecdotally we've heard from Brokers that, while there's always room for further improvement, our service levels held up really well. With the return to office programme in full swing, with the new processes introduced during lockdown fully embedded and with the various digital supports we introduced, we fully expect our service levels to further improve over the weeks ahead.

Do you think having multiple distribution channels creates a conflict for Irish Life?

DG: While we have other distribution channels, our Broker business has always been and will continue to be our largest and most important channel. For example, in 2021 Brokers accounted for 60%+ of our Retail business and by 2023 that will have grown to 75%+, which will be in line with the structure of the overall Retail market. We are not only passionate about our Broker business we are dependant on it for our future success. Our commitment is evidenced by the supports we continue to introduce that are exclusive to Brokers such as the 'My' range of digital tools and the recent launch of new ILIM, Setanta and Amundi funds. In 2021 alone we had exclusive Broker webinars that attracted 8500 attendees and issued 37 ezines to 189,000 recipients.

Brokers Ireland recently commissioned an independent report on the ever-increasing workload of regulation on small advised-based Broker firms, and the impact of information overload on customers which can act as a barrier to them accessing the advice and products they need. What is Irish Life's view on this issue?

DB: We fully acknowledge the hugely important role Financial Brokers play in ensuring their clients receive accurate, understandable, and relevant advice across all financial products. We would support the view that information overload can lead to confusion rather than clarity for customers and that Financial Brokers carry a significant burden of work as a result both in terms of delivering and then explaining that information. This can be particularly challenging in the Micro SME sector. Stream-lining the information provision requirements for customers has the potential to improve customer understanding and to contribute positively to consumer protection and as such should align with the aims of the Central Bank. Consumers need a vibrant, thriving Financial Broker network and we are committed to supporting the Broker community in its endeavours to achieve that outcome.

The agency agreement with Brokers Ireland was renegotiated in 2020, how important do you think the agreement is to the Broker market?

DG: We have always believed that having a formal agreement with Brokers through Brokers Ireland that sets out clearly the rules of engagement, is a really important part of the relationship for all parties. In fact, Irish Life was the first Life Office to have a negotiated agreement with a Broker representative body (PIBA) way back in the 1990's. The renegotiation through Brokers Ireland in 2020 meant that we could modernise the agreement taking into account massive industry and regulatory changes while still maintaining the really important fundamentals.

DB: And of course side by side with the Agency Agreement we also have our long-established Broker Charter.

What are your views on the changing Pensions landscape?

DB: With Auto Enrolment, IORPS II and Simplification there is a huge amount of change on the horizon for Pensions and there is no doubt that various pieces of legislation will each have a profound impact. In totality though, I think that all the elements are a fundamentally good thing, because the core of it all is about making it easier for more people to put more money into pensions and to access their benefits in the way that is most beneficial to them and their individual circumstances. There is an opportunity now to remove some of the unnecessary complexity around different rules and different arrangements but there is a journey to get to that point and lots of questions that must be answered to give the clarity needed to customers, Financial Brokers, and providers. At Irish Life we have been very active in engaging with the Pensions Authority, Revenue, and the relevant Government departments – both directly and through Insurance Ireland. In these discussions we've sought to understand the direction of travel and to influence appropriately based on our practical experience of administering different types of pension arrangements across the market. We've also run several workshops with Brokers to discuss these developments and to capture their thoughts which we have been able to playback into the narrative of the conversations.

DG: Whatever the specifics of the different components, I am convinced that Financial Brokers will continue to play an important role as customers will still want and need to access professional advice on a range of important considerations including taxation, investments, portability, contributions, decumulation and inheritance. This has to represent a massive opportunity for Financial Brokers to continue to bring huge value to their customers.

Digital innovation is becoming increasingly important, what advances have you made and are you planning to support Financial Brokers and their customers?

DG: Supporting Financial Brokers in the digital space is a huge area of focus for us and we have been investing significantly to expand and upgrade our Broker ecosystem for the past number of years. This helped our Covid response as we were already well advanced on several initiatives which we were then able to accelerate development on. We've launched a new version of our Bline website with enhanced usability, easier navigation, greater personalisation, and more robust security. Additionally, as I mentioned before, the 'My' range of digital tools has expanded to include MyQuotes, MyRetirement Pathfinder and MyPortfolio Builder. Each of these is specifically designed with the needs of the Broker in mind – supporting ease and efficiency to hand back time, helping grow a Broker's business by supporting complex areas of advice, allowing data to flow between the connected systems, and ensuring they remain at the centre of the engagement by displaying the individual Brokers brand on the professional, configurable reports. We are continuing this journey with new initiatives coming shortly which will support Brokers in managing their existing business as well as helping with new sales opportunities.

Digital advancements certainly will help in the advice process. Do you see any advantages for the Protection market?

DB: Protection is at the core of our business and one of the key services provided by Financial Brokers. Making it easy for Brokers to put in place the cover customers need is vital, and we know from listening to Brokers that the part of this process that scores the lowest with customers is capturing the medical details. With this in mind we've been able to leverage the upgrade we made to our underwriting engine last year to now deliver something truly game changing. Our new D2C underwriting Application means that once a case is set up on Bline the Broker can choose to push a link to their customers to answer the medical questionnaire themselves in comfort at a time that suits them. The Application is easy to follow, can be saved and resumed later, has 2 factor authentication to ensure confidential data is secure, and best of all, is totally paperless – even the signature is a simple click. Brokers are always kept up to date through an upgraded pipeline in MyBiz and using the Application will also mean more cases are accepted automatically as the interactive questioning reduces the need for follow up questionnaires or other requirements. We genuinely believe this innovation will be transformational for Brokers doing their protection business with Irish Life – a great customer experience, less keying of information for Broker staff and more cases put inforce faster.

DG: The rollout of this initiative commenced at the end of June alongside an upgrade to our Mortgage Protection plan – we will now be offering Dual Life cover for the same price as Joint Life and continuing our price match pledge.

>>> overleaf

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DG... Our Broker business has always been and will continue to be our largest and most important channel. For example, in 2021 Brokers accounted for 60%+ of our Retail business and by 2023 that will have grown to 75%+, which will be in line with the structure of the overall Retail market

DB... For the first time Financial Brokers will have to take account of the clients Environmental, Social and Governmental (ESG) preferences and link these to the investment choices made. In most cases this will be done through a questionnaire and a change to the suitability statement. We believe that most clients will have an ESG preference which will drive Financial Brokers to choose funds with a minimum of Article 8 classification

DG... I am convinced that Financial Brokers will continue to play an important role as customers will still want and need to access professional advice on a range of important considerations including taxation, investments, portability, contributions, decumulation and inheritance. This has to represent a massive opportunity for Financial Brokers to continue to bring huge value to their customers

You recently launched a new range of investment funds. What was your thinking in doing so and where do you see those funds playing a part for Financial Brokers? How do they stand up from a pricing perspective?

DG: Our thinking was very much informed by conversations with Brokers and follow up research. What we learned was that in the main, Brokers allocate to Multi Asset solutions. It was clear that Brokers viewed MAPs, whilst very successful both commercially and performance-wise, as firmly in the risk mitigation category. Brokers as you know have a range of clients not all of whom want or indeed need risk mitigation depending on where they are in their investment lifecycle. With this in mind, and to increase our offering to Brokers and their clients, we have introduced 2 new fund ranges. FORUM from ILIM builds on their long heritage in indexation and strategic asset allocation and offers indexed Multi Asset Funds for clients who want exposure to markets. Separately, SAMA from Setanta is aimed at Brokers whose clients like that active management story building on Setanta's long and successful track record in 'value investing'. This is a style which has been traditionally at the forefront of driving long term returns and is now very much back in vogue. Both ranges are available in risk categories 3,4 and 5, and can be used on a standalone basis, in conjunction with each other, or as part of a 'core/satellite' approach as each manager has a unique skillset and brings something different to the table. Both the FORUM & SAMA fund ranges are available at standard pricing across our Life and Pension products. In addition, we have recently partnered with Amundi to provide a capital protected product in the risk rated 2 category which we hope to have available in the coming weeks. We believe that these new offerings, along with our existing MAPs funds and the range from Fidelity, form a comprehensive fund shelf which will cater for most customer's needs, no matter where they are on their life cycle or their attitude to risk.

Responsible or Sustainable Investing is a very important development for the industry, where do you see the practical application of not just the ethos but the impending Regulation?

DB: Firstly I think we need to be very clear that clients find this whole area very confusing. Indeed, recent research indicates that even the term responsible investing is mis-understood by most people and that we have a job of work to do in educating and engaging people if our industry is to make a difference in this space. The first practical implication is the IDD directive which is due for implementation in August of this year. For the first time Financial Brokers will have to take account of the clients Environmental, Social and Governmental (ESG) preferences and link these to the investment choices made. In most cases this will be done through a questionnaire and a change to the suitability statement. We believe that most clients will have an ESG preference which will drive Financial Brokers to choose funds with a minimum of Article 8 classification. All the funds we launched recently as well as our range of ILIM MAPs funds and a selection of our Amundi funds are a mix of Article 8 and Article 9 classification and as such will help Brokers meet client requirements and future proof the investment offerings. We will continue to work with Brokers to help with client engagement in this area by providing practical support such as educational webinars, videos and client content.

What is Irish Life's commitment to the Broker market going forward?

DB: Irish Life's vision is to be Ireland's home of 'health and wealth' for all citizens across the country. We don't believe we can make this vision a reality without the continued support of the Financial Broker community. Our Retail Life and Pensions division has historically been and remains Irish Life's largest division, and as Dermot said, Brokers are our largest channel within this – a position we see continuing to grow over the coming years. We are committed to continued investment in our Broker channel through product development, service enhancements and technology initiatives to support Brokers as they deliver their client propositions into the future

DG: Within our Brokerage division we will continue to listen to Brokers in order to identify areas for improvement with particular focus on competitive products, fund choice and service. As I have said many times before we really appreciate, and will never take for granted, not only the support of Brokers for our products but also the trust they place in us to help them look after their most important asset – their customers.

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IN FOCUS

Elizabeth Smith Wright, Brokers Ireland

Proportionate Regulation of Intermediaries

THE issue of overregulation of Brokers continues to remain top of the Brokers Ireland agenda for 2022. The vast majority of our members are non-cash handling, non-product producing firms who are unfairly impacted by regulation unsuited to their risk profile, and this disproportionate regulatory burden must be lifted by those who are responsible for policymaking and implementation.

In 2021, Brokers Ireland produced a proportionate regulation document to identify key areas where intervention will make a difference. We circulated this document to policymakers and industry stakeholders to aid their understanding of the impact of regulation on our members. This document has now been updated in conjunction with Jim Power of Jim Power Economics with a focus on the concept of proportionality and the application of the SME Test.

As part of the research for the report, a survey of Brokers Ireland members took place in February which showed that based on employment levels and turnover, the sector is dominated by micro enterprises. The following table (sample size 330) demonstrates that 81.5 per cent of intermediaries are micro enterprises, 14.9 per cent are small enterprises and 3.6 per cent are medium-sized enterprises.

COMPANY CATEGORY	NUMBER OF EMPLOYEES	% OF TOTAL
Medium-sized	> 50 < 250	3.6%
Small	> 10 < 50	14.9%
Micro	< 10	81.5%

Micro enterprises are defined as enterprises that employ fewer than ten persons and whose annual turnover or annual balance sheet total does not exceed €2 million. Despite Brokers size and the Central Bank's own PRISM (Probability Risk and Impact System) risk rating system, categorising Brokers as low risk, Brokers are subjected to the same legislative and regulatory requirements that are applied to credit institutions, MiFID firms and insurance companies. Brokers Ireland considers this approach to be unjustified based on the low level of systemic and consumer risk posed by the broking sector.

An example of where our members continuously highlight concerns in respect of proportionality is in relation to the authorisation process, particularly where firms are currently authorised and seeking to extend their authorisation. The Central Bank previously advised that the robust authorisation process was to reflect its role as "gatekeeper" in the industry; however, the same authorisation process is applied to existing authorised trading firms who are either adding an authorisation or changing from a sole trader to a limited company as to that of a new entrant. Despite the Central Bank reforming the application forms in July 2020, the shortest form applicable to the smallest intermediaries is still 33 pages long, this contrasts to an IDR authorisation in Germany where the application form is 9 pages.

Broker Feedback

From my experience, our business is classified as coming under the guise of "Financial Services" with little or no distinction between Banks, Insurance companies and Insurance/Financial Brokers.

The Central Bank needs to address the current regulatory system because if they don't due to the costs for smaller firms, the larger corporates will buy up these firms and consumers will lose the opportunity to have one on one advice.

The level of regulation is excessive given the nature of our businesses and it hinders the ability to do business.

Our clients are looking at us as if we have two heads when we give them the tons and tons of paperwork applicable to whatever product we are offering!

There is a significant level of duplication in the regulatory process, which increases costs and serves to confuse the customer.

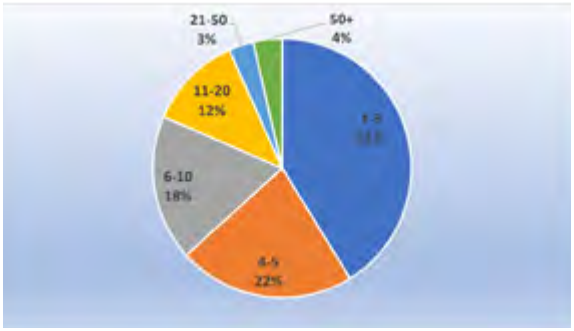
Important to recognise the role of the Broker, ie, an intermediary that interacts between providers and customers on a daily basis. This means a very personal relationship as well as a business relationship.

I believe that Brokers are treated with deep suspicion by the Central Bank, and there is little sense that the regulator will work with Brokers in a collegiate manner for the greater good of the consumer.

Whilst acknowledging regulation is vital in protecting consumer interests, it should not be applied in a manner that negatively impacts the ability of firms of different size, scale, and complexity to competitively operate in the same market. The costs for micro/small firms to employ full-time compliance, data protection, risk management, HR or IT staff is not proportionate to the risk that they pose. These types of firms have fewer resources to comply with legislative and regulatory change and thus require more time and effort to understand, implement and comply. This impacts small firms' ability to compete in a very competitive market.

As we are all aware, Ireland is currently experiencing a significant withdrawal of banks and post offices from local communities. In an increasingly complex insurance and financial marketplace, consumers benefit from the choice, professional advice and service provided by professional Insurance and Financial Brokers. Given that Brokers are located throughout Ireland, it is clear that they have an increasingly important role to play in ensuring that all consumers have proper access to financial services advice.

Breakdown of employment levels in Irish Brokerages



The average employment per intermediary is 11.3 staff. Extrapolating this to the entire industry suggests that intermediaries employ around 13,200 people. This employment is geographically spread and makes a significant contribution to regional employment and economic activity and should not be undervalued.

A key goal of the report is to reiterate the importance of the application of the SME Test. The SME Test analyses the possible effects of EU legislative proposals on SMEs. It has been an integral part of the European Commission's Better Regulation guidelines since 2009. The Commission actively encourages EU countries and other EU institutions to systematically apply the SME Test in the policymaking process. By assessing the costs and benefits of policy options, it helps implement the 'Think Small First' principle and improve the business environment. The purpose of the SME Test is to request policymakers to think about the negative impact of any new legislation or regulation which may create a burden on SMEs. The main thrust of the test is to propose possible exemptions or less stringent requirements for smaller companies. The European Commission estimates that on average, where a big company spends one euro per employee to comply with a regulatory duty, a medium-sized enterprise might have to spend around four euro and a small business up to ten euro per employee.

The Irish Programme for Government 2020 also gave a commitment that the government would seek to cut bureaucracy for SMEs and support the SME Test across government to assess the potential for less stringent requirements and simplification of regulatory adherence. We welcome the Central Bank's recent references to proportionality in recent guidance; however, this concept must be implemented on a practical level for intermediaries when issuing industry-wide requirements and guidance.

Brokers Ireland will be meeting with the Central Bank/ Department of Finance to discuss the report in the coming months. We are committed to working with the Central Bank in order to achieve a proportionate regulatory framework to the benefit of consumers and intermediaries. We believe that the upcoming review of the Consumer Protection Code presents an opportunity for the Central Bank to review the current one size fits all approach and instead produce a CPC/Regulations directed exclusively at the Intermediary/Broker sector. This would ensure that requirements are relevant and proportionate to the Broker sector acknowledging the low risk associated with Broker firms.

Spring Insure opens its doors to European business

SPRING Insure, the specialist Financial and Professional Lines MGA, is excited to announce that it has received authorisation from the Central Bank of Ireland (CBI) and Lloyd's coverholder status in Ireland, opening its doors to European business.

The European operation, based in Ireland, is led by Patrick Mettler. Patrick has over 20 years of experience in the Irish insurance Industry, most recently as Head of Sales for Hiscox in Ireland and previously 16 years as Head of Financial Lines and latterly Country Manager for Chubb Insurance in Ireland.

Spring offers a range of financial and professional lines products across offices in London, Guernsey and now Dublin. Established in 2020, it has secured backing from some of the biggest names in the market including Beazley, Ascot, Aspen, Atrium, Argenta, Convex, Lancashire and MS Amlin and is a part of the Howden Group.

Patrick Mettler, Managing Director of Spring Europe, commented: *"The CBI authorisation is an important milestone for the business. The new Dublin office will open shortly and we are ready to accept risks as of today. We are an ambitious business with the kind of risk appetite that opens exciting opportunities for Brokers. I'm excited to see what we can do together."*

Price Walking in Home and Motor Insurance

Cathie Shannon, Director of General Insurance, Brokers Ireland

March 2022 saw the publication of The Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Insurance Requirements) Regulations 2022, which come into force on 1 July 2022, with application to all insurance undertakings and intermediaries doing home and private motor business in Ireland that are price setters.

THESE Regulations are intended to combat price walking in the home and private motor insurance markets, following the lengthy market study undertaken by the CBI, and to ensure that loyal consumer customers are not penalised simply for reason of tenure. Review of pricing practices and processes accompanies the anti-price walking provisions of the Regulations, as well as new rules regarding auto renewal for all non-life polices, aimed at providing greater transparency and ease for consumer customers.

These Regulations herald important changes for insurers and Insurance Brokers alike, which are expected to comply with the spirit of the Regulations in any pricing decisions made prior to 1 July 2022 for policies commencing in July, and with the letter of the anti-price walking Regulations from 1 July 2022 onwards.

> ***In particular, one might point to channel discrimination, whereby it remains permissible for price setters to charge different prices to different distribution channels for the same risk. According to the CBI's Q&A document, differential pricing of that kind is acceptable to the Regulator.***

> ***Our CBI has opted not to outlaw price walking in its entirety, but to permit those responsible for price setting, to which the Regulations apply, to maintain new business offers for new consumer customers.***

Stakeholders in the insurance industry will be wondering what impact these Regulations will have on the consumers they are intended to aid. It may be observed that outlawing price walking in its entirety in the UK, a step the FCA took earlier this year, has demonstrably led to price increases in the lines of business impacted – thus far at any rate. Our CBI has opted not to outlaw price walking in its entirety, but to permit those responsible for price setting, to which the Regulations apply, to maintain new business offers for new consumer customers. With the preservation of new business prices, it is possible that some consumers, at first year renewal with the holding insurer, will be faced with an increase in their premium when they may be expecting it to remain the same. It may be predicted that Insurance Broker and direct channel salespeople alike will have some explaining to do to customers that were expecting the much-heralded end of price walking to lead either to lower prices, or prices that would stay the same from year to year, which is manifestly not what the Regulations provide for.

Moreover, these Regulations are intended only to address the consumer harm caused by price walking,

with other forms of differential pricing not outlawed. In particular, one might point to channel discrimination, whereby it remains permissible for price setters to charge different prices to different distribution channels for the same risk. According to the CBI's Q&A document, differential pricing of that kind is acceptable to the Regulator. The reasons for this view have not been articulated. This was an issue upon which Brokers Ireland corresponded with and met the Regulator and our disappointment at the CBI failure to look more wholistically at the pricing models of insurance companies and the consumers impacted by this form of differential pricing has been palpable.

What is abundantly clear to Brokers Ireland following significant engagement with our members is that the concepts of price walking and differentiating between customers on grounds of tenure are not concepts with which Insurance Brokers have great personal experience. These are insurer concepts and not the basis upon which the vast majority of Insurance Brokers have ever charged their consumer clients – or indeed any clients. The CBI's published reports arising out of its investigation, revealed little if any data on the intermediary sector and no data on Insurance Broker fees or commission flexing. One wonders then why the Regulator considered that there was a need to bring Insurance Brokers within the scope of these Regulations.

The language used in the Regulations is clearly appropriate to insurance undertakings and not to intermediaries. Intermediaries do not typically charge their clients based on tenure, and they are now having to consider existing fee charging models and shoehorn them into these Regulations. Surely, the Regulator would have been better advised to draft Regulations only bringing within scope the parties that actually engaged in price walking and considered "customer lifetime value" to be a key metric. i.e. insurance companies. There was a strong argument at the very least for retail Insurance Brokers to be wholly excluded from the ambit of these Regulations. Failing

Given the size and importance of the intermediary sector in Ireland, one might question whether the CBI ought actually to be looking at whether intermediaries merit regulation aimed purely at intermediaries. These are entities that are almost entirely MSME (even the large Irish Insurance Brokers), and a sector that the CBI itself considers to pose low levels of systemic risk and low levels of risk to consumers.

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that, the CBI ought to have drafted a section in the Regulations aimed at Insurance Brokers and any fees or charges that they apply for their services, and not applied insurer-centric language that is meaningless for Brokers in terms of their own consumer customers.

Feedback suggests that the CBI's failure to understand and provide for Regulation aimed at and appropriate to the intermediary sector has been noticed, along with the fact that the Regulator does not seem to understand how the typical Insurance Broker operates in terms of its fees and charges - the fact that the average Insurance Broker does not charge consumers more the longer they remain a client, but for services provided. This is disappointing, but not surprising to our members.

This is just one example of intermediaries being regulated via regulation actually aimed at insurance undertakings, or which would seem to be largely unnecessary to address any systemic issue in the intermediary sector. Given the size and importance of the intermediary sector in Ireland, one might question whether the CBI ought actually to be looking at whether intermediaries merit regulation aimed purely at intermediaries. These are entities that are almost entirely MSME (even the large Irish Insurance Brokers), and a sector that the CBI itself considers to pose low levels of systemic risk and low levels of risk to consumers. This may be food for thought for the CPC review announced for 2023. In the meantime, Insurance Brokers will get on with complying with another layer of Regulation. aimed at aiding consumers, but which may turn out to be of little discernible benefit to that cohort.

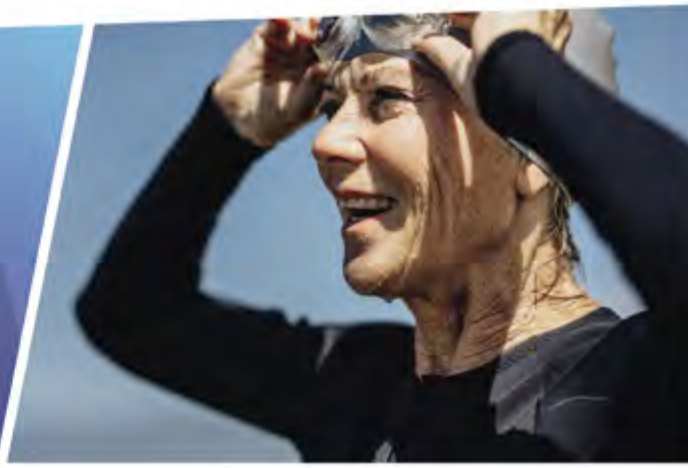
As a final comment, the CBI's reference in its Q&A to proportionality depending upon the nature and scale of the business, as regards the review of pricing practices and processes, is very welcome. Some further guidance from the Regulator as to what proportionality looks like in practice would be even more welcome.

Intermediaries of course, will adapt and be compliant with these Regulations, as they always are and at Brokers Ireland we have already engaged with many members as regards the approaches they may adopt.

Irish Life

Our New **Protection** Proposition

Protection Reinvented



Meet Appy

A one-step process
A huge investment in new tech

Your Team will LOVE it

No more chasing forms and missing information

Happy Customers

24/7 underwriting in the comfort of their home

Matched Price

For a unique proposition

Irish Life Assurance plc is regulated by the Central Bank of Ireland.

Have you got a few minutes?
We've raised the game for Protection

MY thumb costs me a fortune. This month it was outdoor living accessories. It's just so easy to do on the phone: Tap, scroll, swipe, tap. Two days later, the lovely outdoor lights and the melamine plates arrive. It's all so effortless. It only takes a few minutes.

If you google the question "what made Amazon so successful?" – the answers include the following:

- "The main reason that Amazon has been so successful is their total commitment to the customer experience. "- Linkedin.com
- "Amazon is successful due to its high-quality customer experience."- Querysprout.com
- "Amazon is focused like a laser on customers."- Forbes*

Now, this article is in the Irish Broker – it is not news to anyone reading this, that the customer experience matters. It is what defines the broker business – a unique relationship, expertise, excellent service, and an experience which is personal and focussed on the customer. That takes time. Building customer relationships: finding out who they are, what their needs are and helping them make decisions, all takes significant time.

So, it is worth asking the question – in your business, where are the time leaks? Where is the friction in the customer experience? Can you improve your customer's experience while also getting more time for your business?

From the customer's perspective they will inevitably compare their experience of completing the applications and questionnaires, to the experiences they have day to day when doing business or making purchases online.

We've worked closely with Brokers, to analyse the friction in your mortgage protection processes and Appy, our new online medical underwriting application, means applying for a protection plan can now be a one step process. We have raised the entire game for protection.

Think of the current process, where you're sending application forms to customer to be completed, we know it's easy to miss something and the process can look something like this.

Appy allows you to simply fill in the customer's personal and plan details and send your customer a link so they can complete the application on-line. They complete the application and health questions in the comfort and privacy of their own home. They sign electronically and submit the case online. Your pipeline is updated in real time, and you can track their application's progress through MyBiz on Bline. You keep all the control while losing all the hassle.

What does this mean for you and your team?

- No more inputting health questions
- No more chasing paper forms
- No more underwriting fast track questionnaires
- A lot less time chasing follow up information.

This is medical underwriting for the 21st century. Once the customer completes the form, the only people who then need to see it are the underwriters in Irish Life, and that is now what can happen.

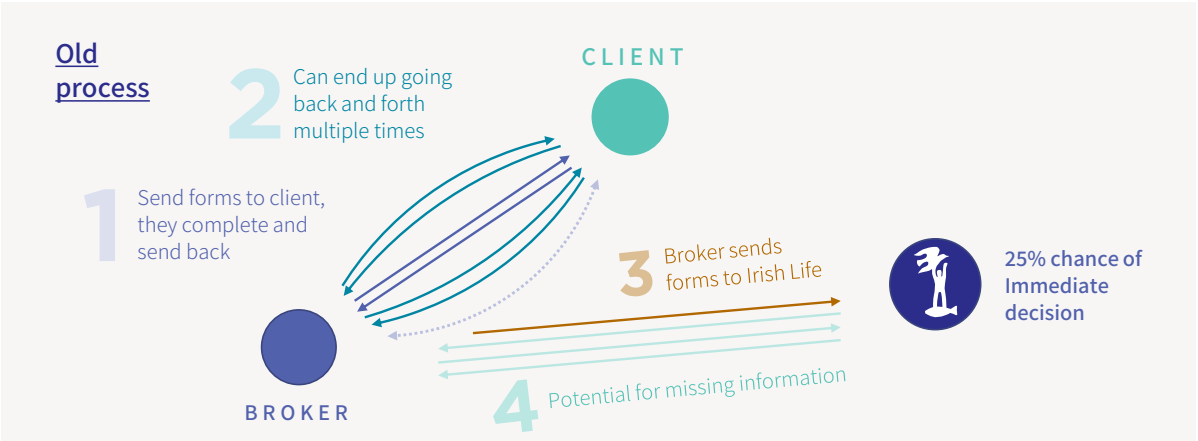
Kate Connor, Protection Development Manager, Irish Life

> ***If you opt to use Appy, you can check in with the customer to see if they need any help with their application or supervise them with a Zoom call – but you'll find you won't need to.***

If you want, you can still use the old system and put the entire application up online yourself.

If you opt to use Appy, you can check in with the customer to see if they need any help with their application or supervise them with a Zoom call – but you'll find you won't need to. You will see a dramatic difference in the amount of your time it takes to submit a case. Your team will love it, as it takes at least 15 minutes out of every single application process – and that is just the inputting time.

The customer application is interactive and reflexive, so you won't need Fast Track underwriting questionnaires. The application can only be submitted when all questions are answered. And because the accuracy of the information is now significantly improved, there is



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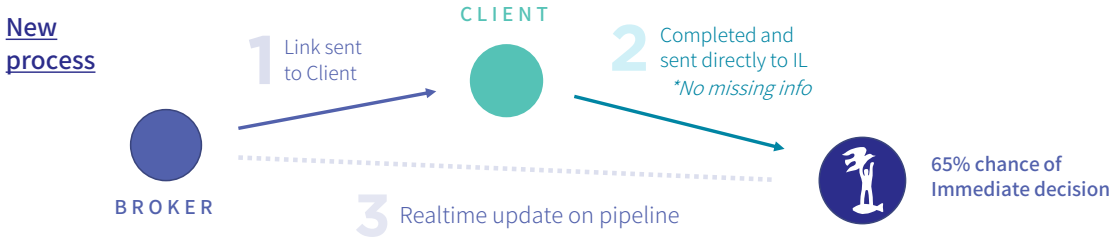


now a 65% chance that the customer will be accepted online immediately. That's more than double the current rate.

What that means, is that 65% of your pipeline will require no further follow up after you input the customer and benefit details and send the link to the customer. That is time you and your team can spend on other value-adding activities.

In addition, we are pleased to announce that our mortgage protection product will now offer dual life cover at the joint life price match rate, (subject to terms and conditions - see bline.ie), and that all of this is of course backed by our unchanged claims record and ethos. Appy also ensures you continue to meet all your compliance and GDPR obligations too.

This is the 21st Century experience your customers now expect – it will streamline your business and your service. And just think: if your admin team is not spending time keying and re-keying data, what does this provide time for them to do? This really is a game changing proposition that allows you to focus your entire team on growing your business in a sustainable way.

Give your thumbs a workout and check out Appy on bline.ie or ask your account manager for a demo. It will only take a few minutes.

*Source: Google.com
Irish Life Assurance plc is regulated by the Central Bank of Ireland

Path of dynamic growth continues in 2021 for **ARAG Group**

IN 2021, the ARAG Group once again significantly increased its gross premium revenues by 9.1 per cent from €1.85 billion to €2.02 billion. Including income from service companies, the Group generated total revenues of €2.04 billion. The underwriting result improved by 5.5 per cent, reaching another record level of €118.2 million. The profit on ordinary activities amounted to €86.7 million. "Consumers are responding to a crisis with an increased need for cover, which is strongly focused on the areas of work and health - and hence on legal and health insurance. Our customers rely on us for help and protection and reward our corresponding efforts. This is reflected very clearly in how our business has developed in 2021," explained Dr. Renko Dirksen, Speaker of the Board of Management of ARAG SE, at the presentation of the ARAG Group's financial statements.

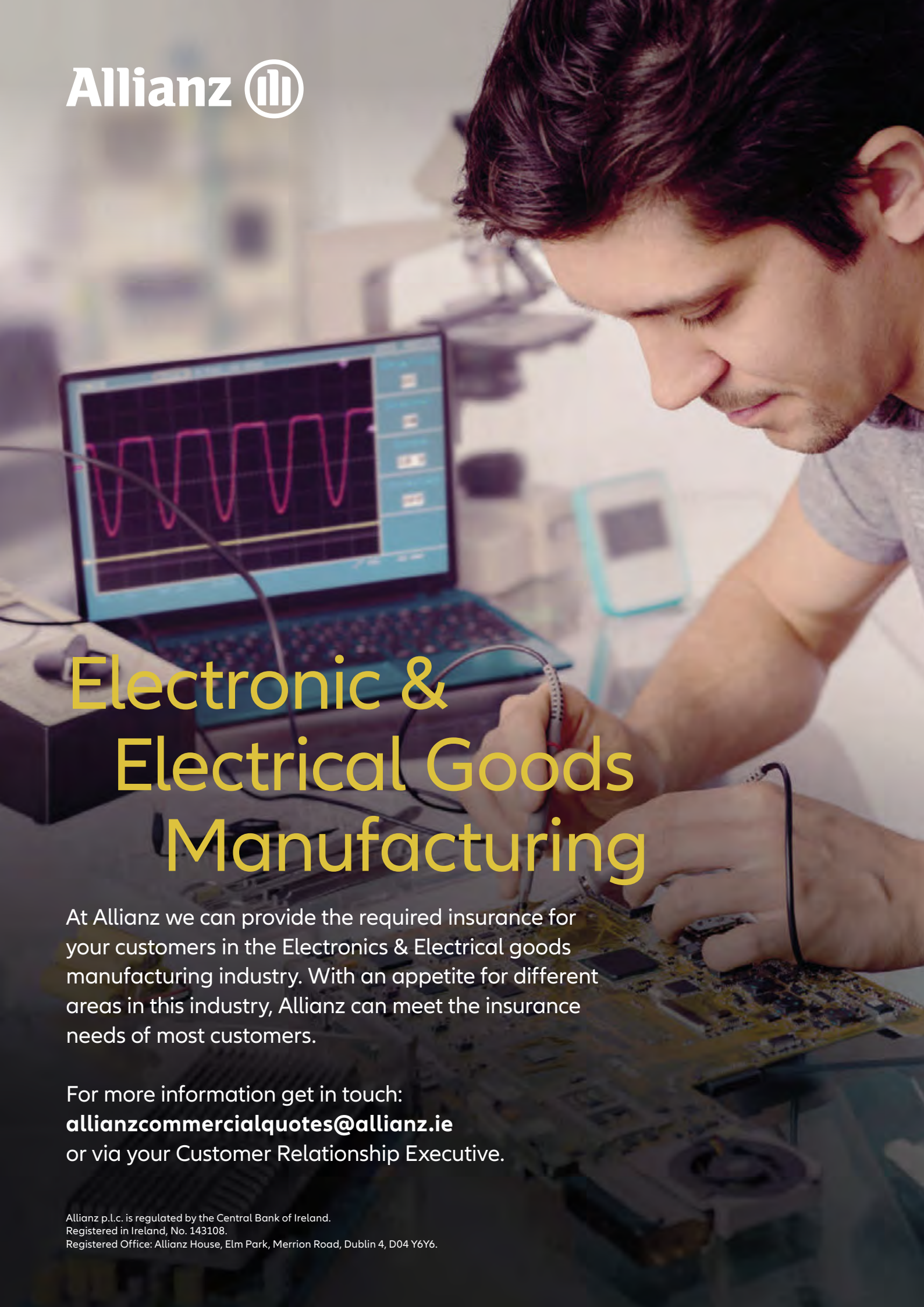
Despite the pandemic, the ARAG Group continued to post strong growth in Germany in 2021. Here, premium revenues rose by 9.6 per cent, well above the market average. Growth in international business was also strong at 8.5 per cent. At the end of 2021, the ARAG Group had a total of 12.2 million policies in its portfolio. The Group's combined ratio increased to 89.2 per cent, up from 87.6 per cent in 2020, while claims expenses rose to €1.03 billion from €935.6 million in the previous year. Due to the strong premium growth, the Group's claims ratio moved from 50.9 per cent to 51.7 per cent. The cost ratio went up from 36.7 per cent to 37.5 per cent as a result of dynamic growth. Income from capital investments benefited in 2021 from a generally good market development with rising stock prices. It rose to €80.3 million, compared with €78.4 million in the previous year. Profit on ordinary activities showed a 4 percent increase on balance and climbed to €86.7 million (previous year: €83.2 million).

The record high in premium income is primarily attributable to the strong performance of the legal insurance segment – the largest unit in the Group. Here, premium growth amounted to 10.9 per cent in Germany and 7.8 per cent in international business. The health insurance segment delivered a particularly strong premium gain of 12.6 per cent, mainly driven by the successful new full-cost health insurance rates. The composite segment recovered from pandemic-related declines in 2021. Revenue here has gone up by 4.2 per cent.

Outlook for the current business year 2022

The enormous momentum of the ARAG Group continued into the first quarter of 2022 - with the best start to the year in the company's history. Premium income in the first quarter continued to grow strongly by 10.4 per cent to €638 million (previous year: € 576.4 million). In the German market, the Group delivered strong premium growth of 8.4 per cent. The national growth drivers were health insurance with 14 per cent growth and legal insurance with 6.6 per cent. ARAG also got off to an excellent start internationally, posting a 14 per cent increase in premium revenues.

"Despite this brilliant start, we are not expecting record figures for our business again in business year 2022. Above all, the effects of a strong inflation are unclear and will be crucial," emphasized Dr. Renko Dirksen. However, thanks to its modern and at the same time robust positioning as well as highly successful business development, the ARAG Group can face the future with confidence: *"We are not closing our eyes to the noticeable changes in our world and economic order,"* emphasized Dr. Renko Dirksen. *"With our business model, we offer our customers effective protection for their standard of living in uncertain times. Our customers need us right now – and we will deliver,"* says the Board Speaker. One of ARAG's clear strengths is that it grows with the challenges it faces. ARAG delivered proof of that in the pandemic – and significantly expanded its business under extremely difficult conditions. *"This attitude will also help us to find our way in a world of unresolved geopolitical conflicts and to continue working with calm assurance on our success story,"* underlines Dr. Renko Dirksen.



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How recent inflationary factors can significantly impact **sum insured levels under commercial policies**

Alan FitzGerald, FitzGeralds Chartered Loss Adjusters

WE are all aware of current construction inflationary factors and the worry must be that existing sums insured will be *"challenged"* in the event of a loss or claim.

The issue will be compounded if the sum insured is inadequate which is quite likely in the context of *"rolling renewals"* where the original sum insured has become out of date and has failed to reflect year-on-year inflation.

In some cases, there is little or no explanation for the origin of the sum insured other than it may have been based on the market value or there may have been a change of management company etc.

We are all very aware of the implications of under insurance (average) and in simple terms it can have the following consequence where for example a claim was agreed in the value of €500,000.00 with a sum insured of €1,000,000.00 versus a value at risk of €2,000,000.00:

$$\frac{\text{Sum Insured €1million}}{\text{Value at risk: €2million}} \times \text{Agreed Loss €500,000} = \text{Nett Amount Payable €250,000}$$

We set out hereunder the factors driving current building inflation and how Insurers seek to address inflationary factors:

Inflationary Factors:

The recent Tender Indices as produced by the SCSI for the First Half of 2021 shows an increase of 7% as a national average for the past 6 months. This represents a full year increase of 8.3% (July 20 - June 21). This is the biggest yearly jump since 2000 at the height of the Celtic Tiger. This follows one of the smallest yearly jumps (due to the pandemic). While this is a significant jump, the underlying market conditions are different to 2000. The industry has changed significantly since construction restarted post lockdown. Both material and labour prices have soared since the re-opening and there are supply issues with both. The real effects of Brexit are also being felt. There are many reasons for the rise in material costs, most notably:

- Increased shipping costs and a shortage of containers in China
- A construction boom internationally
- Delays in manufacturing due to lockdown closures
- Shortages and increase in raw material costs such as steel, timber, oil
- Brexit issues
- War in Ukraine

Market research by a leading building contractor in Ireland indicated the following price movements in materials.

Material	Price Incr
Steel Coil	82%
Copper	62%
Plywood	55%
Softwood Timber	47%
Steel	47%
Insulation	43%
Reinforcement bar & Mesh	40%
Metal stud	26%
Bricks	16%
Plasterboard	14%

Price increases have become even more dramatic in recent weeks on the back of the conflict in Ukraine, with many construction outlets (suppliers / contractors) pointing to the inability of the industry to secure fixed prices for materials or fixed delivery programmes. Examples of the impact this is having on construction materials include:

- Rolled steel has risen to €1,500, up by €600 since mid-February (66% increase).
- 50% rise in rebar prices, jumping from €900 to €1,350 per tonne in last 4 weeks.
- Cables/ copper up by 31% to €8,642 per tonne.
- Certain types of steel no longer available.
- 100% increases in delivery times for A/C units, electronic controls and lighting equipment

This is further evidenced whereby:

- Construction Outlook Survey found that 91% expect further rises in construction material costs over next 3 months
- 85% expect to see price of construction projects rise over same period
- Nine out of 10 construction companies say they are unwilling to take on fixed price contracts given the ongoing exceptional increases in raw material costs. That is according to a new Construction Outlook Survey from the Construction Industry Federation (CIF).

The survey also found that 91% of construction companies believe the economic sanctions arising from the conflict in Ukraine will lead to a further rise in construction costs over the next 3 months, while 85% expect the price of construction projects to increase during that period. As a response to these issues nine out of ten (89%) construction companies want to see the Government introduce an effective and fair price variation clause into public sector contracts, which would apply retrospectively.

In reality the key challenges identified by the construction sector are:-

1. The increased cost of raw materials (88%),
2. Access to skilled labour (72%)
3. Fuel (68%).

The building sector is therefore currently experiencing significant inflationary factors particularly on materials which are averaging between plus 15% and plus 20% and there is a knock-on effect in terms of labour which is accentuated due to shortages of particular trades.

The Governments have recognised the significant construction inflation challenge facing contractors in that they have agreed to pay up to 70% of builders' inflation related construction cost in an open-ended scheme which is set to cost millions of euros per month.

Minister for Public Expenditure, Michael McGrath stated on the 10th May 2022 that Public Work Schemes could flounder due to builders' profit margins being eroded making them unsustainable.

The impetus for the scheme is due to cost pressures on the construction supply chain caused by the war in Ukraine which is creating particular difficulty for longer lead in time projects which were tendered and prices agreed before the current pressures emerged.

The cost must be related to inflation and the impetus is to ensure that the State can deliver the National Development Program (NDP).

A recent report by the training agency, Solas suggests that more than 50,000 construction workers are needed if the Government is to meet the targets aimed at tackling the housing crisis. This underpins the overall shortage of labour in the construction sector which contributes to inflation and it is likely the position will not improve for the foreseeable future.

How Insurers have sought to address inflationary factors:

Reinstatement Memorandum

In the 1920's in the UK, representatives from the textile and metal industries made representations to Insurers to the effect that normal claim settlement procedures which involved deductions for wear and tear dictated that these trading companies had not enough funds available to make up the difference between the traditional indemnity valuation and the cost of replacing machinery and buildings.

The insurance industry therefore devised a form of cover which became known as *"Reinstatement cover"*. The essence of this was that the indemnity calculation was to be based on the cost of replacing damaged machinery and/or buildings without deductions for wear and tear. In essence this was a deviation to some extent from the principle that an indemnity was intended to put the insured in the same position before the loss as after in that historically wear and tear deductions were applied to reflect the age and condition of the item, machinery or building.

The premise of this cover was that the sum insured was adequate and in terms of the Reinstatement Memorandum "Special Conditions" dictated that at the time of reinstatement that 85% of the Value at Risk (VAR) must not exceed the sum insured. In essence this provides a tolerance of 15% for under insurance for example:

(1) Value of entire building at time of loss €2million x 85% = €1.7million

- Sum Insured €1.6million, so under insurance applies.

(2) Total value of buildings €3million x 85% = €2.5million

- Sum Insured €2.7million so under insurance does not apply.

The 15% tolerance is to allow for an inflationary factor since inception or renewal of the Policy and to the occurrence of a loss and to include subsequent inflationary factors during the reinstatement period.

Reinstatement Memorandum (Day One Basis):

This form of cover was introduced to mitigate the problem of under insurance arising from inflation as an alternative to the method applied under the Reinstatement Memorandum.

The essence of this is that the estimation or forecast of possible or probable levels of inflation is made at the inception or renewal of the Policy, hence the reference to *"Day One"*.

The *"Special Condition"* applicable to this form of cover dictates that the insured notifies the *"Insurer of the Declared Value of the property insured"* which applies on the day the Policy is incepted or is renewed. This is referred to as the Declared Value. The second aspect of this is the selection of a possible rate of inflation in the period after *"Day One"* to allow for the period of insurance and possible maximum period for reinstatement of the damaged building or plant or machinery. For example:

- Declared Value for Day One, €3million – (€3,000,000)
- Add inflationary factor 20% so the sum insured limit = €3.6million.

Importantly the under insurance or *"Average"* position is considered in the context of the Declared or Day One Value. In other words the *"Day One"* value in the Schedule is viewed in the context of the *"Value at Risk"* which would have applied at the inception or renewal of the Policy when the last Declared Value was stated or established. It is the *"Day One"* value and not the sum insured that is considered for under insurance/Average purposes and if the *"Day One"* value is inadequate then under insurance applies as follows:

$$\frac{\text{Declared Value for Day One as given by the insured}}{\text{Actual value on Day One}} \times \text{Loss} = \text{Adjusted Figure}$$

Reinstatement Memorandum -v- Reinstatement Memorandum (Day One Basis)

Which is preferable? Both methods are appropriate but the Reinstatement Memorandum is potentially capped in the context of the 15% level of tolerance. It is our view that in light of current inflationary factors that the 15% on a general basis is **inadequate** and that Day One cover would be more appropriate given that your estimate for inflationary factors can err on the safe side and in light of current inflation which could be running on average between 20% and 35%.

The Solution? – a Value at Risk Survey

We are seeing significant levels of under insurance and this is being compounded by rampant building inflation. A lot of the difficulty is how the original sum insured was established. These may have been based on the original construction cost and indeed some based-on market value which is completely irrelevant to the reinstatement Value at Risk calculation.

There are other situations where building extensions have been added or indeed *"rolling renewals"* where previous Policy information is out of date and is not reflected on a year-on-year basis. The solution is a full review of current cover with a site survey to encompass all construction features to include significant additional features such as underground parking, tanking, high spec fit-out etc.

We provide this service and our report is prepared and signed off on a joint basis by a Chartered Loss Adjuster and Chartered Quantity Surveyor. The end product is a detailed report with a recommended sum insured figure with an appropriate allowance for inflationary factors. This can be subsequently reviewed on a desk top method on an annual or biannual basis as required.

We hope that you have found the foregoing of interest and informative and please contact the following if you have any queries.

Alan FitzGerald. FCII, FCILA, FUEDI-ELAE, FIFAA
E: alan@fcla.ie
Ronan O'Mahony BSc. Construction Economics (QS), MRICS, MSCSI, CIP E: ronan@fcla.ie
W: www.fcla.ie

Your client's most important job is to protect themselves.

With Aviva Executive Income Protection your client is protected should they be unable to work due to illness or injury.

Executive Income Protection offers company directors a cost-effective solution to any unforeseen illness or injury in their business. With a premium that is tax deductible, your client will continue to be paid while they're unable to work. Plus, they can also avail of unique benefits like access to Best Doctors® Second Medical Opinion and Aviva Family Care.

Visit **avivabroker.ie** or contact your account manager to learn more.

To protect your most important asset, It takes Aviva.

AVIVA

Terms and conditions apply. Aviva Life & Pensions Ireland does not guarantee the on-going availability of the Best Doctors® Second Medical Opinion benefit to its policyholders or the Aviva Family Care Benefit (Mental Health Support) and may, at its sole discretion, withdraw access to the service at a month's notice. If we withdraw it, we'll write to notify policyholders at least 30 days in advance of its removal. Teladoc Health (who provide the Best Doctors® and Aviva Family Care Benefit) is not a regulated financial service. Aviva Life & Pensions Ireland Designated Activity Company, a private company limited by shares. Registered in Ireland No. 165970. Registered office at Building 12, Cherrywood Business Park, Loughlinstown, Co. Dublin, D18 W2P5. Aviva Life & Pensions Ireland Designated Activity Company, trading as Aviva Life & Pensions Ireland and Friends First, is regulated by the Central Bank of Ireland. Tel (01) 898 7950. www.aviva.ie

If your client is a business owner and can't work – who pays them?

Siocha Costello, Protection Senior Marketing Manager, Aviva Life & Pensions Ireland

FOR people working for large organisations (like myself) benefits such as death in service cover and long-term sick pay are taken for granted but if your client is a business owner or contractor what are the consequences if they are unable to work? Their business plans and lifestyle are supported by them continuing to work and generating a regular income. Whilst an employee may have 6 months full pay, they won't have the luxury of such a benefit unless they take out Executive Income Protection.

Recent research carried out by Ireach on behalf of Aviva found that 52% of those in employment expressed concern about their ability to continue to pay their mortgage (28%) or to be able to afford their rent commitments (24%) if the unexpected happened and they could not work.

Executive Income Protection offers those working through their own limited company a cost-effective solution to any unforeseen illness or injury in their business. The plan is set up in the name of the limited company and premiums are paid by the company. The business receives corporation tax relief on the premiums as it is a deductible business expense and it's not treated as a benefit in kind.

When a claim is made the benefit is payable to the company which in turn pays the employee a salary and payment is taxed in the normal manner.

The ability to cover pension contributions also means retirement plans can continue to be funded without interruption during a period of ill health.

Key Points – Executive Income Protection

- Extremely tax efficient way to provide for income protection cover
- Premiums are paid by the business with no benefit in kind implications (based on current BIK rules)
- Premiums qualify as allowable business expenses that can be offset against corporation tax.
- Pension contributions can be covered – your client has an option to protect contributions up to 33% of salary to a maximum of €50,000. This will ensure employer pension contributions are maintained whilst claiming on the policy.

The benefits of executive income protection from Aviva

Cover a higher amount of income with Aviva - our maximum benefit at €262,500 is one of the highest allowable in the market.

Guaranteed Increase Option gives your client the opportunity to increase the benefit by up to 20% every three years without additional underwriting. (To a maximum benefit of €262,500)

Hospital Cash benefit provides a daily replacement income if your client is in hospital for more than seven days during the deferred period.

With **Waiver of premium** included - your client doesn't pay while on claim.

Partial Benefit - If your client returns part time after an illness, they may be eligible for a partial benefit payment to supplement their income.

Continuation Option - If your client leaves service within the term of the plan they will have the option to continue it in their own name without any medical, subject to the terms and conditions in the policy conditions.

Best Doctors Second Medical Opinion

If faced with a medical problem, this service provides a second medical opinion from a panel of 50,000 world-renowned experts at no extra cost.

Aviva Family Care Mental Health Support

Our confidential Mental Health Support service included in our protection policies offers quick access to tailored mental health advice from qualified psychologists.

We have a range of marketing supports available to you to help you start the conversation with your clients to ensure they have the financial safety net they need should the unfortunate happen. Talk to your account manager to learn more.

Aviva Life & Pensions Ireland does not guarantee the on-going availability of the Best Doctors – Second Medical Opinion benefit to its policyholders or the Aviva Family Care Benefit (Men¬tal Health Support) and may, at its sole discretion, withdraw access to the service at a month's notice. If we withdraw it, we'll write to notify policyholders at least 30 days in advance of its removal. Teladoc Health (who provide the Best Doctors and Aviva Family Care Benefit) is not a regulated financial service.

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FOLLOW THE MONEY

PEOPLE.

Hiscox's recent Cyber Readiness Report showed 74% of financial services companies now have cyber insurance. If they worry about their money, so should you.

hiscox.ie

HISCOX

Goldilocks and the 3000 Bears

3000 to 1 feels the right ratio for bears versus bulls as we enter the summer. Long running investor sentiment indicators, asset management positioning data and stock market trading indicators are all at levels post major traumatic events (such as September 11th 2001 and March 2020 at the height of the Covid epidemic). 3000 is also the level on the S&P 500 that the most vocal of negative commentators seem to be predicting. That would entail a further 25% fall from here after the 20% fall we just had which is already one of the worst starts to a year for the US market in history. This extreme negative emotion however is now at odds with the positive evidence building.

Although the war in Ukraine and recent Chinese Covid lockdowns have exacerbated the issues facing investors this year, the expected sharp tightening of central bank policy is at the heart of all the drama. When inflation in the US proved to be more political than transitory the Federal Reserve forced about 3 years of tight policy into the market in 3 months. This is why we take most comfort from the fact that all the evidence is indicating that we are at peak inflation and therefore peak policy tightening. The policy tightening cycle could be over even before it began. Ironically the recent hawkish surprises from Central Banks is accelerating this process. They have brought forward future rate hikes which has allowed the market to begin to price in a slightly lower peak policy rate in early 2023 but also rate cuts by this time next year in the US. Bond market indicators of longer-term inflation expectations have cratered, back to where they were late last year, when the market was 20% higher. They are killing the inflation that was already dying.

Over half the inflation surge in the US was driven by excess demand for durable goods. Consumers had excess savings, stimulus payments in their pockets and couldn't spend money on experiences such as travel so they bought "stuff". Cars, TV's and home furnishings, items which for 40 years have been adding to the secular deflation the west has faced, surged in price as this one-off excess demand could not be met as the eastern supply chains were still closed. This has all begun to normalise. Recent high-profile retailers in the US have warned they have too much of this inventory now as US consumers habits normalise and begin to spend more on services as the globe re opens, normalising the balance between spending on goods and services. Every supply chain indicator, from freight rates, lead times, trucking rates and corporate commentary speaks to normalisation.

The labour market has also begun to normalise. The US reopened and went on a hiring binge as retailers, fintech, logistics companies to name but a few all extrapolated that initial surge in demand too far forward. This led to over hiring, overpaying and an unemployment rate of 3.5%. An "unsustainably hot" market in the words of Jay Powell. This has begun to self-correct as dozens of the largest employers in the US, from Amazon to Walmart impose hiring freezes to right-size their businesses to the more normal environment they will face going forward. Although this may see the unemployment rate tick up (from a record low of 3.5%) it will see wage inflation dissipate which takes even more pressure off the Fed to tighten policy, which as highlighted earlier is at the root cause of the problems faced.

With sharp declines in stock markets the recession word gets whispered. When Walmart profit warn and blame the consumer, the recession word is screamed from the roof tops. Low margin retailers like Walmart face huge issues as consumer habits have switched rapidly but consumers themselves are booming. Corporate commentary from airlines, hotels, luxury goods, make up companies, and clothing retailers exposed to high end experiences and fine dining proxies point to a surging consumer and a strong summer ahead. Pent up demand, high savings, low levels of debt, wage inflation and strong asset market returns are continuing to override the cost-of-living crisis.

The US has already printed one negative quarter of GDP growth, it will probably print a second giving economists their technical signal of a recession. This data though must be taken with a pinch of salt. Last year the US economy grew 7%, all distorted from Covid as we opened and closed economies at will, skewing year on year stats. Despite this "recession" corporates continue to generate record profits, record margins and are still surprising analysts who continue to upgrade their profits forecasts for the year (a highly unusual stat as we usually start a year too optimistic and must downgrade profit estimates).

There are issues to be addressed. There are always issues to be addressed as an investor; food price inflation, Chinese property collapse, Chinese covid lockdowns, geopolitics. The bigger problem for markets has been people confusing normalisation with recession and one-off Covid-led inflation with structural stagflation. The structural forces which led pre-Covid to prolonged period of low rates, low inflation and strong asset price returns in the western world are slowly re-establishing themselves. There used to be a phrase for this scenario, but the 3000 bears are so loud right now it's hard to remember it...

Phil Byrne, Deputy Chief Investment Officer and Head of Equity Investments, Merrion Investment Managers

Warning: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up.

Warning: Not all investments are necessarily suitable for all investors and specific advice should always be sought prior to investment, based on the particular circumstances of the investor.

For more information please contact Kevin O'Kelly or Fearghal Lawlor at info@merrion-investments.ie

Merrion Investment Managers (MIM), originally established in 1986, now forms part of Cantor Fitzgerald. Merrion Capital Investment Managers Ltd (trading as Merrion Investment Managers) is regulated by the Central Bank of Ireland. Cantor Fitzgerald Ireland Ltd is regulated by the Central Bank of Ireland and is a Member Firm of Euronext Dublin and The London Stock Exchange.

How the insurance sector can help tackle the Climate Crisis

Linda Adams, Head of Partnerships, Ecologi

AS the climate crisis continues to demand action, many industries are waking up to the fact that small green concessions aren't enough to combat climate change. The insurance industry, at its core, is all about distributing risks, and it has the potential to lead the way in preparing for climate change-related events. Through their ability to assess risk, the insurance sector is in a pivotal position to drive climate leadership and support organisations in their efforts to mitigate and adapt to a changing future.

As the effects of climate change continue to unfold, global insurance leaders will need to use their position to assess the risks and the need for sustainable underwriting and investing. Insurers will come under increased pressure to demonstrate their proactive steps to tackle climate change.

In a survey carried out by Kennedys, the insurance industry was placed near the bottom of the list of sectors that could contribute most to reducing carbon emissions to net-zero by 2050. However, when asked about the ability of the insurance sector to influence those industries who do contribute most to reducing carbon emissions, almost 80% said it had an important or very important role to play. Whilst the insurance sector may not be responsible for directly affecting carbon emissions, it still has an important role to play regarding its capacity to influence. The insurance sector has the ability to guide those businesses and industries that could contribute most to reducing carbon emissions, such as withdrawing investments from fossil fuel exploration and production companies and rewriting investment policy. In addition to withdrawing investments from existing clients, the insurance sector can play its part by not taking on high-emitting businesses and strategically offering competitive rates to incentivise the design, construction and operation of businesses in the low-carbon and renewables space.

Although insurers have begun to make progress, there is still more that can be done. For example, insurers can collaborate with clients to help them adapt to climate change. This entails reworking their infrastructure, facilities, and supply chains to be more resilient to shocks and stressors caused by climate change. There is a need for insurance business models to evolve and advance scenario-analysis capabilities. Traditional models will not be in line with the projected climate risks of the future, and this needs to be addressed. The variability and intensity of climate catastrophes will require the insurance sector to develop more advanced and strategic underwriting, reassess susceptibilities in their portfolio to establish balance, and ultimately manage risk mitigation. Furthermore, insurers can and should collaborate externally, such as working with construction companies to discourage development in areas that are more vulnerable to climate risks. Similarly, using building design and development materials that provide climate resilience is an action that should be encouraged and rewarded. By working with local governing bodies, policymakers and administrative agencies, the insurance sector can lead the way and collaborate to set these policies and incentives as the norm. The 2020 Airmic Annual Survey Report states that "many businesses still see climate change as something for governments and non-governmental organisations to deal with and co-ordinate, and are unwilling to make investments towards that end. Most businesses are unlikely to take appropriate action unless forced to do so by legislation." As a result, there needs to be collective effort and action coming from all industries, administrations and governing bodies to make tangible progress in this space.

Aside from undergoing a redevelopment of strategic underwriting, investment and insurance policy, there are other things that insurance companies can do to tackle climate change. AXA Ireland is a great example of what insurance companies can do and how they can lead the way, in particular for consumers. AXA Ireland has teamed up with Ecologi, the UK's leading climate action platform, to support their carbon-neutral journey, by offsetting the annual carbon dioxide equivalent (CO2e) emissions of every private car insured, for one year. AXA Ireland has offset the emissions from 600k cars so far, which is equivalent to around 750,000 tonnes of CO2e, leading by example for what insurance companies can do in this area. For context, this is equivalent to over 570,00 long haul flights and 2.25 million metres^2 of sea ice! Through Ecologi, AXA Ireland funds verified carbon reduction projects around the world. Some of their carbon reduction projects include generating energy from landfill gas in Brazil and Turkey, reducing emissions through sustainable composting in Vietnam, and producing renewable wind energy in Bulgaria. As well as driving climate action, these projects all have a positive impact on the local communities in which they are implemented. Ecologi supports a wide range of carbon reduction projects certified at the very highest level by the Gold Standard and the Verified Carbon Standard, to ensure that supported carbon reduction projects are of the best quality.

The insurance sector has a real opportunity to make an impact through their influence in underwriting and ability to assess risk more effectively than other industries. The clock is ticking if the world is to halt global warming, emphasises Ani Dasgupta (President & CEO, World Resources Institute), "holding global temperature rise to 1.5°C is still possible, but only if we act immediately. Every fraction of a degree matters. The tools required to rapidly decarbonise the economy so that people and nature can thrive are at our fingertips - we just need our leaders to wield them." Whilst the insurance sector cannot fight the climate crisis alone, its influence and knowledge can work as a necessary and powerful tool to create real climate impact.

About Ecologi

Ecologi is a platform for real climate action and in 2021, the company was established as a certified B Corporation. It facilitates the funding of carbon reduction projects and tree planting around the world. Ecologi provides a simple but powerful subscription service to reverse climate change. To date, the company has planted over 43.5 million trees on the behalf of its subscribers and funded climate solution projects that have reduced over 1.9 million tonnes of CO2. Their mission is to reduce 50% of global CO2 emissions by 2040 and responsibly plant billions of trees every year.

To do this, Ecologi calls on individuals & businesses to take personal responsibility and help tackle the biggest threat of our generation. Collectively, with a little input from a lot of people, we have the power to secure our future.

Aviva's General Insurance

Broker Conference 2022

Mount Wolseley Hotel, Tullow, Co. Carlow.

It takes You • It takes Partnership • It takes Aviva

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AVIVA

Reconnecting with brokers at Aviva's General Insurance Broker Conference

We were delighted to welcome 150 general insurance brokers to our recent broker conference, which was held at the wonderful Mount Wolseley Hotel in Tullow, Co. Carlow on 26 May. As this was our first face-to-face broker gathering since March 2019, it was very special to finally be able to reconnect and meet in person again after such a long time.

It takes You; It takes Partnership; It takes Aviva

As a broker focused company, building and maintaining a strong working relationship with brokers is a top priority for us. The theme of this year's conference was centred around this partnership and building on the confidence that brokers have in Aviva. It was the perfect opportunity to share our plans and listen to brokers' feedback and ideas on how we can help them grow their business and support their customers.

Keeping brokers updated on Aviva's business

The conference got underway with a warm welcome to brokers from our Sales Director, Steve McGerr. Our CEO, Declan O'Rourke gave an overview of Aviva's general insurance business, followed by an update on the financials by Performance Lead, Simone O'Connor. Brokers were brought up to date on developments in Commercial and Personal Lines businesses by our Commercial Lines MD, Brian Mahon, and Personal Lines MD, Billy Shannon. Our Chief Claims Officer, Brian O'Connor and Maria Freaney, Senior Claims Leader provided an update on Claims.

Engaging Breakout Sessions

At Aviva we aim to give brokers all the help and support they need to support their business and to meet their clients' needs. Our conference included a series of Breakout Sessions that covered a range of topics, including Performance and Wellbeing, Claims, Sustainability and the relaunch of our Fast Trade platform.

Our **Performance & Wellbeing** module was led by Performance Psychologist, Gerry Hussey and focused on helping brokers feel and perform their best at work.

Our Motor Injury Manager, Donal Hurley, and Rob Smyth, our Senior Claims Manager (Fraud Strategy Lead) shared their insights into **Claims** and how to manage them proactively.

Brian O'Neill, Head of Communications, Sponsorship, and Sustainability and CR Executive, Caitlín Flanagan spoke about **Sustainability,** outlining Aviva's ongoing commitment to community, climate, diversity and inclusion.

Greg Dowling, our National Sales Manager, Declan Cooney, E-Trading Manager, Sharon Slack, Commercial Underwriting Lead, and Michelle Curran, Commercial Underwriter spoke about the relaunch of **Fast Trade,** our online platform which enables brokers to quote, purchase and manage Commercial Insurance for their customers. We are investing heavily in this and are excited about the opportunities this self-service model will unlock, enabling brokers to meet the needs of their commercial customers faster and more efficiently.

Inspirational Guests

We were delighted to be joined on the day by some interesting and inspirational guest speakers including FAI Republic of Ireland Manager, Stephen Kenny who spoke about leadership, preparing and motivating teams and learnings from experiences, this was facilitated by RTE Sports Presenter, Jacqui Hurley.

Later in the day former Irish Rugby Union player and current Head Coach for Bective Rangers, Bernard Jackman gave his insights and advice on leadership and how to build a high performing team.

A great day and great company

We welcomed the opportunity to catch up with old friends and meet some new faces in person. It was a productive and enjoyable event for Aviva and our broker partners alike and we left with renewed enthusiasm for our business and optimism for the future.

Natalie Mahon, Aviva, Alan Sheil, Aon & Adele Curran, Aviva.

Greg Dowling, Aviva, Damian Kilpatrick, Aon, Michael Connolly & Emma Cogan, Aviva.

John O'Malley, Aviva, Sheamus O'Donovan, O'Donovan Insurances; Gerry Daly, Stuart Insurances, Stephen Kelleher, Kelleher Insurances & Sharon Slack, Aviva.

Stephen Kelleher, Kelleher Insurances, Declan O'Rourke, Aviva & Jim Campion, Campion Insurance Group.

John Muldoon, Aviva, Alan Murphy & Trish O'Hagan, Hastings Insurance & Sinead Healy, An Post Insurance.

Helen Murphy, JDM Insurances & Elaine Teeling, Gogan Insurances.

Cathie Shannon, Brokers Ireland, Caeva O'Callaghan, O'Callaghan Insurance & Clive Kelleher, Kelleher Insurances.

Lisa Hanbury & Margaret Keogh, Willis Towers Watson, Mary Dalton, Aviva & Christine Bracken, Creane & Creane.

Gerry Daly, Stuart Insurances, Paul Murphy & Graham Weir, Pembroke Insurance.

Paul Grimes, An Post Insurance, Aubrey Shaw, Provident Insurance & Jason Lawless, Jade Insurance.

Alan Miller & Declan Troy, Arachas & Barry Dwyer, Dual Group Ireland.

Paul Kavanagh, McCarthy Insurance Group, Julie Frazer, Aviva, Ronan Doyle, Willis Towers Watson & Paul Doyle, Marsh.

Danny McGovern, Marsh, Hugh Foley, Aon, Steve McGerr, Aviva & John Crotty, O'Leary Insurance Group.

Mark Hughes, Aviva, Rory O'Sullivan, Marsh, Caroline Matthews, Donal Hurley & Philip O'Connor, Aviva.

Brendan Harrington, McCarthy Insurance, Michael O'Connor, Cuffe & Cuffe, Charles McCarthy, Mc Carthy Insurance, Billy Shannon & Rob Smyth, Aviva.

Sean Boyle, BFI Group, Alan Murphy, Hastings Insurance, Robert Tyrrell, Campion Insurance & Mike Henchy, O'Sullivan Insurances.

Peter Hanlon, McMahon Galvin, Emma Cogan & Michael Connolly, Aviva, Graham Devine, Crotty Insurances & Declan Cooney, Aviva.

Jonathan Brown, Arachas, Brian Mahon, Aviva, Kathryn Reddy & Chris Anako, Arachas.

Rachel Plant, Maria Freaney, Brian O'Connor, Julie Frazer & Simone O'Connor, Aviva.

Cathal Sheridan, Aviva, Tony Gill, First Ireland, Simon Quinn, Aviva, Martin Brannelly, Glennons & Ronan Kavanagh, Aviva.

Mark Boland, Aston Lark, Declan O'Rourke, Aviva, Colm Kelleher, LHK Group, Michael Bannon & Brian O'Neill, Aviva, Diarmuid Kelly, Brokers Ireland & Derek Smoker, Aviva.

| Retirement | Investments | **Insurance** |

Aviva Insurance Ireland Designated Activity Company, trading as Aviva, is regulated by the Central Bank of Ireland.

AVIVA

The importance of **Income Protection** and the strength of Royal London Ireland's product

IF your client is thinking about financial protection, they are likely to be earning an income and understand that they have protection needs. Initially they may only be considering mortgage protection or life assurance. However, as Financial Brokers, you'll know that your client's ability to earn an income is usually their greatest asset and that Income Protection should be an essential part of the protection conversation. In its June webinar, leading protection provider, Royal London Ireland discussed the importance of Income Protection for consumers.

Karen O'Flaherty, Royal London Ireland's new Senior Propositions Executive, took attendees through some of the key points on Income Protection and why it should be a crucial component of your clients' overall protection solutions.

Karen O'Flaherty, Senior Propositions Executive, Royal London Ireland

Karen, who recently joined Royal London Ireland as Senior Propositions Executive, is responsible for developing market-leading, customer-centric protection propositions. Karen has over fifteen years' experience in financial services, working predominantly in protection. Karen is also a Qualified Financial Advisor (QFA) and has received Specialist Investment (SIA) qualifications from the Life Insurance Association.

Commenting on her new role, Karen noted, *"I am delighted to join the Royal London Ireland Proposition team to help continue providing award-winning and leading protection solutions to brokers and their clients. Being part of an organisation with a mutual mindset means we can really focus on delivering innovative propositions that offer excellent value and the best outcomes for our customers."*

The consumer need for Income Protection

Karen continued, *"An Income Protection policy can replace up to 75% of a person's lost earnings if they are unable to work due to any illness or injury. Unfortunately, many people find out when it is too late that sick pay entitlements and state benefits are rarely enough to replace lost earnings and cover ongoing expenses if they're unable to work and don't have savings or Income Protection to fall back on. Not only does Income Protection help pay living costs such as mortgage/rent and regular bills, but it can also help ensure your clients' other protection policies continue instead of having to be cancelled due to unaffordability."*

Sick pay entitlements

In general, a person has no legal right to be paid while they are on sick leave from work, but this is due to change from 2022. Under the Statutory Sick Pay Scheme*, employers are required to provide paid sick leave for up to three sick days from 2022. This is planned to increase to five days in 2024, seven days in 2025 and 10 days in 2026. Some employers may already provide sick pay for longer periods than these, but all employer sick pay arrangements are limited in duration.

State Illness Benefit

If your clients need to take long-term sick leave, they may have to rely on savings and/or the State Illness Benefit to cover their living costs. The State Illness Benefit is currently €208 per week or €10,816 per year and eligibility is dependent on PRSI contributions**.

Self-employed

Self-employed people cannot claim the State Illness Benefit. They may qualify for the Invalidity Pension of €213.50 per week which is also dependent on PRSI contributions and is only payable if they've been unable to work for at least 12 months**.

Karen went on to say, *"To truly appreciate the value of Income Protection, clients need to first understand the financial implications for their lifestyle and family if they couldn't earn for a period of time, as well as the potential for it happening to them. When you consider that one in two people in Ireland will develop cancer during their lifetime^, it's safe to say that sadly none of us know what is around the corner. As Financial Brokers, you are best placed to ask your clients the key questions that can help them understand why protecting their income is so important, as well as explain how they can protect it with a solution that can be tailored to their own personal circumstances."*

> ***Our Income Protection product is an excellent choice and the best value available for anyone who wants to increase their financial resilience and strengthen their financial future by protecting their most valuable resource.***

Building a policy to suit your client

Karen continued, *"As you'll know, Income Protection covers any illness that prevents your client from doing their job - from back injury to mental illness to stroke - and continues to pay out until your client is fit to return to work or they reach their chosen retirement age. Affordability is a common objection from clients, particularly if they don't know their premiums may be eligible for tax relief at their marginal rate - thereby saving them up to 40% on their premiums."*

As well as the tax relief available on premiums, Royal London Ireland's Income Protection cover has a range of market-leading features and optional benefits that can be adapted to suit a wide variety of needs and budgets:

- Cover of up to 75% of earnings, less State Illness Benefit or continuing income from other insurance policies.
- Deferred Period chosen at outset - 4, 8, 13, 26 or 52 weeks.
- Option to have two Deferred Periods within one policy which provides flexibility to match sick pay schemes and helps reduce the cost of cover.

- A minimum benefit of €5,000 up to a maximum of 75% of €350,000.
- Expiry - any age between 55 and 70.
- Level or indexing premium - indexing at 3% benefit and 3.5% premium.
- Escalation in claim - benefit amount will increase by 3% each year on claim.
- Employer pension contributions can be covered (Executive Income Protection only).

Royal London Ireland's Income Protection also includes a range of great automatic benefits such as:

- Guaranteed Insurability Option
- Waiver of Premium
- Hospital Cash Benefit
- Substantial Back to Work Benefit - 75% of monthly benefit paid for first month back in full-time work, 50% in month 2 and 25% in month 3.
- Terminal Illness Benefit, with payments starting immediately at date of diagnosis.
- Essential Activities Benefit of up to €15,000 - for periods of unemployment, career break or parental leave.
- Continuation Option on both Personal and Executive Income Protection, allowing your clients' cover to continue if they change jobs or become self-employed.
- Helping Hand service, which provides your clients and their families with the additional support they might need beyond a financial payout.

Claims

If your client needs to make a claim, Royal London Ireland will appoint a dedicated claims assessor, based in Ireland, to assess and manage the claim. The leading protection provider has a strong claims track record – in 2021 it paid over 99.2% of all claims^^.

Strongest cover, best value available

Royal London Ireland's customer-focused Income Protection product is supported by its popular and competitive Special Offer on IP. Now, until 30 September 2022, you can offer your clients a 15% discount off the price-match premium across all providers#.

Karen finished by saying, *"At Royal London Ireland, we are firm believers in the value of advice to help customers build their financial resilience. Our products are only available through Financial Brokers and we are committed to offering you market-leading products that deliver the best outcomes for you and your clients. Our Income Protection product is an excellent choice and the best value available for anyone who wants to increase their financial resilience and strengthen their financial future by protecting their most valuable resource."*

CPD-accredited webcast

Karen O'Flaherty discussed the Importance of Income Protection at Royal London Ireland's June webinar. Financial Brokers also heard some IP sales tips, as well as the latest news from the underwriting and claims teams.

The webinar will soon be available to view as a CPD-accredited webcast in the Ideazone section of the Royal London Ireland Broker Centre, www.royallondon.ie/broker-centre/Ideazone

To find out more about Income Protection from Royal London Ireland, get in touch with your Broker Consultant. They would be delighted to hear from you! Or visit www.royallondon.ie/brokers

*www.citizensinformation.ie
** Gov.ie – Department of Social Protection
^ National Cancer Registry of Ireland (2020) Cancer in Ireland 1994-2018 with Estimates for 2018-2020
^^ Figures include Term Assurance, Whole of Life, Terminal Illness, Specified Serious Illness and Income Protection.
#Terms and conditions apply. Price-match for Executive IP is against Aviva and Zurich's Executive Income Protection rates only. For more information visit www.royallondon.ie/brokers

Zurich Insurance Group awarded highest ESG rating from MSCI

IN 2022, the Zurich Insurance Group (Zurich), which Zurich Life in Ireland is a part of, received a rating of AAA in the MSCI Environmental, Social and Governance (ESG) Ratings assessment - the highest score available from the investment research firm. MSCI's rating report described Zurich as a leader among global peers on a range of initiatives that Zurich carries out in climate risk mitigation and corporate governance practices.

MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies. The report measures an organisation's resilience to long-term environmental, social and governance dangers on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers.

Our commitment to sustainability

Zurich uses stakeholder feedback to monitor and progress our sustainability performance to ensure continuous improvement in our responsible business practices.

As part of our commitment to sustainability, Zurich is a signatory of the United Nations Global Compact, the United Nations Environment Programme Finance Initiative Principles for Sustainable Insurance and the Principles for Responsible Investment. Also, our approach to proactively address environmental, social and governance factors as part of our day-to-day business activity supports several of the United Nations Sustainable Development Goals (SDGs).

For more information

Zurich Life in Ireland believe that if we all take small actions together, the impact can be great. Zurich Life makes a positive impact as an insurer, an investor, an employer and as a supporter in the community. For more information visit our sustainability hub on zurich.ie/sustainability.

Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Zurich's Active Asset Allocation Fund

A flexible management approach leads to consistent performance

Ian Slattery, Head of Investment Solutions, Zurich

SINCE the launch of Zurich's Active Asset Allocation (AAA) Fund, it has grown to over €800 million and produced an annualised return of 7.0%. * The fund invests across the five main asset classes and benefits from flexible asset class ranges.

Navigating volatile markets

It was against a turbulent backdrop for financial markets that the AAA fund was launched in 2010. Since then, the fund has adapted to the ever-changing market conditions and successfully navigated the highs and lows of markets, including Brexit, the COVID-19 pandemic, and the recent spike in inflation.

Consistent performance

Now, 12 years on, the Irish economy is undergoing a structural change with rising interest rates on the horizon. It has been a volatile year for investment markets, but the AAA fund continues to consistently deliver strong multi-asset returns for investors over the long term. Asset allocation decisions are recorded formally every week, as the Zurich Investment team actively navigate investment markets, and the results of these actions can be seen in the fund's performance.

Active Asset Allocation in Action

Zurich Investments actively manage the allocation between the different asset classes using the same proven, active top-down investment process they have been using for over 30 years. The fund aims to achieve growth through capital gains and income from a well-diversified portfolio of global equities, sovereign and corporate bonds, property shares, alternative assets and cash.

Active Asset Allocation Fund Performance to 01/06/2022

	Annualised			
Year to Date	1 Year	3 Years	5 Years	10 Years
-6.3%	3.6%	9.3%	7.1%	7.3%

Aligned with Zurich's Prisma Funds

The Prisma Funds aim to deliver risk-targeted versions of the AAA Fund – when asset allocation decisions are made for the AAA Fund, these are replicated proportionately across each of the Prisma Funds.

The Active Asset Allocation Fund and Zurich's Prisma fund range is available across the Zurich suite of Pensions, Savings and Investment products.

You can find more information by speaking to your Zurich Broker Consultant, downloading our Active Asset Allocation consumer flyer or visiting the Active Asset Allocation fund page on zurichbroker.ie

*Source: Zurich Life, June 2022. Performance figures are gross of tax with date ranges from Active Asset Allocation launch 20/10/2010 to 31/05/2022. Annual management fees apply. The actual returns on policies linked to these funds will depend on the charges on the individual policies that invest and may be different than illustrated here.

Warning: Past performance is not a reliable guide to future performance.
Warning: Benefits may be affected by changes in currency exchange rates.
Warning: The value of your investment may go down as well as up.
Warning: If you invest in these funds you may lose some or all of the money you invest.

Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Fingal Insurance extends Irish footprint for PIB Group

PIB Group Ltd has extended its footprint in Ireland again through the acquisition of Fingal Insurance Group. The leading commercial insurance broker which boasts a 40 year history and services customers nationally, are well known as specialists in the construction and transport sectors. The newcomers join PIB's growing portfolio of businesses in Ireland, as part of the Group's ambitious international expansion plans in the country and across Europe.

Brendan McManus, CEO for PIB Group commented: "Welcome to everyone at Fingal insurance Group! I am absolutely thrilled that Conor, Jim and their team have become part of PIB Group. They bring decades of experience in the construction and transport sectors, which will broaden our growing proposition in Ireland and choice of products for customers. Through PIB's investment I look forward to seeing the company continue to succeed while enjoying many new opportunities and leveraging the strength of being part of a bigger group.

They'll also be in good hands as they start to connect with new colleagues in Ireland who will do a grand job in helping them to settle in."

About Fingal Insurance Group

With a heritage that extends 40 years with origins that date back to 1982, Fingal Insurance Group is one of Ireland's leading commercial insurance brokers known for their expertise in the construction and transport (logistics and haulage) sectors. The company has enjoyed expansion under the leadership of the existing management team since the mid-90's, who at the time secured a unique scheme in the market for plant/machinery insurance. The scheme was one of the pillars of success to Fingal's development, and continues to operate today.

Conor McCarthy, MD for Fingal commented: "I'm delighted Fingal Insurance Group has become part of PIB Group which will mark the next step in our evolution. For forty years, Fingal Insurance Group has enjoyed building strong relationships with our customers to service their insurance needs. At the same time, the professionalism, dedication and teamwork of our employees have played an important part in our company's growth and success. Our loyal customer base is testament to our teams excellent focus on price and service. Getting to join a big partner like PIB is a very positive step for our clients as well as our staff. We very much look forward to playing an active part in PIB's growth and success in Ireland."

The 18-strong team will continue to service customers country-wide from their base in Swords, the county town of Fingal and around 10km north of Dublin city. They are not complete strangers to PIB however and are already familiar faces to PIB's London Market Broker, Citynet.

Conor McCarthy commented: *"We were introduced to PIB through our relationship with Citynet that extends over many years because of their expertise in construction and heavy risk. As our conversations evolved and the more we heard about PIB, it sounded like an impressive organisation. The diversity of opportunity is very attractive and hearing the ethos of other companies who have been bought by the Group has made us feel very comfortable about our future."*

For financial advisers only

Standard Life

There's a lot to look forward to

With our new funds, all the heavy lifting is done for you.

Standard Life introduces five new Global Index Funds, with all of the underlying assets managed by Vanguard.

The mix between equities and bonds will be rebalanced regularly to ensure the asset mix remains fairly constant over time.

And all of these benefits come at a lower cost than you might think.

Learn more at brokerzone.ie

If your client invests in these funds they may lose some or all of the money they invest. The value of their investment may go down as well as up. This investment may be affected by changes in currency exchange rates.

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In 2016 , DUAL entered the high-net-worth market in Ireland. As part of that continued growth, DUAL recently moved to new larger premises in the prime location of St. Stephens Green, Dublin.

Paul Gibson, Irish Broker took the opportunity to talk to Barry O'Dwyer, Managing Director about this and further developments coming down the line.

Barry O'Dwyer, Managing Director, DUAL Ireland.

DUAL has grown significantly since you entered the high-net-worth market in Ireland seven years ago. What is the DUAL recipe for success?

Building a business from a zero base was definitely challenging, but with no legacy issues to contend with, it allowed us total control of our development from day one. We made attracting the very best underwriting talent a key priority, and in doing so, we have built a really strong team, that has established itself as one of Ireland's best. This can only be done by successfully sharing your vision of what the company's journey is, and then empowering people to fulfil that vision.

Our underlying strategy is to provide the best insurance solutions in specific niche areas. That means the broadest product wordings, offering the greatest protection, backed by the best service, every time. To deliver this, we need outstanding people, the strongest partnerships, and then build our culture, brand and reputation around those ingredients, which are all critical for real, sustained success.

The other essential ingredients of DUAL's success are of course our Broker and insurer partners. DUAL's Brokers are our sales force, our connection to our end customers and without them, there is no DUAL. The proposition is completed by ensuring that we partner with the best A-rated insurance capacity available, a partnership that recognises DUAL's underwriting expertise and distribution network.

You've recently partnered with Aviva, haven't you?

We were delighted to announce earlier this year that we've entered into a significant partnership with Aviva Ireland. The strength of Aviva's brand in Ireland is incredible. They too are entering an exciting phase in their development, with a dynamic new leadership team who have ambitious growth plans, reflecting DUAL's own ambitions in the ever-evolving Irish insurance market. The next few years are likely to see considerable changes in market dynamics - good for Brokers and policyholders alike - and DUAL wants to be at the forefront of this evolution.

This new partnership with Aviva will allow us to leverage each other's strengths to create one of the most dynamic forces in the Irish high-net-worth insurance market. To that end, we are investing in technology to facilitate this ambition. Bespoke underwriting doesn't necessarily have to mean a slower, more labour intensive process. Smart technology is another key enabler to fulfil our service proposition, driving efficiencies and allowing underwriters spend their time actually underwriting and adding value for our Brokers and customers.

Will MGAs become a more significant element of the Irish Insurance landscape?

Most Brokers want access to a full suite of insurance solutions for their clients. Often these solutions will be very specific and niche in their nature, requiring specialist understanding and then underwritten and priced accordingly. MGAs are usually best placed to

> *"Our underlying strategy is to provide the best insurance solutions in specific niche areas. That means the broadest product wordings, offering the greatest protection, backed by the best service, every time.*

offer this, as they are generally smaller in scale and more nimble than many insurance companies. They're able to provide the one-to-one service required to navigate non-standard solutions. Brokers want access to decision makers who can think outside the box, and who can keep up with the ever-changing insurance landscape and evolving client needs.

From the insurer perspective, many insurance companies are now turning to MGAs to provide specialist underwriting services. Recognising that certain MGAs already successfully operate within a particular niche area, insurers want to leverage this expertise to provide additional products and services. This 'outsourcing' model is often seen as an easier, more effective way to enter a particular market segment, and without incurring many of the usual entry costs. Insurers need to deploy their capital in the most effective manner, and specialist MGAs can often provide the business model (and results) that facilitate the best return on their investment.

DUAL is in a strong position to deliver these propositions and to be at the forefront of a number of segments of the Irish insurance market.

Legal & Title Indemnity is another side of the DUAL business, how is that market developing for you?

This area of the business is growing significantly and responding to an ever increasing market demand. The growth we have seen across M&A and real estate transactions is often driven by lenders who require a policy of this nature to be in place to essentially de-risk their loan. Over the last few years, DUAL's policies have played an important role in facilitating many M&A and real estate transactions, not just in Ireland, but throughout Europe.

DUAL Asset is already recognised as a key provider for Legal & Title Indemnity insurance in Ireland, a market we see as having huge growth potential. There is also a fantastic opportunity for Brokers to seize the opportunity to bring these valuable product options to their clients, and having the win-win scenario of protecting these important clients even further, as well as developing their own business.

Our local team of lawyers and underwriters have become some of the go-to specialists in coverage for legal title and ownership challenges, including commercial and residential specific title risks, for example missing deeds, adverse possession, third party challenges. We also have strong expertise in loan portfolios, title to shares (including excess W&I), right to light, probate, renewables and aviation.

Paul Gibson in conversation with Barry O'Dwyer.

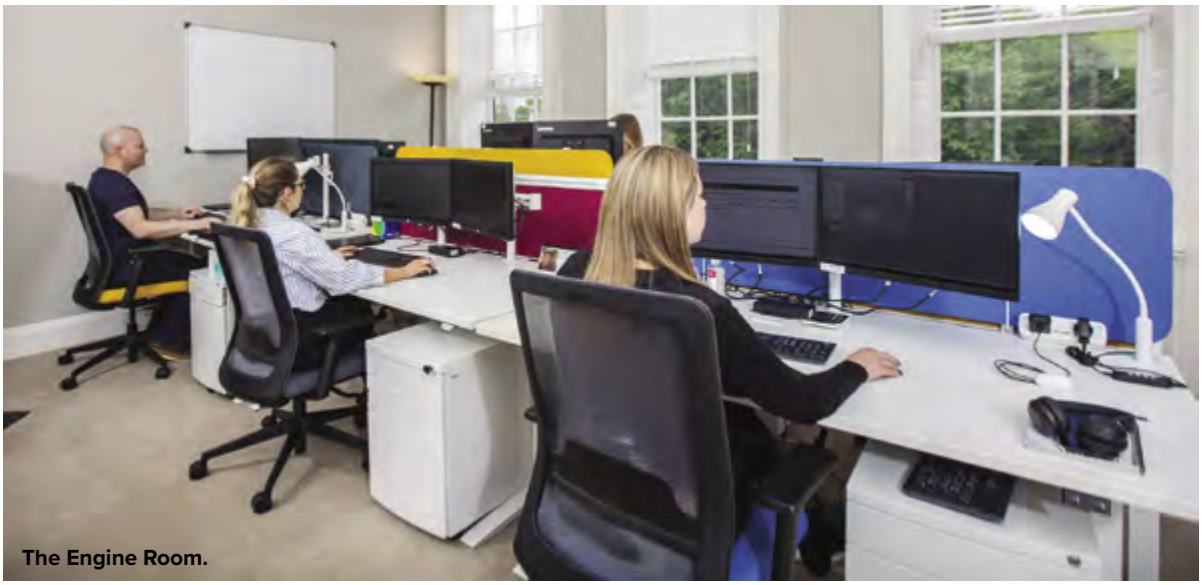
> ***The next few years are likely to see considerable changes in market dynamics - good for Brokers and policyholders alike – and DUAL wants to be at the forefront of this evolution.***

After a very successful development of your business in Ireland so far, what's next? What is the ambition?

DUAL definitely does not lack ambition. DUAL is the market-leading MGA in 19 countries all over the world. We have a significant presence in continental Europe, including Spain, Germany, and Italy – our goal is to be the number one MGA in Ireland, very soon.

The HNW market in Ireland is still very underdeveloped, and there is a significant opportunity for ambitious Brokers to carve out a niche. After all, many clients who fall under the HNW umbrella are Brokers' VIP commercial clients. So providing them with access to the very best HNW insurance products is not just a nice-to-do, but a must-do, in this competitive market climate.

We are currently exploring a number of other product options for the Irish market and whilst I can't yet share specific details, I can say that they follow our niche business



The Engine Room.

>>> overleaf

> ***DUAL definitely does not lack ambition. DUAL is the market-leading MGA in 19 countries all over the world. We have a significant presence in continental Europe, including Spain, Germany, and Italy – our goal is to be the number one MGA in Ireland, very soon.***

model and are very much guided by Broker research in the Irish market. Financial Lines is at the heart of the DUAL proposition globally, and so, an obvious area for us to expand further within Ireland.

Ultimately, DUAL must always add value to our Broker and client relationships. We don't want to be just another option on a Broker's product shelf – we want to be ***the option.***

Finally, you already mentioned that DUAL have a significant presence throughout Europe, does that extend to DUAL Ireland being able to offer EU-wide solutions to your clients?

This is very much a feature of the DUAL client proposition. We already offer EU-wide cover options on both our HNW and Legal & Title Indemnity products and would see this as a key aspect of any other product development.

DUAL's Irish business already plays an important role in the Group's wider European structure, and will continue to be a significant part of the ambitious development and growth plans for DUAL Europe, over the coming years.

Our local relationships and specialist expertise coupled with DUAL Group's global reach, talent pool and A-rated capacity partners, mean that we are uniquely placed to best serve our key audiences – our Brokers and their clients.

DUAL Underwriting Ireland DAC is regulated by the Central Bank of Ireland. Registered No. 633531. Registered office: 98 St. Stephen's Green, Dublin 2. D02 V324.

Think bigger, **think DUAL**

Contact our local underwriters today to find out more.

dualgroup.ie
T: 01 664 0001
E: enquiry@dualgroup.ie

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Stories can leverage ideas in the same way debt can leverage assets

Tara O' Donoghue, Head of Business Intelligence and Marketing, Standard Life

WE'VE recently enjoyed the privilege of working with Morgan Housel, former Wall Street Journal journalist and accomplished author. In his book, The Psychology of Money, Morgan shares 19 short stories exploring the strange ways people think about and act around money. It's a phenomenal book that many of us in Standard Life like to rave about but not for reasons you might expect. Most of you reading this will already know much of the financial savviness that Morgan distils within each chapter. However, it's Housel's capacity to communicate this knowledge that sets him apart from so many others. He knows how to tell a good story and he knows how good stories are as important as great ideas. I love stories. I love listening to them, reading them, telling them. You just can't beat a good story. I remember a wonderful teacher at school who would surprise us with story time; she would tell us to fold our arms on the desk, put our heads down and listen to what she read, imagining the characters and the adventure as it unfolded. Think back to your own childhood, snuggling under the blankets while a parent or grandparent read to you.

Why did these parents and teachers put so much effort into telling us stories? Mainly to educate us, but also to entertain us. These days, good story tellers are everywhere – comedians, pop stars, TV presenters and politicians are all masters at this craft.

So why would we in Finance need to take on yet another skill? Communicating our messages as stories bring huge benefits:

- builds rapport with clients, colleagues, whomever is in our audience
- makes our messages more memorable
- stories have strong influencing abilities
- establishes connections

Stories help to give order to things that are happening around us. They can simplify complex messages and a story well told, has the power to inspire and motivate.

If I've awakened your interest in storytelling, please read on for some ideas and tips on improving your own seanchaí skills.

Crafting a process

Given that stories are such a rich art form; it might seem contradictory to mention that there is a process to it. Following a process will provide structure to your story, whether it is written, presented or simply a conversation. A good process will also reduce the time it takes to develop the story. This will apply whether you are writing an article for a trade journal, a blog for your website, a brochure or simply preparing for your next client meeting.

- Beginning, middle and an end – we all learned this structure in primary school and this familiar layout engages the audience and enables them to feel safe and ready to go on this communication journey with you. I tend to use the beginning to set out the scene, the middle to unpack the issues or details and the end to deliver some conclusions, resolutions and calls to action. You can let me know if this is working!
- Characters, conflict and resolution – we need characters to identify with and be able to put ourselves into the story. Keep your audience in mind and make sure your story is as jargon free as possible. Think about the points in your story that will hook the audience in. What do you want them to know, feel, or do after hearing or reading your story? Conflict brings that dramatic element to our stories. The conflict we most often face is engaging an audience who haven't yet realised they need the products we sell and the advice we offer. Not all stories have a happy ending but they will benefit from some sense of resolution so the audience know what's coming next. A plot line – Christopher Booker's book 'The Seven Basic Plots' outlines the plots that have been used time and time again from myths and legends to Hollywood block busters. The reason these work so well is that we are very familiar with them and get a fast track into the story due to this familiarity. Let me know if you'd like to know more about these plots, I mentioned earlier that I love to talk about stories too!

Settling into your creative rhythm

This one is highly personal. You'll need to figure out when in the day and when in the week you are most creative. Inspiration and good ideas rarely come to me when I'm at my desk. They are more likely to put in an appearance when I'm baking, swimming or about to go sleep. My husband likes when I struggle to write a piece – plenty of buns and cakes for him to enjoy!

Creating a piece of content is an iterative cycle, make time for a couple of drafts. Share the draft with someone you work with and also someone outside our industry and take their feedback on board. These refinements will pull your story together nicely.

Our story

At Standard Life, the story of Second Life is one we're very proud of and excited to continue developing. We regularly conduct research to ensure Second Life is as impactful today as it was when we launched it. We track consumer sentiment towards retirement planning and regularly explore retirement attitudes, expectations and experiences across differing demographics in Ireland. By understanding how people feel about retirement, we can better describe retirement in a meaningful way.

As the world changes and our world of retirement continues to change, elements of Second Life will naturally evolve. And yet, the essence and magic of Second Life is timeless. Second Life offers that emotional connection and a pathway towards a positive resolution in what can often be a complex, mundane world.

If you're not yet familiar with Second Life, you'll find a host of content on this, including stories from retirees living their best Second Lives on Standard Life's retirement hub. We also regularly host webinars with Advisers and their customers. We have received fantastic feedback about how this story has inspired people to start planning their retirement, increase their contributions and have a chat with family members who might need to do likewise.

If you'd like access to our latest insights, information about our upcoming Second Life events or masterclasses, please get in touch with your Business Manager.

Meet The PRESIDENTS

The Insurance Institute recently appointed its 2022 Local Institute Presidents in Dublin, Cork, Galway, Sligo and Limerick. Irish Broker caught up with each of them to learn more about their backgrounds, their involvement with the Institute and what they hope to bring to the role of President.

Dave Whelan, President of The Insurance Institute of Dublin

What motivated you to initially get involved with your Local Institute?

I first engaged with the Local Institute of Dublin in 2010. At that time my friend, Frank Kavanagh, was heavily involved, and he had mentioned how it was a great way to network with the insurance community and people working in the industry from various backgrounds. This really appealed to me as I wanted to widen my network and the Local Institute seemed like a great way to go about it.

Starting out in a career in insurance can be daunting, what advice would you give to those just beginning down this path? Do you think involvement with a Local Institute is important at this stage?

I do not believe that it is as daunting as it was at one time – there are so many options now to get you to where you want to go, and it makes your career trajectory so much more straightforward. The apprenticeship for example is a wonderful initiative and a terrific way to start your career in insurance – not only do you receive a third-level qualification, but you also gain real work experience and earn a salary. I think for anyone starting out the apprenticeship is the route to go. I also think that involvement with the Local Institute is important at every stage of a career in insurance and certainly at the beginning as it can help you to build your profile within the insurance community and it encourages ambition.

Danny O'Connell, President of The Insurance Institute of Cork

When did you join Council and what appealed to you about it?

I had been a member of the Local Institute for just over 30 years before I decided to join Council in early 2017. Prior to joining I had witnessed from the outside the tremendous work that serving members of Council had carried out on behalf of the Local Institute and I felt the time was right for me to play my own part and give something back.

Do you think it's important for the Local Institutes to give back to the local community? Can you tell me about any plans/activities you have scheduled with this focus in mind?

I firmly believe that it is important for the Local Institutes to contribute to the local community in meaningful ways. One such plan I have in mind during my term of office will be for The Insurance Institute of Cork to deliver a 'Time to Read' programme to a worthy school within the affiliated geographic area of the Local Institute. Time to Read is a Business in the Community initiative focused on helping children improve their reading ability.

Kieran Dixon, President of The Insurance Institute of Galway

I'm sure it is a great honour to be appointed President of The Insurance Institute of Galway – what does the role mean to you and what will be your main priorities for the year ahead?

I am delighted to be appointed President and honoured to follow in the footsteps of my illustrious predecessors. My priority in the coming year is to re-engage with our membership base – in particular our newer members – I believe this to be especially important as so much of the personal touch was lost during Covid. We will be running a full schedule of events and I look forward to meeting up again with members old and new throughout the year.

Starting out in a career in insurance can be daunting, what advice would you give to those just beginning down this path? Do you think involvement with a Local Institute is important at this stage?

I think the earlier you engage with your Local Institute the more it can help you – firstly, educationally – you will start to think of and become more informed on what qualifications you need and how to go about getting them. Also, you will meet mentors and professionals in other complementary fields who can provide you with insight and advice. Lastly, of course socially there are a range of events where you can interact with other professionals and build your network of peers.

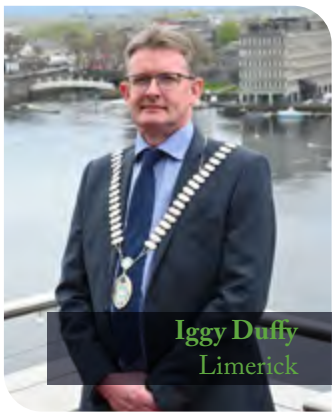
Martin Higgins, President of The Insurance Institute of Sligo

Has being involved in your local insurance community benefitted you – if so, how?

Yes, of course. It is a guarantee that involvement will help you develop and further your career. It also helped me to prioritise my qualifications and my lifelong learning. In addition it provides you with the opportunity to gain real insight into how various educational programmes work as you get first-hand experience from your peers – I've also found that the support from your colleagues is sometimes what you need for that extra push. Insurance is changing, and qualifications are becoming more important than ever – through investment in professional development you can differentiate yourself.

Do you think it's important for the Local Institutes to give back to the local community? Can you tell me about any plans/activities you have scheduled with this focus in mind?

Yes, in fact if we are not giving back to the local community then I would argue that we are not doing our job. In Sligo we have always been assisting charities in the local area, and we have an appointed Charity Officer who manages and plans these activities. We have done a lot of fundraising with Focus Ireland over the years, and we have organised everything from BBQs to quizzes to charity walks. We are looking at several options for the year ahead and we have a few things in the pipeline – whatever we do we need to maximise support from our members.



Iggy Duffy, President of The Insurance Institute of Limerick

I'm sure it is a great honour to be appointed President of The Insurance Institute of Limerick – what does the role mean to you and what will be your main priorities for the year ahead?

Well, it is indeed a great honour to be appointed President of the Limerick Institute. Our previous President, Cian O'Dea, did a fantastic job steering the Local Institute through the very difficult two-year Covid period. The priority of the Local Council now must be to adapt the Local Institute to the changed circumstances in the post Covid world and to keep our members engaged.

Are there any aspects of the local insurance community that you think have been lost/changed since you started your career? Is there an opportunity during your year to reintroduce/re-energise some of these?

There have been huge developments over my time in the industry in terms of education and training which I believe have transformed the quality of the service that our industry provides. I think a lot has been lost however in terms of the networking aspect – and Covid of course had a massive impact on this too. The importance of engaging with your colleagues in varied roles within the industry is hugely significant, not just for your own professional development but for the benefit of the sector as a whole. I see opportunities for this type of networking in both formal and informal settings as something I would like to re-energise and focus on throughout my tenure.

Mortgage Market Update:
Why is inflation so relevant to the cost of a mortgage?

Kimberley Hyland, Mortgage Manager, Brokers Ireland

IN June this year the ECB has signaled its intention to raise its interest rate by 0.25 percent and indicated further planned increases for later in the year to combat inflation. This is the first rise in more than 11 years. Why is inflation so relevant to the cost of a mortgage? Eurostat estimated inflation at 8.2 percent in May. As inflation increases the cost-of-living increases, putting pressures on salaries, and in turn lender margins making mortgage rate increases a serious possibility.

What does this mean for mortgage holders and those seeking mortgage approval? Three non-bank lenders have increased some of their fixed rates in recent months as the cost of funding has risen. For a mortgage applicant this means the repayments of their new mortgage will be higher and the repayment ability demonstrated must be proven at the higher level. With cost-of-living expense's soaring we have recently seen a lender increase their disposal income level requirements. Disposable income is the requirement for a mortgage holder to have a set amount of money to live from after all financial loans and ongoing commitments such as childcare are paid. This amount is for food, household cost, utilities, motoring costs, education cost, and general day to day living costs. The result of this increase will mean that there will be less money per month to put towards a mortgage.

Supply of properties remain well below the estimated annual demand of near 30k. Total completions of new houses were 20,500 in 2020 and 2021. While completions have rebounded strongly over the last year, repayment affordability has deteriorated as house prices continued to rise sharply. National house price inflation is at 15.2 percent year-on year to March 2022. Non-Dublin prices are up 17.3 percent year on year and Dublin 12.6 percent. These figures are not driven solely by inflation. Low property supply, remote working, strong demand, enhanced help-to-buy, rising personal savings and pent-up demand are all supporting the rising house prices.

Figures from the first half of 2022 are positive and we can confirm that Mortgage Brokers have continued to see a large volume of applications from consumers over the last number of months. Overall mortgage figures in from April 2022, indicated a 9 percent increase year on year in mortgage volume. New mortgage agreements in April 2022 amounted to €605 million. Fixed rates continue to dominate the market with 82 percent of all those new agreements issuing on a fixed rate. The weighted average interest rate on those new fixed rate mortgage agreements was 2.59 percent in April. For new variable rate mortgage agreements in the same month, the weighted average interest rate fell to 3.55 percent.

Quarter 1 of 2022 figures from the Banking and Payments Federation Ireland (BPFI) have been released. Mortgage approval volumes rose by 6.7 percent year on year to almost 12,100. This was the highest Q1 volume since the data series began in 2011. The first-time buyer (FTB) segment grew by 4.4 percent to more than 6,300 mortgage approvals, while mover purchase volumes fell by 5.2 percent to less than 2,600. Re-mortgage or switching activity grew strongly, up by 37.2 percent year on year. The Q1 2022 level of 2,259 was the highest quarterly volume since the data series began in 2011. *

Mortgage drawdown volumes rose by 9 percent year on year to more than 9,900 in Q1 2022. This was the highest Q1 level since 2009. FTB volumes reached their highest level since 2007 at 5,194, 9.9 percent up on Q1 2021. Mover purchase volumes fell by 2.2 percent year on year. Re-mortgage or switching drawdown volumes increased by 27.7 percent year on year to 1,762. *

Broker Market Share for Q1 2022

Buyer Type	Market Share
First Time Buyers	42.6%
Home Movers/Second Time Buyers	37.4%
Switcher/re-mortgage	60.5%
Overall	44.6%

Broker market share shows rapid growth driven by switchers. Despite the rising interest rates, Irish mortgage holders and mortgage seekers have a larger choice of products available to them than they have had in the past.

Long term fixed rates were a welcome introduction to Ireland in June of 2021 offering consumers long term value on a 10, 15, 20, 25 and 30 year fixed rate terms. Long term fixed rates offer long term financial security against potential future rate rises. Some lenders offer these long-term fixed rates on a portable basis. Meaning you can keep the rate on that portion of the loan if you move property within the fixed period without breakage charges and losing the rate.

Green Rate mortgages were introduced in 2021 also offering those with a BER cert of B3 or higher a lower fixed rate for those whose homes are energy efficient.

Many lenders offer overpayment facilities on fixed rates as high as 20 percent per annum. This means you can reduce your mortgage by 20 percent of the capital balance each year without penalties being applied even though you are on a fixed rate.

Cashback remains a popular choice for those who do not wish to fix for the longer term. Incentives are also offered to mortgage holders wanting to switch providers and include money towards legal fees.

Broker Market share shows growth because it offers a choice of products to consumers. Switchers are a large portion of this business. With Ulster Bank and KBC exiting the market now is an opportune time to grow your mortgage business. With the average switcher mortgage taking just 8 weeks and incentives available that could cover the costs for the consumer, Mortgage Brokers should be actively contacting their existing clients for a full mortgage review to make clients significant savings.

Brokers Ireland Mortgage Services can assist you in your mortgage business. The role of Brokers Ireland Mortgage Services is to liaise between the lender and the mortgage advisor, to undertake the administration associated with the application process. The mortgage unit provides information to authorised Mortgage Brokers on the various lenders and their products. Through our experience in handling high volumes of applications we are familiar with each lender's specific criteria, requirements and niche areas.

The service we provide ensures that the growing mortgage market remains accessible to all mortgage authorised Brokers Ireland members. Brokers Ireland Mortgage Services are non-exclusive, meaning you can use your own agencies where you hold them and submit through our agency to the lenders you do not have a direct agency with.

If you would like any further information on the services provided by Brokers Ireland Mortgage Services, please contact Kimberley Hyland, Mortgage Manager on 085 837 5602, or email: Kimberley@brokersirelandmortgages.ie

*Information as per BPFI-Housing-Market-Monitor-Q1-2022 report

AXA to apply index linking on policies to protect customers against the effects of rising inflation

INFLATION is at the forefront of many people's minds as they feel the pinch of price increases from the supermarket checkout to the service station forecourt - and commercial building costs are no different. According to the latest figures released by the Society of Chartered Surveyors of Ireland (SCSI), national construction tender prices* increased by 6% in the second half of 2021 which followed a 7% rise in the first half of the year, representing a 13.4% increase for the whole of 2021 compared to only 2.3% the previous year.

Seamus Dooley, Commercial Property Underwriting Manager, AXA Ireland dac.

Construction sector facing significant inflationary pressure

Tender prices in 2021 were heavily impacted by high price volatility across a range of building materials, particularly insulation, cement, plasterboard, metals and fuel. Central Statistics Office (CSO) analysis of the rising cost of building materials show that some steel products have increased by up to 64% while some timber products are up by almost 50% over the past 12 months.

Cost increases can be attributed to a combination of supply chain factors such as Covid impacting production worldwide, the Suez Canal congestion and post Brexit impacts. Add the current construction labour shortages and the post-Covid backlog of building projects and we are experiencing a perfect storm of inflationary factors in the construction sector, the likes of which has not been seen for decades. Furthermore, signs of inflation easing late last year were short lived with surveyors forecasting that costs will continue to increase in 2022 with the war in Ukraine further driving up the cost of steel, base metals, and energy.

Over the longer-term, commercial building costs in Ireland have fluctuated broadly in line with the performance of the general economy. According to the SCSI, the cost of building climbed dramatically during the 'Celtic Tiger' years peaking at a 52% increase by 2007, followed by an equally dramatic decline where costs dropped back to 1998 levels by 2010. The period from 2011 to 2015 saw steady, incremental inflation before costs accelerated more rapidly up to the Covid period.

The risk of underinsurance

The pattern over the past five years has been one of high building cost inflation with significant increases in tender prices.

Over a period of just five years, at current inflation levels, a client could find themselves more than 40% underinsured on their buildings if they fail to review sums insured at each renewal.

Whilst undergoing less stark inflationary pressures than building costs, the cost of business contents also requires consideration. The Consumer Price index shows that from 2015 to 2020 there had been very little change in the overall cost of goods and services. More recently, however, inflation increased by 2.4% in 2020-2021, followed by an even steeper rise of 5% in 2021-2022 in the overall cost of living. The most recent figures, published by the CPI in April 2022, show a 7% year-on-year increase.

In addition to property values, it is also worth considering the length of indemnity period for business interruption or rental income cover to ensure the duration is adequate to allow a business to return to its pre-loss financial position. The current backlogs in the construction sector, due to supply chain and building material shortages, mean that interruption to a business following a significant property loss event can last considerably longer than in the past.

In this high inflation economic environment, insurance customers need to ensure that their declared property values keep pace with inflation. If sums insured are not continually monitored and adjusted in line with inflation rates, they risk being underinsured which can lead to any future claim settlement being subject to the condition of average. Following a significant loss, the lack of adequate cover can hinder the speed at which a business recovers or even jeopardise its chance of survival.

Unfortunately, many businesses only discover they are underinsured when they make a claim. In the UK, a Building Cost Information Service Survey by Royal Institution of Chartered Surveyors found that approximately 80% of commercial properties are not adequately insured, with some only insured for half the amount they should be.

AXA to apply index linking from 1st August renewals

Whilst the onus is on the insured to obtain an up to date assessment of values at risk from a professional, insurers can assist with inflation protection by applying index linking. If a policy is index linked, the value of property will be updated in line with the current rate of inflation at each renewal.

From 1st August renewals, AXA will help to protect its customer from the effects of rising inflation by applying index linking to all commercial insurance products with a Property Damage section. This includes our Enterprise, Farm, Portfolio and Property Owners products as well as our Shop, Office and Surgery products.

By working together to ensure that our customers have the right cover in place, and through continuous assessment of the values and limits required, we can ensure that we provide our customers with the cover they need through the peaks and troughs of this volatile inflationary cycle.

*For new commercial projects more than €500,000 across all regions of Ireland

Consolidation: The Brokerage Game-Changer

Stephen Murphy, Senior Director, Customer Experience, Applied Systems

AS we come to the end of my three-part series in Irish Broker, I have had the opportunity to dive into critical trends that are revolutionising the insurance industry. Previously, I discussed the positive impact of cloud technology in the industry and how customer self-service options are the way of the future. The third and final trend has been one of the biggest talking points in the insurance landscape: consolidation.

Over the past 24 months, the Irish insurance sector has experienced an unprecedented level of consolidation. As the pace of consolidation in the insurance space accelerates, encompassing global insurers and reinsurers as well as smaller, local Brokers, it is imperative that Brokerages invest in an open approach technology that can make the acquisition process easier and enable them to remain competitive. In fact, according to the PwC-Insurance Ireland Leaders' Survey 2021, 55% of Brokerages will invest significantly in digital transformation. Thus, deepening the importance of seizing the right technology for success, depending on your position in an industry of consolidation.

Positioning yourself for acquisition

For many small Brokerages, a strategic acquisition could be a key step in your success story, giving you the opportunity to move to the next stage in your business plan. You may be seeking to grow your business, to expand offerings to existing customers and enhance employee opportunities, or you may want to implement your own succession plan. Regardless of your reason, each Brokerage needs to ask this question, "How do I position my business to be attractive for acquisition?"

There are many factors that companies take into consideration when acquiring a business, but a key point that can decide your fate is your Broker management system. An open foundational system allows for a bespoke tech stack, making you a top-notch candidate for acquisition. The acquisitive company would not only take on your business, but also your Broker management system. A system, like Applied Relay, easily integrates into other management systems and has a mature data and merging process that has been tweaked and honed over the years. With so much consolidation activity in recent years, we know that staying connected and ensuring a seamless transition is an important consideration for the acquisitive business.

Scalability drives merger success

On the flip side of the conversation, maybe you are the large Brokerage that wants to expand your presence in the market. There are many benefits of pooling collective resources to improve your competitiveness, but acquiring another company is no easy feat. So, the question becomes, "How can I easily scale and acquire other businesses?"

The ability to deliver scale is an important competitive factor for an Insurance Brokerage interested in business acquisition. Implementing a cloud platform into your management system can aid in this scalability. According to the 2021 Applied Digital Broker Annual Report, cloud technology is how 81% of Brokers across all geographies host their software. A cloud platform, like Applied Cloud, provides a flexible operating environment with scalability for business growth, stronger business continuity protection and increased mobile access to business information. Utilising cloud technology ensures maximum bandwidth for greater performance and business expansion, making it easier for future acquisitive and organic growth.

Staying competitive in a consolidation landscape

Consolidation may be the next step for many businesses, but for some Brokerages, that may not be the case. If you're an independent Broker that is not interested in an acquisition or merging with another business, then your strategy will need to be different. Your game plan to compete against the larger Brokerages is to elevate your customer experience.

By incorporating an omnichannel strategy, you can provide a premier customer experience to retain and attract clients who are looking for a more personalised experience. Technology, like Applied CSR24, enables you to provide a self-service portal for customers to have 24/7 access to policy information, premium payments, and insurance documents, meeting the digital expectations of today's customers and helping you stand out from the competition.

Consolidation in the Insurance Brokerage space is expected to continue at a rapid pace through 2022 and does not seem to be stopping anytime soon. To take advantage of this trend, you must analyse your position in the market and consider your strategy for taking your business to the next stage. Whether you're looking to be acquired, wanting to acquire an existing company, or determining how to stay competitive against larger players, investing in the right technology will lead to business success.

Cloud-based insurance technology.

Meet today's needs and transform tomorrow's expectations.

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James Caron, CompliNet

General Medical Services Superannuation Plan - A Brief Guide

FOR approximately a four-week period once a year The General Medical Services Superannuation Plan (hereinafter for ease will be referred to as The GMS Plan) is particularly topical. These four weeks of course coincide with the income tax deadline. So, for information purposes I have drafted a very brief guide to The GMS Plan. The GMS Plan was set up under Section 773 of the TCA1997 and its members are self-employed people (doctors) in a pension agreement that has most of the characteristics of a Defined Contribution Company Pension Scheme. Some rules mirror Personal Pension Plan/PRSA rules whilst others mirror those applying to Company Pension Schemes. This can and does lead to confusion amongst members. The members pay a mandatory contribution rate of 5% capitation fees each year to their retirement account with the HSE contributing a further 10% (deemed to be an employer contribution) of the member's capitation fees. 95% of the HSE contribution is invested with the balance used to pay Death in Service, Ill Health Retirement Benefits, and the cost of scheme administration. All the members 5% is invested.

The NRA is 65. However, a member can retire early at any age between 50 and 65 providing they are no longer receiving capitation fees. If desired members can continue to receive capitation fees beyond 65 and defer accessing benefits. Contributions are invested in the 'Main GMS Fund' and every year a return is declared, which is based on any investment gains and losses over the preceding four years. From the age of 55, there is also the option to invest in a bond or a cash fund.

Transfers in or out of The GMS Plan are not allowed.

GMS AVC's & Private Practice

The amount of AVC's that can be paid is the difference between % of Net GMS Income and 5% Capitation Fees. AVC's can be paid to the scheme or to a PRSA AVC. If AVC's are paid to the GMS Plan 2% of contributions are deducted to cover administration charges.

- Revenue issued Tax briefing 11 in 2010 outlining how tax relief works when a combination of GMS and Private Income. Income must be separated between GMS and Private and pensioned into the relevant products
- GMS Income must be considered first so an example
- GP aged 56 Net GMS Remuneration €100K (€90K Capitation), Private Practice Income (NRE) €200K (assumed expenses, capital allowances have been apportioned appropriately).
- GMS contribution of €4.5K made (5% of €90K)
- GMS AVC scope is €30.5K (€100K @ 35% less the €4.5K GMS contribution).
- Private Practice Net Relevant Earnings of €200K but contribution limited to €5,250 (35% of €15K as €100K GMS Remuneration already pensioned)
- Total funding €35,750 (AVC €30.5k & PPP/PRSA €5,250)

Member Retirement Options

The GMS Plan does allow after the 25% tax efficient lump sum (main fund and AVC's) has been drawn the member can avail of the ARF option. But whilst the GMS rules cite 25% as a maximum tax efficient lump sum from the main scheme the option also exists to take the equivalent (subject to criteria i.e., salary and service) of a maximum of 1.5 times Net GMS Final Remuneration as a tax efficient lump sum. This option involves members utilising their AVC fund to increase their lump sum from The GMS Plan to the maximum allowed under salary and service Revenue rules. However, if this route is chosen, then the balance of the main scheme fund must be used to purchase an annuity. Any residual AVC funds would have the ARF option. Key point is that members will have two options available at time of accessing The GMS Plan.

Conclusion

- GMS Remuneration is deemed to have been pensioned first by either AVC/AVCPRSA
- 5% GMS contribution already paid by member must be included in any AVC calculations.
- If Net GMS Income over €115K no PPP/PRSA contributions are possible
- Two options at retirement
- Traditional Route, would 1.5 times tax efficient lump sum be more advantageous?
- Use AVC Fund to top up the tax efficient cash?
- But if Traditional Route chosen then Annuity purchase from balance of main fund now compulsory.
- Residual AVC Fund (if any) could purchase an ARF
- Alternatively, the 25% tax efficient route and ARF option may be chosen.
- Members need advice.

Essential reading would be The Revenue Pensions Manual GMS Superannuation Plan Appendix V and Chapter 26 Tax Relief for Pension Contributions Application of Earnings Limits. These provide guidance and worked examples. The preceding was a brief overview of the GMS Plan. It is not, nor was it intended to be an exhaustive analysis but rather an introduction to this area. While great care has been taken in its preparation, this article is of a general nature and should not be relied on in relation to a specific issue.

The rise of the **Directors & Officers insurance market** in Ireland and challenges for the future

WHEN I joined the Irish insurance market in 1997 from the UK, Directors and Officers insurance (D&O) was virtually unknown. It was also complicated as no one was certain that the cover was legal.

At that time, Section 200 of the 1963 Irish Companies Act stated that no company could indemnify a director as indemnification for "any negligence, default, breach of duty or breach of trust, which he/she may be guilty of in relation to the company" and would be declared void. This meant all claims were side A cover (reimbursement to the individual) at commencement of the claim until innocence was proven when reimbursement by the company was allowed (side B - company reimbursement).

The 2014 Irish Companies Act retains similar clauses but clarifies that D&O cover can be purchased by the company. This feature of the Act, whereby the company cannot indemnify the director but can purchase D&O cover on their behalf, emphasises the personal nature of the cover where the prime purpose is to protect the individual. In the event of a claim, it is the individual director who must arrange and fund their defence against the increased scrutiny of regulators, shareholders, activists and possibly even their employer, jeopardising the director's personal assets.

Unlike other insurances, directors can claim directly under the policy without the policyholder's consent - making this insurance quite a unique product. It is therefore essential that the cover is placed correctly at inception.

Current market challenges

In contrast to when demand for the product was low, we continue to see clients purchase higher limits or seeking replacement capacity where the incumbent insurer retrenched from the market following a lengthy period of increased capacity, unsustainable pricing, and broader cover.

Like most insurance products, the last time the market saw such a "correction" or reaction to events was after 9/11 in 2001. The losses sustained by insurers at that time depleted reserves and the fear of future losses caused an instant hardening of the market. However, over time competition and in later years, new capacity resulted in the following: -

- Falling rates until 2016, with rates dropping as low as 20% of the 2002 levels achieved*
- Gradual corrections increased rates, but by 2019, they only reached 40% of 2002 levels*
- From 2020, the hard market really started to bite so rates returned to 2002 levels and 2021 finally saw rates exceed the 2002 levels*

During this period, heightened regulation and greater corporate governance saw just about every type of claim increasing, but the market did not keep up as it continued to provide wide policy terms even when impacted by falling interest rates.

In 2020, the pandemic hit and many industries closed their offices and worked from home. The impact was immediate with the global economy stalling and major sectors of the economy, such as tourism, hospitality, and aviation facing ruin. Global supply chains were disrupted, inflation increased and, just as the world was starting to recover early this year, Russia invaded Ukraine.

The direct fall-out from Covid-19 has not yet fully materialised in the D&O market, but the level of insolvencies rocketed in the UK after a similar withdrawal of government support. However, we are now starting to see the impact following the withdrawal of government support here.

The economic outlook remains volatile and uncertain with many organisations and company directors struggling to employ suitable staff. An obvious recent example of the challenge in restarting operations was at Dublin Airport.

Many businesses across multiple industries are facing supply chain inflation, higher energy, and labour costs, and a continuation of supply chain interruption. The cost increases will influence how businesses survive and, more importantly, the share price performance and insolvency numbers. Most of these factors would be outside of a company directors' control but as D&O claims have become event-driven, we can see the risk that directors could potentially face claims for lack of planning or inadequate response to events, thus failing in their duty to shareholders.

Environmental Social & Governance (ESG) matters are still an emerging area for claims. The environmental aspect probably has the most publicity and attention from activists, but the Social and Governance elements remain areas of concern, with activist campaigns rightly judging companies by their actions and holding boards to account.

Climate change has always been an area of potential for claims and not just for fossil fuel companies. I recall attending an insurance lecture in the early 1990's which set out how global warming is not just warmer weather but would lead to a changing pattern of weather-related disasters. As insurers would end up paying the claims, they should be promoting and investing in more environmental practices. Unfortunately, no man (yes, all men) seemed to worry about this hypothetical event, but they are taking notice now with investors looking at companies and their directors' green initiatives.

Another sector of D&O claims that may increase is investigations and regulatory actions. The last decade has seen more personal responsibility included in legislation and more powers for the regulators to call companies to account and explain their actions including the pending Senior Executive Accountability Regime – initially aimed at financial institutions.

The Future and Aviva

The market is starting to see a limited number of new entrants coming into the market creating more competition for small to mid-market risks – mainly on excess layer programmes which is good for the customer. However, larger corporate risks still face capacity issues.

Since Aviva entered the financial lines market 18 months ago, our objective has been to provide much-needed capacity for customers. Aviva recognises the challenges that businesses continue to face and the solutions we have provided to date have received great support from our key broker partners.

Our initial offering was excess of loss D&O capacity. We then introduced a Management Liability policy that includes D&O, Employment Practices Liability and Corporate Legal Liability in Q4 2021. Jordan Lacey joined the ML/D&O team in January 2022, and we introduced a Commercial Crime offering in April 2022.

Our plans for the immediate future are to introduce a further suite of products for Financial Institutions in Q4 of this year, whilst we continue to develop a cyber offering. In the medium term we are looking to go live with a digital solution that will enable us to expand our D&O /MLC appetite in the SME market providing greater support for our broker partners and their customers.

We have market leading products, many of the most experienced underwriters in the market and we are open for your business. Please give me or any of the team a call.

Source: *Marsh UK Directors and Officers liability insurance 2021 pricing index

Derek Smoker, D&O Underwriting Manager, Aviva Insurance Ireland DAC

Zurich launches new **Indexed Commodities Fund**

ZURICH has recently enhanced our fund offering by adding a new Indexed Commodities Fund to our range as a standalone option for investors. The fund also forms part of the alternatives component of the Prisma multi-asset fund range.

Over the last number of years, we have seen increased demand from Financial Brokers and Advisors for a specialist commodity fund to provide further diversification when constructing bespoke client fund portfolios. With commodities making up a large part of the alternative component of our multi-asset funds, we also wanted to formalise our management of these commodity assets into a single fund offering. The role of commodities in providing portfolio diversification is well proven*. With that in mind, there may be a good opportunity to explore this asset class further, and the launch of this fund may be timely.

What is the Indexed Commodities Fund?

The Indexed Commodities Fund is a unit-linked fund that gives investors the opportunity to participate in the performance of commodities including energy, grains and industrial and precious metals. The fund currently invests in an Invesco Exchange Traded Fund (ETF). The Invesco ETF is passively managed and aims to track an index, but may not track it exactly. The fund has a current risk rating of 5 and is a convenient way to gain exposure to commodities.

Diversify your bespoke client portfolio

Historically, commodities have tended to offer balance to investor portfolios during periods of elevated volatility. This is due to their lower correlation to movement in equity prices and can help to reduce the long-term volatility of the portfolio and therefore help to improve the risk-adjusted return profile. Given the challenges in getting a forecast of the economy exactly right, holding a diversified range of assets that move in different directions depending on market conditions can be helpful. Ensuring there is some exposure to commodities in your clients' portfolio, depending on their individual situation, can be a prudent approach.

Readymade multi-asset portfolios

The indexed commodities fund makes up part of the alternatives component of the Prisma fund range. Zurich's flagship range of multi-asset funds, the Prisma range is built on Zurich Investments market leading multi-asset expertise*. The five Prisma Funds target different risk profiles. Each of the Prisma Funds is diversified and can include equities, bonds, property, cash, and alternatives, such as commodities.

For more information

Zurich's Indexed Commodities Fund is available as a standalone fund or as part of the Prisma fund range across the Zurich suite of Pensions, Savings and Investment products. You can find more information on the Indexed Commodities Fund by speaking to your Zurich Broker Consultant or visiting the Indexed Commodities fund page.

*Source: Zurich Life, June 2022.

Warning: The value of your investment may go down as well as up.
Warning: Past performance is not a reliable guide to future performance
Warning: This product/service may be affected by changes in currency exchange rates.
Warning: If you invest in this product you may lose some or all of the money you invest.

Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Biobank Ireland Cancer Research superbly supported by the Insurance industry

THE Annual Biobank (cancer research charity) Golf Outing took place on Friday 17th June last in Malahide Golf Club. It was once again a resounding success. As in previous years, the insurance industry (past and present) was well represented and supporting this great cause.

Biobanking facilities are critical for clinical trials. Biobank Ireland Trust was founded in 2004 by Ciaran Flanagan and Professor Eoin Gaffney. Their mission is to make cancer tissue samples available to develop more effective treatments and tests for cancer and other diseases through an increased understanding of the molecular mechanisms involved in the initiation of each patient's cancer, its spread, and its response or resistance to treatment. One feature of this year's event was the official launch of the Biobank Warriors project. A Biobank Warrior is anyone who helps raise funds to support the work of Biobank Ireland in their challenge with cancer through developing a nationwide network of Biobanks for medical research and improved treatment. There are many ways to help. Firstly, through signing up to a monthly Direct Debit of €21 or more, or by organising or participating in any fundraising activity from a golf event, walks, runs, marathons, triathlons, quiz nights or whatever way you feel you can get involved.

To help see their website or contact them directly via email: Admin@biobankireland.com or visit their website: www.biobankireland.com

Pictured at the Biobank Ireland Cancer Research golf outing in Malahide were: (l-r)Trevor Dunne (Capital markets), Paul Murphy, Graham Weir and John McGuire, all Pembroke Insurances Ltd.

Also pictured at the golf outing in Malahide were: Stephen Kelleher (Allianz) Michael Kelleher, Tim Kelleher, Karen Shiels and Pat Kelleher.

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broker spotlight

Up close and personal with **Emma Gollogly, Golo.ie**

HOW long have you worked as a Broker - how did you come into the industry?

23 years, but a life time really. My Dad was in the Insurance industry and then his own brokerage when we were growing up. The Brokerage was run out of my parents home. We were taught from a very young age how to answer a phone correctly and how to take messages. "it's no good taking down Joe returned your call," I recall my Dad saying, he wanted a full detailed message!

I started out my career in Financial Services in 1999 for IIB Homeloans, I loved every second of my job with IIB Homeloans and have fond memories; it was a company that treated it's staff like royalty. Much to my parents disappointment at the time what was to be a summer job turned out to be a full time job with a promise that I would continue my education part time. I did! Brokerage was always in my sights so I joined brokerage with IFG Mortgages in 2002. My Dad, Charlie Gollogly invited me back to the family business in 2004 Gollogly Insurances Ltd. I worked along side my Mam and Dad; this came with it's challenges and it's fair to say there were many differences of opinions over the years!! The joys of a family business. We have created a strong online presence www.golo.ie. It was a hard decision to make to drop the family name, but Gollogly is a bit of a tongue twister!

What's your favourite and least favourite thing about being a Broker?

Favourite has to be when we were Mortgage Brokers, seeing a young couple getting mortgage approval or giving them a call to let them know. It was always an exciting phone call to make.

Least favourite, I'd say every Broker shares the same. Death Claims, it's a very difficult time for the family of the deceased, and a claim settlement is of no consolation to them in that immediate time after their death.

What differentiates your brokerage and services from others?

Although it is getting more and more difficult with our client base expanding, we pride ourselves in knowing our clients personally. When a customer walks through the door and you know them by name straight away they are delighted, they almost walk taller to your desk.

We look after claims; whether a Life & Pensions or General Insurance client we are with you every step of the way throughout your claim. Certainly in the General Insurance side of the business this helps with customer retention.

Top tip to someone who's interested in becoming a Broker?

Go work for another Broker first. Be prepared to work in all areas, and not just sales! I still clean the toilets in our office as well as all the nicer stuff.

Favourite App. or gadget that you use in your day to day business?

GADGET My Samsung note 10, great for note taking as well as the usual emails, photos and phone calls. APP Mobile Soft phone app from Panasonic, connecting me to the office at all times when I'm away from it; my husband says it's certainly not his favourite. But I'm dreaming of my summer holidays this year and taking a call while sitting on a sun lounger abroad! I never fully switch off.

From your experience, what's been the biggest industry advancement since you started as a Broker?

The use of Technology, when I started out and I'm sure like many, it was still paper application forms, now we have e signatures, online data capture, statement of facts and many more that speed up the process. I'd love to see this advance further and an agreement in place with all insurers across Life and General insurance for a generic application template for all.

Tell us something that we don't know about you? (any unusual interests/hobbies/charities)

I met my husband under the sea! We were both learning to scuba dive at the time, we dived for many years off the west coast of Ireland. These days we only get to scuba dive on holidays, it's slightly warmer too.

My Dad encouraged a love of horses when growing up, this love (or bug as some describe it) continues on with myself and my sister. It's great to see a new generation of our family sharing in our love of horses and learning to ride them. They are a little bit slow with helping to muck out mind you!

I'm a proud member of Monaghan Lions Club. We raise a lot of money for great local causes and international causes. I love giving back to our community.

How do you switch off in your spare time?

Honestly, there's nothing like heading out to the field and collecting horse manure! During the Covid lockdowns we spent a lot of our time exercising and this remains. I love to jump on my bicycle on a good day and head out for a spin.

What's your best bit of business advice to your younger self?

Shut up and listen! It's good to take opinions from everyone around you.

What difficulties presented themselves during these challenging times and how did you overcome them?

We were like all Brokers, lucky that we were deemed

an essential service. Our offices were big enough to spread staff out. We closed our doors to the public but found very quickly that this wasn't going to work. We had our carpenter make us a hatch at the door for meeting customers and collecting documents. It worked but wasn't ideal either. We certainly didn't feel it was going to go on as long as it has. Believe it or not we managed to keep Covid out of our office until Easter 2022, then it knocked staff down one by one! Thankfully we are in the the cloud and our trusted phone app all made sure that our staff could work from home. No sympathy from the boss at all!! We are very grateful that our staff were all ok. Our biggest challenge in all this time was to get speaking to insurer staff, this is still a challenge for some insurers.

Being social distanced from clients, how have you had to reinvent your interaction with customers?

As an industry we had all already embraced webinars for product info and CPD events. I never experienced so many customers who were so fan dangled with Zoom and Teams, it was something new to try out! Covid brought a sense of panic with some customers increasing life cover and serious illness cover "to be prepared," we accommodated these customers as quickly as possible.

We carried out a lot of WhatsApp video calls and permitted outdoor meetings with customers that we felt might not master Zoom or Teams. We really hadn't given our customers enough credit, suddenly they were able to receive emails, print off documents and scan them back to us; this has been a major change for us.

Moving forward, what direction do you see your brokerage developing over the next five years?

We are in the process of relocating offices in the next few weeks. We have instructed the electricians to allow for additional data points for new desks, so hopefully we'll manage to fill them! With a qualified and loyal team beside us, I know our business will continue to grow.

We have spent some time developing the General Insurance side of our business which was very kind to us during the last recession; it really did keep our doors open. With my Dad Charlie "retired" he's still a regular in the office mind you, we really need to refocus on Life and Pensions and help continue his legacy; customer focused personal service.

What's your favourite and most used business mantra?

That is an easy one... smart people insure with Golo.ie

What (business leader / world leader / sportsperson) do you most admire and why?

Kellie Harrington, I know zero about boxing! But isn't she just a breath of fresh air. No hidden agenda's, no seeking fame or fortune. She's a great ambassador for our country, for sport and for women.

Irish homeowners risk being **underinsured** amid rising building costs

OVER half (56%) of Irish homeowners have not checked the rebuild cost of their homes in the last year, despite inflationary pressures leading to a surge in construction-related costs since the start of 2022, according to the findings of the Allianz Home Rebuild Research Study. The study revealed that 23% of all Irish homeowners have never checked the rebuild cost of their home, while only 44% have done so in the previous year. The results suggest that many Irish homeowners could potentially be underinsured on their properties due to the sudden and unexpected increase in the cost of building materials, as recently reported by the Central Statistics Office (CSO).

The study commissioned by Allianz Insurance reveals a noticeable knowledge gap among Irish homeowners in understanding how their properties are insured, with two-thirds either unsure or totally in the dark about the difference between the value of their property and the rebuild cost. Of those surveyed, 43% were unsure about the difference, with 23% having no idea. On the plus side, just over one-third (34%) understand the difference.

The market value is what the market dictates it will cost to buy someone's home. This is different to the rebuild cost of a house should it be damaged or destroyed. Underinsurance may arise where the current rebuild (or sum insured) in an insurance policy may not reflect the current costs of repair or rebuilding at today's rates. The amount a customer has their home insured for is known as the "sum insured" and it is what the insurance company will put aside as a budget for repairs at today's prices for materials and labour.

Responding to the findings of the study, which showed the majority of homeowners (78%) did not contact their home insurance provider to better understand the value of their home versus the cost to rebuild it, **Geoff Sparling, Chief Customer Officer at Allianz,** urged home insurance customers to fully inform themselves and to take the necessary steps to avoid being caught out by current and future inflation levels. Of the remaining homeowners included in the survey, only 14% have contacted their home insurance provider in the past year to better understand the rebuild costs associated with their property, while another 8% did so over a year ago. The research was conducted in early May 2022 from a sample size of 1,000 respondents, of which 603 were homeowners.

This research comes as the CSO advised in February that there were significant increases in building materials such as timber (increased by 64%), cement (up by 11%), electrical fittings (up by 18.5%), plaster (up by 30%) and glass (which has seen a 10.7% hike in prices) over the last 12 months. In addition, labour costs in the construction industry are also expected to rise by 4.4% in the next 12 months.

"Insurance can be complicated in some areas and we want to make sure our customers understand how inflation related to the construction sector in Ireland could affect them and assess timely preventative measures. That's why we encourage all our customers to check the sum insured on their properties on a regular basis to make sure they have the appropriate level of cover in place," said Mr. Sparling.

Customers can utilise the House Rebuild Calculator, which is available from the Society of Chartered Surveyors Ireland to help consumers understand this gap cost. Customers can simply put in the basic measurements, location and key home details. It will then calculate the rebuild cost and provide an estimate. This is an estimated cost, but it will then show the user if they have calculated the rebuild cost of your home correctly to compensate for hidden costs.

Allianz customers are encouraged to visit MyAllianz to see the rebuild cost in their next renewal. This will allow them to adjust the amount insured and ensure they have correctly insured their property to minimize the risk of the inflationary gap impacting on future claims.

The changing face of sales

Part 1

The growing trend towards Video Conferencing

Dermot McConkey Development & Training Limited

PEOPLE in business obviously want and need sales to prosper. Selling after all, is the corner stone of commerce. Sales are a company's lifeblood because without sales there would be no requirement for marketing, actuarial, I.T., human resources, administration or indeed, management! In today's aggressive, extremely competitive, fast world, everyone has to be focused on gaining a bigger piece of the business pie or at least, holding on to the piece they are in possession of at present. With this in mind I'd like to share with you a new, developing trend in sales strategy - at least it was new to me. It is simply this. Video conferencing is now seen as an important part of any forward-thinking company's sales strategy. Consequently, there is a need now to give salespeople the skills to maximise their selling opportunities when using video conferencing. In this article, I will outline the pluses of video conferencing as a concept and in Part 2 of the article next month, I will outline the approach and skills required.

Video conferencing (VC) has become a new sales approach option because it boosts productivity, saves time, reduces travel and additional expenses, plus it promotes collaboration overall. Research shows it is now accepted as a presentation option by buyers who are now, more and more likely, to work from home. VC tools provide a quick, cost-effective and easy way for businesses to host meetings with colleagues, clients and prospects alike. With the right video technology, high definition interactions with potential clients are possibly making it similar to face to face meetings. What's more, many VC tools also come with access to things like screen sharing (e.g. sharing a presentation) as well as remote desktop access, adding more context to conversations.

So let's look at the real benefits of using VC as a sales strategy.

It saves time: First of all it saves time for both the buyer and seller. Once a meeting is arranged, neither have to travel. Afterall, time is money. It means sales people can engage with more prospects everyday which is turn increases the prospect of more business. If two to four meetings a day was the norm before, four to six per day is now a possibility. That has to be an attractive option.

Sharing screen presentations: As screen sharing is possible with VC, sellers can easily present their presentation without any hassle of setting up equipment and screens and/or booking a meeting room. Presentations in full flow can be recorded, enabling sellers to forward their presentation to their prospective buyer afterwards should they wish to review what was covered in more detail again or to discuss same with other decision makers in the process. If important people have reason to miss a meeting they can easily catch up be reviewing the recorded presentation, thus avoiding any misinterpretations or misunderstandings by presenters.

Regular communication: Way back in 2011, Gartner predicted that by 2020, approximately 85% of customer relationships would be managed without a direct human interaction. This was before COVID, which has obviously added credibility to their assumptions. Harvard Business Review, revealed a study that showed that more than 1,400 B2B customers, completed, on average, nearly 60% of typical purchasing decisions, researching solutions, ranking options, setting requirements, benchmarking pricing, and so on - before ever having a conversation with a supplier. In 2013, Selling Power, (a renowned, online business magazine that provides its users with sales management solutions) estimated that by 2020, 80% of B2B transactions would be automated. According to them, video conferencing technology was to be the main method used by both teams and sales reps. It has now come to pass and has consequences for all in the financial services market. A major client of mine informed me recently that following their research,

their B2B clients were expressing a desire for future communications to be embraced via VC as opposed to granting, time-consuming, face to face meetings every week. This development is worth noting and points to our futures in a very serious way. VC meetings are now replacing Newsletters / ezines.

More can attend the VC meetings

One major plus of VC meetings is the fact that others can easily attend meetings from other parts of the country / world. If necessary, others can "pop-in" to a meeting for their contribution or interest and leave the meeting effortlessly. That has to be a big plus point. Electronic signature solutions now enable salespeople to send contracts and request signatures and get those back within minutes or hours. This eliminates the need to print, mail, scan and fax documents. Electronic signatures have gained popularity as a consequence of remote working as they are quick, easy and as legally binding as normal signatures.

VC and trustworthiness?

I read about another study recently that looked at the effectiveness of four different communication situations: face-to-face, video, audio, and text chat. Naturally, the face-to-face groups were the most-likely to achieve cooperative behaviour, while the text chat groups were least effective and required more repetitive interaction. The audio groups were somewhere in between. The interesting assertion was that the video groups achieved the same levels of trust as the face-to-face groups - although at a slower rate overall.

With a good platform for video meetings and conferences, you can achieve an engaging face-to-face connection with your market. It presents the opportunity to observe body language, which in the end is much more revealing than spoken words. In addition, this two-way communication gives the chance to create an impressive image in front of potential customers and win his or her trust very quickly. It's also very easy to give a good explanation about your products and services. Regular and frequent video meetings with potential clients present a better understanding of the what you can offer. This can help to build strong, long-term relationships, which are extremely important in after-sales, communication.

Video conferencing is saving you time and money

Every business owner / leader knows how much time and money is invested in travelling to and spending time with prospects and clients. It is now a fact that VC is saving that time and money in an impressive way.

So, VC – is it worth it?

Here are the pros and cons.

Advantages
VC saves time and resources.
VC is easy to present via screen share – no equipment set up required.
VC presentations can be saved and revisited afterwards
VC increases productivity of employees ie number of prospect / client interviews per day.
It is very cost-effective.
Disadvantages
It still lacks a bit of the personal touch of face-to-face communication (small talk to break the ice etc)
Even the best systems can suffer from technical problems like slow or disappearing internet connection problems.

Close to 50% of my training has been conducted via VC this year to date. It is cost-effective and is working, judging by the feedback I am getting. In the next article I will cover the practical, organisational issues when presenting via VC and also the skills required to handle presentations in the most impressive and convincing way.

Dooley Insurance Group open new Edenderry office

ONE of Ireland's largest independent, family owned and run insurance brokers, the Dooley Insurance Group officially opened its new offices in Edenderry, Co. Offaly on Wednesday, 1st of June. The new office is located at 74-75 JKL Street, Edenderry, Co. Offaly and was formally the offices of Padraic O'Connor Insurances, a business which The Dooley Insurance Group has recently acquired.

Established over sixty-five years ago the Dooley Insurance Group is now one of Ireland's largest independent insurance brokers with over 12,000 clients throughout the country.

Speaking at the opening Tim Dooley, Managing Director said it was a proud day for all of his team who were looking forward to continuing to provide insurance and pensions products to the people of Offaly. The Edenderry office is managed by Anne Taylor and Caitriona Farrell.

The day began with a live outside broadcast from outside the premises by Midlands 103. Later there was an interesting talk about Cyber Security delivered by cyber security and tech expert Kevin O'Loughlin of Nostra MSP. Kevin spoke about the new threat that businesses faced in the cyber world today and gave some top tips on how best to protect your business and data from potential hackers.

Guests enjoyed delicious mini fish and chips, summer mocktails and wine served from Natalie Collins new cool food 'truck' which was parked outside the premises and added to the lively and fun vibe of the evening.

The Dooley Insurance Group also has an office in Millennium Park in Naas and their new office is now open in Edenderry. For more information, please see www.dooleyinsurances.ie or call the Edenderry Office on (046) 9731218

Can you stand over your charges?

Eamonn Twomey, StepChange

LOTS of the conversations that I'm having with Financial Brokers are in relation to the ongoing value you are providing, and the cost being charged for the delivery of that value. However, it doesn't always start out from that point.

Quite a number of these conversations start out from the point of, "I'm very focused on growing my trail commission income in order to build value in my business. At the moment, I'm charging 25bps / 50bps in trail commission and I'm not fully comfortable that I can really stand over it and justify it if pushed". Brokers are looking over the horizon and seeing potentially greater levels of scrutiny from clients and the Central Bank in relation to trail commission. You recognise that you must be able to comfortably justify your trail commission if you want to grow the levels of it, or even to maintain it. This unfortunately sometimes results in Brokers remaining in the supposed easier place of a low trail commission rate, in order to avoid any pushback around price.

After all, trail commission has been extremely good to many Brokers, who have seen recurring income rise substantially for relatively little effort in some cases, while also building long-term value in your business. Investment markets, while very volatile in recent times, have delivered excellent returns over the last decade, and your trail commission has increased accordingly. You don't want to lose this growth, hence the pressure to justify it. However, you're now looking at investment markets today and recognising the significant fall in your income that will happen, should there be a significant correction in the market. Also, if your income is very tied to the investment of your client's assets, any under-performance against benchmarks also raises a question over the validity of your fees. These issues arise when the only determinant of your trail income is asset levels. The problem is that if your clients only associate your costs with their asset values, you're not starting from a great place.

Start with the value you're delivering

The key for you is to position trail commission with the ongoing value that you are providing. You might have a bit of work to do first, to position this correctly. When you work out in detail the different levels of value that you are providing to your different clients, it is only then that you can start to price your services in a structured and robust way. Your income is now tied to the services that you are providing, giving you certainty and control over your income stream. Most Brokers who do this effectively continue to collect their income via trail commission, as this method is the most attractive for Broker and client alike. However now these Brokers have minimum charges for each of their service levels. These minimums protect them against falls in the market, and indeed enable them to meet the demands of clients for high service levels, where the client's asset levels alone do not justify the increased level of service they may be seeking.

Clarity gives you confidence

When you get crystal clear about your service levels and can easily articulate and communicate the value that you are adding, that nervousness around your trail levels subsides. Instead it goes the other way – it gives you the confidence to maintain and increase your trail levels, when you know that your services warrant these higher levels.

Now you can be firm and brave in relation to pricing. When you are clear about your services on offer, you can stand over your pricing as a premium advice provider to relevant clients. With clients who demand premium service levels from you, you can demonstrate the breadth and value of your services, and then justify that you are more expensive. Yes you can have lower cost packages, but within these packages the clients should be left in no doubt about what is included and more importantly what is not.

Clarity around your value gives you a strong position when negotiating your price. Without it, you're forced to keep watching your competitors and make sure you are undercutting them - a race to the bottom. Of course, if you want to charge higher prices than your competitor, you have to be able to deliver more. So it is very important that you can actually deliver what you promise. The last place you want to end up in is the dreaded "over-promising and under-delivering" experience for clients. This is the certain road to losing clients.

Spend your time now looking at the value that you add. Do this piece well, and the cost side will fall easily into place, giving you confidence to stand over your charges all day long.

Oireachtas Digest

PENSIONS

The expected operational date for the Auto-Enrolment Pension Scheme is the year after next and it is vital that those who want to be part of it are given the full details of what it will involve so that they can make the correct decision for themselves. In tandem is careful consideration of the issues and views expressed in the Pension Commission's Report.

The new AE system, which is expected to become operational in early 2024, will automatically enroll approximately 750,000 employees at the outset. These are employees who are aged between 23 and 60, earning over €20,000 across whatever number of employments they have, and who are not already enrolled in an occupational pension scheme. Contributions will be based on employment income. Contributions will be paid by employees through a payroll deduction and matched by their employers as a percentage of the employee's gross income from employment. The State will also contribute a top-up financial incentive at a rate of €1 for every €3 saved by the employee – **Minister for Social Protection.**

The Pensions Commission report sought flexibility, which I hope we will see in the Government's response. It should not be a one-size-fits-all approach and that everyone should get their pension at a certain age – **Claire Kerrane TD (SF, Roscommon/Galway).**

It is clear from the Pension Commission's work that State Pension reform is necessary and it is complex. It would be a strategic risk not to plan and provide for projected demographic changes, not least in terms of income adequacy for older people – **Minister for Social Protection.**

FINANCIAL ISSUES

Apart from the many financial issues related to mortgages, loans and negative interest rates, there is a huge logistical issue resulting from the decisions by Ulster Bank and KBC Bank to close their Irish branches. A related matter may be about the future of EBS which generated a recent PQ to the Minister for Finance from Noel Grealish TD and the PQ and answer are shown below. On a separate matter, the question of unclaimed Safe Deposit Boxes in banks has received renewed attention by the introduction of proposed legislation which was 4 years being prepared by Éamon Ó Cuív TD – the Safe Deposit Boxes and Related Deposits Bill.

The biggest logistical challenge for Irish banking since the introduction of the euro are 960,000 Ulster Bank accounts and 300,000 KBC accounts, all of which have to relocate elsewhere in the State – **Brendan Smith TD (FF, Cavan/Monaghan).**

To ask the Minister for Finance if he, his Department, or the Central Bank, are aware of plans by EBS, the subsidiary of Allied Irish Bank, to cease the provision of current accounts and savings accounts at the end of this year and to concentrate only on mortgage provision; and if he will make a statement on the matter – **Noel Grealish TD (Independent, Galway West).**

Department of Finance officials contacted AIB in relation to the future of EBS and were advised that EBS is continuing to invest in its digital capability, distribution network and customer proposition in order to support a growing number of customers seeking to buy a home. In line with this support for their customers, EBS is also undergoing a number of strategic changes that build on this proposition. My officials were advised that in the event of any developments to EBS services, EBS will notify their customers accordingly – **Minister for Finance.**

CBI issued letters to the 5 retail banks and to the largest financial services direct debit originators setting out the regulator's expectations and the requirement for a customer-focused approach. They also met the leaders of the retail banks at a round-table meeting to discuss their readiness for the migration of accounts and to ensure all parties prioritise the interests of customers and prospective customers throughout the unprecedented volume of account migration. The Minister and his officials are engaging with BPFI to ensure the remaining banks are prepared to accept applications from customers who are switching from the closing banks – **Taoiseach.**

The Irish banks first opened in the late 18th century and since then, they have held Safe Deposit Boxes. It is believed that many of these are unclaimed, and could hold items of historical interest. In the event of no owner being identified, the Safe Deposit Boxes and Related Deposits Bill proposes that those of historical interest should be transferred to the National Museum of Ireland, which might pass them on to other appropriate agencies such as the National Gallery and the National Library, while any cash not claimed should be lodged in the Dormant Accounts Fund - **Éamon Ó Cuív TD (FF, Galway West).**

Local Enterprise Offices continue to offer Feasibility Grants, which help start-up companies or individual entrepreneurs with the cost of researching their proposed business or new business idea to see if it could be viable and sustainable, and Priming Grants, which aim to help with the associated costs of start-up. However, it should be noted that the LEOs do not provide direct grant-aid to areas such as retail, personal services, local professional services or local building services, as it may give rise to the displacement of existing businesses. The LEOs also provide a wide range of high-quality business and management development programmes that are tailored to meet specific business requirements. Whether it is starting a business or growing a business, there is something suitable for everyone exploring self-employment as an option. I would encourage any person starting a business to enquire about the Start Your Own Business Programme. The objective is to assist clients in assessing their business idea, its viability and helps them decide if they should proceed or take a step back – **Minister of State, Department of Enterprise, Trade & Employment.**

A shocking new report confirms that FTBs will now need an income of €77,000 to buy a home, which is almost €30,000 above the average national wage – **Mattie McGrath TD (Independent, Tipperary).**

I sat at a table with representatives from the various banks in recent years. Some were sympathetic; others were not. I will not mention any bank in particular. Suffice it to say that in the context of those who were not, I had the doubtful pleasure of watching people cry their eyes out in front of a bank in the clear knowledge that they were getting no help from the bank. I wish to state emphatically that the banks that lent to people on the basis of the prevailing circumstances at the time have a moral duty to ensure that when circumstances change, it is not just the circumstances for the borrower that change; it is the circumstances for everybody – **Bernard Durkan TD (FG, Kildare North).**

>>> overleaf

Frank Lahiffe, Lahiffe & Associates, Public Affairs & Political Communications

INSURANCE

Public Liability insurance continues to be a topical issue with a recent survey by the Alliance for Insurance Reform saying that 42% of organisations feel insurance premiums are threatening their future. In contrast, the first NCID Report on E&PL and Commercial Property insurance says that many businesses are accessing affordable insurance with the average premium for package policies in 2019 being €2,269, and 93% of all policies had a premium of less than €5,000. On the Government side, the second Implementation Report of the Action Plan, published in March, showed that some 80% of actions were now being delivered, and the remaining ones initiated. However, there is recognition that premiums for some businesses and organisations may still be rising due to what the Minister for Finance says may be "particular issues in those sectors". The Cabinet also agreed to amend insurance legislation in order to make it harder for personal injuries claimants to take legal action against businesses and community groups. The move will also limit circumstances where a court can impose liability on the occupier of a premises where a person has entered it to commit an offence.

I believe this Government has taken the right approach in addressing the issue of insurance in Ireland, and I am pleased to report that a leading international insurer has expanded its risk portfolio into the childcare/activity sector in recent weeks. This is a welcome development, and may prompt other firms to do the same. It is also proof that the insurance industry is responding positively to the Action Plan and the practical progress it is making – **Minister for Finance.**

CBI has no role in ensuring competition. Therefore, it has no role in insurance, financial and banking services. We know that, in Ireland, we are paying some of the highest prices for our banking, financial and insurance products, partly because of the lack of competition. We are aware that players are leaving the market. The way to ensure greater competition is to ensure all our regulators regard the matter as a priority – **Senator Malcolm Byrne (FF, Cultural & Educational Panel).**

Tribute to Raymond FitzGerald 1924 - 2022

RAYMOND Arthur FitzGerald was born in 1924 and was raised in Sunday's Well on the north side of Cork City. He attended primary and secondary school at Christian Brothers College. He attended University College Cork studying engineering but life changed drastically when his father Charles died suddenly walking to work at Fitzgerald's Menswear, Patrick Street, Cork. Ray was summoned to help his brother Joe run the shop but Ray clearly was not "suited" to the men's fashionwear business and when Joe's friend, the legendary golfer and insurance broker, Jimmy Bruen called in one day, Joe asked Jimmy would he take Ray off his hands.

Thus began Ray's long and distinguished career in insurance. Ray did try golf but when Jimmy Bruen saw his swing he summoned him in to his office and said if he continued with golf, his career in insurance would be over.

Ray subsequently joined Shield Insurance where he worked as an Inspector with Archie O'Leary and indeed gave Charles McCarthy, Senior, Fermoy, his first agency.

He started his own brokerage in 1957 and always referred to his role as a Broker as being that of a "vocation" and he prided himself on his integrity and importance of trust. In later years Ray, with a number of colleagues formed Commercial Insurance Brokers who were subsequently bought by the McCarthy Insurance Group so that matters to some extent went full circle and he had a base in McCarthy's in his retirement which helped him with his Insurance Institute pursuits.

Ray was described as being the father of the Insurance Institute of Cork. He was President in 1973 and went on to become President of the Insurance Institute of Ireland in their centenary year in 1985. He was involved in the drafting of the constitutions for both local and national institutes.

Ray was a visionary and in 1981 he was the founding member of the Association of Retired Insurance Staff (ARIS) with the objective of ensuring that old contacts and friendships were never lost.

He initiated the Insurance Institute of Cork Charities Lunch which is a major event held each Friday of the October Jazz Festival weekend and over the years has raised significant funds for charity.

Ray's interest in jazz started as a teenager when he played drums for "Corks latest swingtet" the Skyliners. In 1978 he was part of a jazz club that had regular meetings at Cork's Metropole Hotel. There was a cancellation of a long weekend bridge event and Ray and others came up with the idea of a jazz festival and subsequently secured John Player as a sponsor and then Guinness and it has since developed into a multi-million euro event for Cork City. Ray became the first chairman of the Cork Jazz Festival Committee, a position he held for the next 23 years. His early and successful connection with a London promoter saw big names feature at the festival such as Ella Fitzgerald and Cleo Lane.

The sponsors John Player and then Guinness had huge respect for Ray's organisational talents and no doubt his attention to detail.

Ray and his wife Muriel formed an inseparable partnership and her passing on 3rd November 2021 was a huge blow to him and he passed peacefully on 27th February 2022. Ray's warmth, empathy, wisdom and indeed sense of humour were renowned and his legacy will live on in so many ways.