



Irish Broker

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The Benefits
of Active
Management

Pearse
MacManus



AIG
CargoGuard...
Coverage
That Makes a
Difference
Anywhere

Niamh Hume



Responsible
Investing
Goes Retail!

Graham Fox



We talk to Declan Bolger
CEO, Irish Life

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Fund selection

Review options



Your contribution percentages

Manage Contributions

Contribution Summary



Review Savings



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Compliance & Legislation

ONE OF THE MAJOR CHALLENGES BROKERS CURRENTLY FACE IS THE RAPIDLY CHANGING VOLUME OF LEGISLATIVE AND REGULATORY REQUIREMENTS TO WHICH THEY MUST COMPLY. BROKERS IRELAND AIMS TO HELP MEMBERS AND THEIR STAFF TO PRACTICALLY COMPLY WITH ALL LEGISLATIVE AND COMPLIANCE OBLIGATIONS BY PROVIDING SUPPORT AND GUIDANCE IN RELATION TO VARIOUS REQUIREMENTS.

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- Liaison with the Central Bank of Ireland on behalf of members' on an anonymous and confidential basis

Compliance Unit Staff - We're Here To Help

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Confidence is key

Confidence is a precious thing, perhaps the most precious of things in our modern world. Think about it, you'll trade me your car, your house, perhaps even your gold fish for a few pieces of paper which have little earthly use save for the confidence we collectively place in them. Money as we currently know it, is simply a construct built on confidence. The confidence of society expects that the State and its banking system, latterly the European version of same, will make good on its promises. It is the collective expression of society's confidence that the system is sound and that we, as a society, subscribe to being part of something we may not fully understand but that we are unreservedly confident in. Compromising on substantive societal matters of confidence is simply non-negotiable.

Public health is perhaps the most recent expression of the importance of confidence being maintained. In this respect as in many others, ultimately we are entrusting our elected public servants and the experts they take their advice from, to do the right thing. We may complain and not all agree but collectively as a society we have through our democratic process selected a narrow cohort to represent our collective interests. It's a precious thing. Those charged with stepping into your shoes, my shoes and those of the many thousands that each and every public representative has the privilege of representing, carry a tremendous burden of responsibility. Probity and maintaining the confidence of the people is imperative. We will complain, we will disagree it's part of the cut and trust of political life and the zeitgeist in a democracy, however confidence is an all together more precious thing. Confidence when lost in public life can not be repaired. Those who represent the people misunderstand this at their peril. When it comes to public health, reliance on wise men such as the recently retired Dr. Holohan is prudent, his calm demeanour undoubtedly instilled confidence in people during the height of this recent crisis. Prudence at a time like the present may bring an outsourcing of critical decision making. Ultimately however, it does not divest those at the top of responsibility. It is simply not possible to fully devolve responsibility to an unelected public servant no matter how competent. Confidence ultimately must be maintained not just in those making decisions in a time of crisis but also in those who can change them - our public representatives. That's political accountability and as recent experience has shown, this reaches deeper than those directly elected. There is an inherent tension between competing interests in any society and it is the job of those in political office to strike a fair balance and maintain the confidence of the people.

The thing is no one in public life is out of reach of the will of the people, no matter how important they are, how powerful they are, how bright or brilliant they are and how much good they have done or may do in the future. None of these things trump a sharp or even gradual loss of confidence and all of us, big, small or indifferent, are well advised to understand this.

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“Our industry, and Financial Brokers in particular, have clearly demonstrated that no matter what the challenge, we can adapt and thrive. While the current situation has not been easy on many people, Ireland’s overall economy is much more robust than during the previous financial crisis and is doing relatively well compared to other nations.”



Declan Bolger, CEO Irish Life recently spoke to Diarmuid Kelly, CEO Brokers Ireland

Declan thank you for talking to Irish Broker, can you tell us about your career to date?

Thanks Diarmuid. I’m delighted to meet and speak with you. I have been working in the Great West / Canada Life group for over 20 years. I started off working in Product Development for Canada Life Ireland and in 1999 moved to become part of the start-up team for Canada Life Europe. Canada Life Europe has its headquarters in Dublin and distributes life and pensions products through the Broker market in Germany. In 2000, the German insurance market was dominated by tied agents and traditional With Profit products but the green shoots of both Broker distribution and a demand for unit linked products were starting to appear. Canada Life, with its many years of expertise in these two areas, was well placed to benefit from and support these trends. I initially worked in Product Development & Actuarial, expanded my role to become Chief Actuary and Chief Financial Officer and then in 2009 became CEO. It was a very successful time, both for the Broker market and for Canada Life in Germany. Broker distribution now accounts for about one third of all life and pensions sales in Germany and Canada Life has grown to now support more than 500,000 policyholders as one of the largest Broker companies. I was delighted then, earlier this year, to be offered the opportunity to lead the Irish Life Group. The breadth of the Irish Life role and the opportunity to work for the benefit of Irish customers were very attractive to me, having been focused on an overseas market for so many years.

Covid -19 has turned our world upside down. How is Irish Life now managing its business and what structures have you put in place to provide and maintain a quality service for your Brokers and customers.

It was quite an introduction for me to land into the new role just as all our worlds were changing so dramatically. To be honest,

I’ve been amazed at how well our staff has reacted and how we have been able to maintain continuity of service throughout the lockdown. Our customer and Broker service call centres remained open throughout, even during the early days of remote working, operating from kitchen tables across Dublin, Louth and beyond. Our IT teams performed miracles to get every employee set up to work from home with over a thousand laptops rolled out, MS Teams videoconferencing capability provided to all staff and secure connections back into the office systems enhanced and broadened. This enabled us to continue paying our pensioners and making timely decisions on protection & investment claims including assessing income protection cases remotely.

During lockdown we launched our MyQuotes engine and enhanced our application process to provide Brokers with straight through functionality to complete new business transactions fully online. Right now 90% of our products can be issued without paper. We also supported Brokers in a very practical sense in the move to virtual meetings with their clients and pivoted our advertising campaigns along those lines. At the same time we really focused on the whole ‘ease’ agenda and now accept email instructions from Brokers on many processes that would previously have required client instruction or wet signatures. We recognised too the need for enhanced ‘premium holiday’ options for customers together with a moratorium on commission claw-backs and, given the public health emergency measures, our Health Insurance customers received a rebate on premiums paid.

It is absolutely fair to say that Financial Brokers have been by far the most resilient of our distribution channels throughout the crisis, with many very quick to adapt to the new virtual advice and application processes while at the same time staying connected to their customers when advice and guidance was needed most.

We also felt that it was important, as a company with Irish Life’s heritage and presence in the market, to play our part in the national effort. We were fortunate to be able to provide accommodation for many frontline workers, free up some of our medically qualified staff to work on the frontline and to provide significant financial contributions to Family Carers Ireland and The Peter McVerry Trust.

You are part of the same group as Irish Life Health and sit on a leadership team which includes a representative of Irish Life Health. Do you see the group committing to the distribution of health insurance products through the intermediary channel in the near future?

Irish Life Health is the only health insurer that also distributes through specialist Brokers who are very aware that it requires a great deal of knowledge, focus and commitment to deliver the right advice to clients when it comes to health insurance solutions. We are intent on continuing to support them and we are keen to work with any others who are happy to make the investment required to develop a strong health insurance offering.

Your recent purchase of Brokerages feeds into your strategy. How should SME Financial Brokers view these acquisitions?

Our main message here is that Irish Life believes passionately in good quality independent lifetime financial advice, which is why we have invested in these firms. Our recently acquired brokerages will continue to operate independently, as Cornmarket has done for many years and, as with all Brokers, Irish Life will have to earn its share of sales from these organisations by providing excellent products and services. Through closer ties with these Brokers, we believe we can learn even more about how to support the wider Broker community through better product offerings, technology and service.

What is your commitment to the Financial Broker retail market in the coming years?

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 with Brokers in turn being the largest contributing distribution channel. We want to maintain our growth in this area and 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.

Your Canadian parent has seen some excellent returns for its investment in Irish Life. Can you tell us if that investment will benefit intermediaries and consumers?

Great West has always been a very supportive parent to Irish Life and has invested hugely in our operations here in Ireland.



As part of this commitment to Ireland, we have substantially re-invested in the business to develop our customer offering supplemented with major acquisitions in health insurance, wealth management and distribution as well as in substantial IT infrastructure and data security projects. Since the acquisition, we’ve increased our total headcount in Irish Life to over 2,900 people. Our focus now is in further improving the Irish Life customer and advisor experience. We are investing in a new inbound communication system to enable us to provide even better service. We are also focusing on improving our point of retirement advice and product offering. Of course, Irish Life remaining financially stable with the capacity for dividend payment alongside continuous re-investment ensures that our parent continues to see Ireland as an attractive place in which to grow.

Technology is disrupting many traditional industries with Financial Services being no exception. How do you see Robo Advice or Fintech more generally affecting the future of the Financial Services market and Broker distribution more specifically.

● continued overleaf

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This is an area where I have seen a lot of developments in my previous role in Germany. The main advancements in recent years there have not been in companies providing life and pensions products directly to customers through technology, but rather providing additional technology to Brokers to enable them to provide a better service to their customers. Brokers are very busy people and the Life companies that provide tools to Brokers to make it easier to do business will remain attractive. We actually purchased a share in Germany’s leading insurtech firm, JDC Group, and work with them in Germany to provide better technology to support Brokers with the advice process, compliance and training. What we have seen through recent circumstances is that a combination of people and technology led advice works well. Technology can be used to speed up the form filling aspects of the job allowing the face to face time to be dedicated to providing more in depth and quality advice.

What do you see as the key challenges facing the Life and Pensions Industry over the next five years?

Obviously, continuing to adapt to the changed social and financial environment caused by Covid-19 presents the most immediate challenge to our industry. Life companies and Brokers have shown remarkable flexibility to adapt their services and processes to continue to serve our customers but challenges remain in what is essentially a people based business. Once we hopefully get through this crisis with the advent of a vaccine, I think the opportunities will outweigh the challenges. Customers have become more technology savvy in recent months and are now used to having all products

and services at their fingertips. The demands for quicker and slicker services from insurers and advisors will accelerate and we need to be ready for that in order to stay relevant to younger customers in particular.

The pace of new regulation shows no sign of slowing down and the introduction of auto enrolment and IORPS will change the pension landscape for us all, with the challenge being to ensure that we dedicate enough resources to deliver smooth implementation and full compliance. The growth of importance in ESG (Environmental, Social & Governance) with customers also presents opportunities for Insurers and Brokers who can demonstrate that they are contributing to the wider social and global agenda.

What is your view on auto-enrolment and the need for retirement advice going forward?

With only 35% of private sector workers saving for their retirement, Ireland faces a pensions time bomb as more and more people rely on the State pension as their only financial means. The implementation of an auto-enrolment scheme should be the impetus to drive a cultural change within Ireland for generations and to assist for better pension provision and retirement options for all. Reform, however, needs to ensure sustainability of the pensions system, simplicity of design and adequacy of income on retirement. Any reforms that are implemented should be careful to ensure that they do not destabilise the current pension system, which caters for over 50% of the population. The momentum for change should not be lost as, with an ageing population, the need to ensure



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proper retirement provision for all is becoming increasingly urgent.

Do you remain positive about our industry?

Absolutely. I think the last six months have emphasised to everybody how important it is to be prepared for life’s changes by being protected from both a health and financial prospective and that is exactly what we as an industry are here to do. Our industry, and Financial Brokers in particular, have clearly demonstrated that no matter what the challenge, we can adapt and thrive. While the current situation has not been easy on many people, Ireland’s overall economy is much more robust than during the previous financial crisis and is doing relatively well compared to other nations. Ireland’s Life & Health insurers remain financially stable, continue to offer security for customers so, with the Financial Broker network

playing a crucial role, the future of the industry is something we should all be positive about and very proud to be a part of.

What does Declan Bolger do in his spare time?

I’ve 3 kids aged 9, 6 and 4 so that keeps me very busy. I’m involved in their sporting activities, coaching my daughter’s camogie team. I like to stay active myself. After years of playing hurling, football and rugby, I’ve calmed down a bit and my main sporting interest now is cycling, usually up in the Dublin and Wicklow mountains. I also love attending both live music and sports events, especially following the Wexford hurlers, so I am really missing those at the moment. We’re off to Kerry soon for our holidays this year and are looking forward to plenty of hiking, sea swims and hopefully sunshine!

Irish Broker wishes to advise that Irish Life’s “Health & Safety-Information Visiting Campus” guidelines were adhered to during this visit.

“It is absolutely fair to say that Financial Brokers have been by far the most resilient of our distribution channels throughout the crisis, with many very quick to adapt to the new virtual advice and application processes while at the same time staying connected to their customers when advice and guidance was needed most.”

Cathie Shannon joins **Irish Broker** Editorial Board



**Cathie Shannon,
General Editor,
Irish Broker
Magazine**

Irish Broker recently welcomed Cathie Shannon to the Editorial Board of the magazine as General Editor. Cathie brings a wealth of experience to the table, having worked with Brokers Ireland since November 2018 as Director - General Services. Cathie who qualified as a solicitor in 2002 previously worked in private practice primarily in the areas of insurance and dispute resolution. Cathie has an in-depth understanding of the issues which need to be addressed on the General side of the Insurance Industry and looks forward to producing expert editorial analysis and generating copy which is purposeful, fair and ethical, benefitting both Brokers Ireland and the general readership. We look forward to having Cathie on board!

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Aviva reveals new pension investment proposition designed to work for your business and your clients



It's an exciting time in Aviva Life & Pensions. Bringing you one Aviva investment proposition is a key strategic priority, combining the best of Aviva and Friends First ranges, backed by Aviva's strong global brand. In this article, **Richard Jones, Head of Propositions at Aviva Life & Pensions** introduces Aviva's new investment proposition available to Executive Pensions, Personal Pensions and Personal Retirement Bonds.

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A European Perspective

Developments for Intermediaries

In our February 2020 edition of Irish Broker, I reported to you from the January 2020 BIPAR meetings on developments from Europe likely to impact or be of interest to Brokers, including the pending reviews of IDD, MiFID II, GDPR and Solvency II, the EU plans for Capital Markets Union (CMU), the drive for harmonisation and how the composition of the new Parliament may shape regulation in future. At that point, COVID 19 really was just a Chinese virus and none of us could reasonably have anticipated the impact that it would have across the world within a few short weeks. Brexit was still the only story, as we waved adieu to the UK and pondered whether it would be possible to agree a trade deal, encompassing financial services, before the end of 2020 (unlikely). Halcyon days by comparison to what the insurance and financial services industries have endured since.

Developments in the EU post-January 2020 have been impacted significantly by COVID 19. Our June 2020 BIPAR meetings, intended to be held in the eastern city of Vilnius, instead took place via video conference, but were no less productive as a result. It is a tribute to our colleagues in BIPAR and those in other Broker representative bodies Europe-wide, that we were in a position to avail of significant resources and expertise to assist us in addressing the impact of the pandemic on our members.

The European Insurance and Occupational Pensions Authority (EIOPA), driven by its role to protect consumers and retain financial market stability, has been active during the pandemic, urging insurers and intermediaries to take actions to mitigate the impact of Coronavirus/COVID-19 on consumers and welcoming initiatives already taken to support and assist. From a Brokers Ireland perspective, we observed our members doing what you do best: helping clients in difficulty and doing all that you could to minimise the impact on clients of the hugely disruptive effects of the pandemic.

According to the April 2020 Commission update, IDD has now been implemented in the EU27. Nevertheless, the pandemic (along with late implementation in some of the EU27) has ensured that both the ongoing work of EIOPA and the Commission Report on the application of the IDD have been delayed. Whilst data gathering has commenced, the Commission Report is now expected by mid-2022 at the earliest, rather than February 2021. We will continue our

watching brief on this key legislative issue for Brokers and provide input to BIPAR on behalf of Irish Brokers whenever required. Our aim and that of BIPAR is that IDD be given time to “bed down” before any changes are contemplated, as frequent regulatory change is of no discernible benefit, particularly not to Brokers.

BIPAR has provided detailed submissions on behalf of Brokers to ongoing reviews, including that on CMU. A key issue for intermediaries everywhere, Ireland included, is that of overregulation, which disproportionately impacts SMEs; it was with interest and relief that we noted it appearing in the Programme for Government. Over regulation is a significant concern at EU level too, perhaps more so, as so much of the regulation and legislation that impact Brokers has its origin there. Regarding CMU, BIPAR has stressed on behalf of its member organisations that the EU must focus on initiatives that reduce the administrative burden for smaller entities, with supervision and regulation appropriate to the sector. Notwithstanding COVID 19, the Commission is expected to publish a new CMU Action Plan by Q4 2020, the tone of which is awaited with interest. In June 2020, despite COVID 19, the long-awaited High-Level Forum Report on CMU was published, outlining further recommendations deemed necessary to complete CMU, some of which may impact Brokers. These include, amongst others, examinations of the role of “inducements” (as they insist on calling commission) for the adequacy of advice; the transparency of “inducements” and how this may be further improved; the consistency of IDD IBIPS rules with MiFID rules such as commission for independent advice for IBIPs; an analysis and assessment of all relevant disclosure rules in place. After our hard-won battle over CP116 and ensuring that the commission system was retained for Irish Brokers and consumers, the need to defend this system has not disappeared. BIPAR with input from Brokers Ireland will be ensuring that the interests of Brokers and consumers are properly defended with the aim that the commission system be retained.

Another limb of the drive for CMU is Pan European Pension Products (PEPPs), in respect of which BIPAR has been very active on behalf of European intermediaries, as Brokers (under IDD) and investment firms providing advice under MiFID II may distribute PEPPs. The Commission expects that the first



PEPPs will come on the market in mid or late 2021, soon after the date of application of the Regulation, which will have direct effect twelve months after publication of the delegated acts in the Official Journal.

The European Data Protection Board (EDPB) published the two year review of the GDPR in June 2020, which reveals a piece of legislation suitable for the digital age as it is technologically neutral, meeting most of its objectives and offering citizens a strong set of enforceable rights. Whilst GDPR is cross-sectoral rather than specific to the insurance distribution sector, Brokers Ireland knows that compliance with it has been challenging for some Brokers, particularly as regards the processing of sensitive (mainly health) data. The EDPB Report contains a list of actions to facilitate the application of the GDPR for all stakeholders, especially SMEs and to promote and further develop a truly European data protection culture and vigorous enforcement. We are considering the report and ensuring that data protection will continue to be a focus for Brokers Ireland and our compliance unit for the remainder of 2020 and beyond, as we aim to ensure that members are facilitated in meeting your obligations under all Regulations related to data protection.

The MiFID II has been transposed in the EU27 and the Commission launched a public consultation in February 2020 on its review, to which BIPAR contributed on issues affecting intermediaries and financial advisers. The key points from an intermediary perspective include provisions banning commission in the case of independent advice; the requirement of quality enhancement where commission is taken; and provisions which unnecessarily burden SMEs, including certain product governance requirements. Given the EU desire for “harmonisation” and zest for “treating similar things similarly”, this MiFID review is of general importance for all intermediaries and not just for MiFID firms. Our view remains that there should be no outright ban on commissions (or inducements as they are referred to). The MiFID II framework lacks proportionality for smaller intermediaries or financial advisers and whilst targeted improvements to the MiFID II regulatory framework may be welcome, this would require much stakeholder discussion. The current system at least offers transparent choice for investors between different advice models in a regulated and supervised system. Legislative proposals in the framework of the review are expected in Q3 2020 and Brokers Ireland will be liaising with BIPAR as regards these proposals.

Brokers will be aware that a review of Key Information Documents (KIDs) for Packaged Retail and Insurance-Based Investment Products (PRIIPs) has been ongoing since 2018. Of interest will be the Commission’s wider review of the PRIIPs Regulation, which will look at its interaction with other recent new information requirements, such as IDD and MiFID II,

how these work together and whether the interplay can be improved. A study, to which Brokers Ireland will provide input to BIPAR, is expected to be launched shortly.

The review of Solvency II has a number of interesting points from the Brokers perspective, to which BIPAR made a Submission. The first point is that of Insurance Guarantee Schemes (IGSs). The Commission sought advice from EIOPA on whether there should be harmonisation in the EU27 of IGSs, (including for example the role and functioning of IGSs, geographic coverage, cross border coordination mechanisms, eligible policies and claimants and funding). EIOPA was also asked to provide advice on whether the current supervisory powers of the national supervisory authorities and of EIOPA are sufficient to prevent the failure of insurance companies operating across borders. This issue is being watched closely by BIPAR and indeed by Brokers Ireland, particularly since the CBI has advised Brokers of its “expectations” of Brokers regarding due diligence on insurer financial soundness.

This is only a snap-shot of the work being undertaken on behalf of Brokers at EU level, to which Brokers Ireland is contributing on behalf of our members. Challenges will arise in future for Irish Brokers and Brokers Ireland will seek to anticipate and address these to minimise negative impacts wherever possible. COVID 19 will continue to challenge the insurance industry for the foreseeable future and may yet further impact the ongoing work at EU level. Notwithstanding this Brokers Ireland will be striving to ensure that the interests of our members are represented whenever and wherever the need arises. In the Autumn, we will be providing an analysis of what these legislative changes may mean for Brokers and your businesses.



The European federation of insurance intermediaries
La Fédération Européenne des intermédiaires d'assurances

BIPAR is the European Federation of Insurance Intermediaries. With 53 national associations in 30 countries, BIPAR aims to promote a European regulatory environment in which intermediaries can prosper, whilst also ensuring fair competition, a sound market and consumer protection. BIPAR is regularly consulted by the European Commission on all issues concerning the insurance sector and the organisation intervenes whenever necessary, to promote and defend the interests of Brokers. Brokers Ireland and its predecessor organisations have been members of BIPAR for 40 years, a long association that continues to benefit Irish Brokers.

“Over regulation is a significant concern at EU level too, perhaps more so, as so much of the regulation and legislation that impact Brokers has its origin there. Regarding CMU, BIPAR has stressed on behalf of its member organisations that the EU must focus on initiatives that reduce the administrative burden for smaller entities, with supervision and regulation appropriate to the sector.”

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MULTI-ASSET FUND RANGE

The Merrion Investment Managers Multi-Asset Range of funds is designed to suit investors with different risk appetites.

MULTI-ASSET 30 20%-40% in Growth assets 80%-60% in Defensive Assets	MULTI-ASSET 50 40%-60% in Growth assets 60%-40% in Defensive Assets	MULTI-ASSET 70 60%-80% in Growth assets 40%-20% in Defensive Assets
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KEY FEATURES

- Actively managed investment process.
- Diversification across a range of assets.
- Ability to deliver strong returns with reduced volatility in times of market stress.
- Long term fundamental holdings with short term tactical opportunities.

PERFORMANCE

The flagship and longest running fund, the Merrion Multi-Asset 70 has achieved a 10-year Annualised Return of

8.7%*

The Multi-Asset 70 forms the basis for the lower risk funds.

* Source: Longboat Analytics 30/07/10 – 30/07/20

WARNING: Performance is gross of management fees. On a typical investment of €50,000 into the Multi-Asset 70 fund (share class B), an annual fee of 0.74% would be applicable. Past performance is not a reliable indicator of future performance. The value of your investment may go down as well as up. These funds may not be suitable for all investors.

For further information or to arrange a meeting with one of our account executives, contact:

DUBLIN 01 633 3633 | CORK 021 422 2122 | LIMERICK 061 436 500
www.cantorfitzgerald.ie

The Benefits of Active Management



Much has been written in recent years about the explosive growth of passive investing, driven by lower fees and a perceived inability of active managers to deliver on their promise of superior returns. There are a number of reasons for the poor performance of active managers, not least among them the fact that many supposedly active managers are in reality quasi-passive, hugging benchmarks, focussing on tracking errors, Beta, VAR, standard deviation and other measures that attempt to quantify risk as a number. Risk clearly is not a number. Risk is the permanent loss of your capital.

This narrative of active managers underperforming has helped spur the growth of passive investing, an oxymoron given passive investors are simply buying a market capitalisation-weighted basket of stocks, with little thought as to the inherent risks of having, by definition, higher exposure to larger companies. And there is growing concentration risk – the market capitalisation of FAANMG stocks (Facebook, Apple, Amazon, Netflix, Microsoft & Google) is now \$7 trillion – more than S&P’s financial, energy, industrial, and material sectors combined.

At the heart of the argument for passive investing is diversification – but with 8 stocks now accounting for a quarter of the US market (and 5 stocks accounting for over one fifth of the US market), which in turn accounts for approximately 60% of the global market, this argument is damaged – indeed the concentration of many passive investments may be far too aggressive for the average investor.

At Merrion Investment Managers (MIM), we are genuine active managers and have been since the firm’s inception in 1993. At the heart of everything we do is our investment process, which rests on the three pillars of macroeconomic analysis, valuation analysis and technical analysis. Macroeconomic analysis focuses on broad economic themes, the key drivers of economic activity, and the regions sectors and stocks most likely to benefit from economic trends that we see. Valuation analysis ensures a margin of safety, comparing current valuation metrics with history and accounting for changing market conditions, industry (or regional) restructuring, long-term capital

investment trends, demographics and social or technological developments. Technical analysis involves the study of price movements and momentum to inform the timing of our investment decisions, examining long and short-term price movements, with a view to identifying trends and inflection points.

This year has provided a perfect example of how the three pillars of our investment process interact with each other to drive our investment decisions (over a very much shortened time horizon).

At the beginning of the year, it was clear to us (pre-Covid) that we were in a low growth, late cycle, high risk world characterised by excessive risk taking amongst investors, spurred on by the immense provision of liquidity by the Federal Reserve (in response to the earlier repo market stress) and exuberance following the phase I trade deal between the US and China. In such an environment, our funds exhibited high cash, high quality, overweight positions in defensive assets such as gold, US Treasuries, German government bonds

and defensive equities, with exposure to sustainable structural growth and positive earnings momentum.

The pandemic-driven economic and market collapse led to an extraordinary and unprecedented combination of monetary and fiscal stimulus, which was both enormous and rapid in its deployment. After the crash, equity valuations for medium term investors were very attractive for the first time in years, with a fiscal and monetary response that would mitigate some of the near-term damage and help foster a recovery in due course. Technically, it was clear that the actions by global central banks had averted another financial crisis, yet many indicators suggested extreme caution amongst investors. Cheap valuations, technically attractive with enormous economic stimulus meant that our actively managed funds reduced exposure to safe assets such as gold, US treasuries and German bonds, investing in periphery European bonds, corporate credit and equities. Our equity purchases were focused on gaining more exposure to high quality and sustainable structural growth, but at a better price, and increased exposure to industrial cyclicals and consumer cyclicals.

By mid-year, the market had recovered significantly but the short-term outlook darkened due to the spike in Covid cases in the US and emerging markets, poor US-China relationship, US politics, and Brexit. This meant we reduced our exposure to equities, maintaining exposure to high quality and sustainable structural growth, but reducing exposure to industrial and consumer cyclicals.

What has happened this year has been unique. We effectively went through an entire cycle (market if not economic) in the space of 6-8 weeks – a process that ordinarily would take many months. But the application of and the output from our active investment process remained the same, continuing to deliver for investors.

“What has happened this year has been unique – we effectively went through an entire cycle (market if not economic) in the space of 6-8 weeks – a process that ordinarily would take many months. But the application of and the output from our active investment process remained the same, continuing to deliver for investors.”



by Pearse MacManus, Chief Investment Officer, Merrion Investment Managers

Year-to-date, our active management has resulted in the following returns:

Fund	YTD
Merrion Multi-Asset 70	8.90%
Merrion Multi-Asset 50	6.80%
Merrion Multi-Asset 30	6.10%
Global Equity Market (MSCI ACWI, TR EUR)	-6.00%

Source: Merrion Investment Managers & Bloomberg 31.07.2020. Fund performance figures are quoted gross of all management fees.

Merrion returns are significantly ahead of other asset classes

	Total Return since Fund inception (20/10/93)	Annualised Return
Merrion Investment Managers	1284%	10.30%
MSCI US Total Return Index (EUR)	964%	9.30%
MSCI Europe Total Return Index	455%	6.60%
MSCI AC World Total Return Index (EUR)	643%	7.80%
Euro Govt Bond Index	446%	6.60%
Gold	430%	6.40%

Source: Merrion Investment Managers & Bloomberg 31.07.2020. Fund performance figures are quoted gross of all management fees.

Summary Statistics Returns (Since inception* - July 2020)

FOR A MEDIUM TERM INVESTMENT HORIZON (6 years)	Merrion Multi-Asset 70 Fund	70% MSCI ACWI, 15% EMU Bonds, 15% Cash
Annualised Rolling Return: Average	8.49% p.a.	6.27% p.a.
Annualised Rolling Return: Maximum	+25.81% p.a.	+18.47% p.a.
Annualised Rolling Return: Minimum	-0.15% p.a.	-1.15% p.a.
Percentage of Time Rolling Return > 0%	99.60%	96.40%

Source: Merrion Investment Managers & Bloomberg 31.07.2020. Fund performance figures are quoted gross of all management fees.

As you will see from the table above, our flagship multi-asset fund, the Merrion Multi-Asset 70 Fund (MMA70), launched in 1993, has a very strong track record against what can be considered the sum of its parts, outperforming all of the major asset classes since inception.

Whilst impressive, most Investors prefer to look at shorter time periods. This fund has an active range for growth assets (60%-80%), with 70% being the

neutral point. Given that relatively high exposure to growth assets, investors need to look at a medium-term horizon for an investment in such a fund, which we take to be 6 years. A passive alternative to this fund, with a constant 70% exposure to passive global equities and 15% each to cash and European bonds has performed quite well over that time period, with a typical return over a 6-year period of 6.3% per annum.

Not bad. But 4% of the time, the 6-year return was negative, with the worst of these 6-year periods delivering -1.15% p.a. This might not sound like much on paper, but for investors, with real money invested, rest assured it is. MIM's actively managed MMA70, on the other hand, has delivered much more impressive results, with a typical return over a 6-year period of 8.5% per annum. Better still, there was just one 6-year period in all that time when the return was negative, and then by just -0.15% p.a. In the best 6-year period, MIM's MMA70 returned +25.8% p.a., versus +18.5% p.a. for the passive alternative.

The data in **Table 3** shows two things. Firstly, time is your friend in investment markets. Despite the numerous crises that markets have faced over the last 25+ years, even a passive offering, constantly invested has by and large delivered decent returns.

Secondly, and more importantly, genuine active management has delivered more. Much more. To put it in numbers, an average return of *6.3% p.a. vs 8.5% p.a. over 6 years is a difference of almost €20,000 on an initial €100,000 euro investment (€163k vs €144k).

Source: Merrion Investment Managers & Bloomberg 31.07.2020. Fund performance figures are quoted gross of all management fees.

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. The MIM Multi-Asset Range of funds is designed to suit investors with different risk appetites while investing in a fully diversified global range of assets including equities, property, alternatives, fixed income and cash. Funds are actively managed by the MIM investment team. The Merrion Multi-Asset 30, 50 & 70 funds are available via Aviva at standard pricing.

Warning: Past Performance is not a reliable guide to future performance

Warning: The value of your investment can go down as well as up

Warning: All fund performance figures quoted above are gross of management fees

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NEW PRODUCT LAUNCH



Personal Retirement Bond (PRB) AND Personal Retirement Savings Account (PRSA)

The Cantor Fitzgerald PRB and PRSA have been designed to offer advisors access to a diverse range of asset classes, investment types and products. As expert investment manager and pension provider, we are uniquely positioned as a trusted partner in delivering a fully integrated suite of solutions for your clients.

KEY FEATURES

Investment Choice

Providing a comprehensive range of services and asset classes.

Accessibility

An integrated investment and pension provider.

Pricing

- Competitive and transparent pricing.
- Trail commission option available.
- No set up costs or exit charges.

Service

- Excellent administration, reporting and client services tailored to you and your clients' requirements.
- The Cantor Fitzgerald client portal provides 24/7 access to view all account information in one place and through a single login.
- A dedicated broker/portfolio manager assigned to your agency and all clients of your agency.

WARNING: The value of your investment may go down as well as up. You may get back less than you invest.

For further information or to arrange a meeting with one of our account executives, contact:

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is a rewarding decision.



Investing today for a better tomorrow.

- Creating financial value while supporting a responsible future through high conviction ESG
- Built on experience developed over 32 years**
- **MORNINGSTAR** ★★★★★***
- A balanced and conservative multi-asset investment for low risk profiles

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Confidence
must be earned

Amundi
ASSET MANAGEMENT

For professional investors only.

*Source IPE "Top 500 asset managers" published in June 2020 and based on AUM as of end December 2019. **The Amundi entity appointed as investment manager of Amundi Funds Multi-Asset Sustainable Future, launched on 18th April 2019, has 32 years' experience of socially responsible investing (SRI). This document is not intended for citizens or residents of the United States of America or any "U.S. Person" as defined in the prospectus of Amundi Funds (the "Fund"). Amundi Funds Multi-Asset Sustainable Future is a sub-fund (the "Sub-Fund") of the Fund. The Fund is a UCITS SICAV established under the laws of Luxembourg and subject to the supervision by the Commission de Surveillance du Secteur Financier. The content of this advertisement is for information purposes only and does not constitute a recommendation to buy or sell. The risks materially relevant to the Sub-Fund are credit, liquidity, counterparty, operational and emerging markets risks, as detailed in the Sub-Fund's Key Investor Information Document (the "KIID") and Fund's prospectus. Past performance is not a guarantee or indication of future results. Investment return and the principal value of an investment in the Sub-Fund may go up or down and may result in the loss of the amount originally invested. Subscriptions in the Sub-Fund will only be accepted on the basis of the latest Fund's prospectus and/or KIID, which may be obtained free of charge at www.amundi.ie. ***Morningstar ratings on Class A EUR C as at 30 June 2020. © 2020 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; (3) are not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. The content of this document is approved by Amundi Ireland Limited which is authorised and regulated by the Central Bank of Ireland. August 2020. | WALK*

Responsible Investing goes **RETAIL!**



"Access to capital is the lifeblood for all companies. As both investors and investment managers push for a greater commitment to ESG so too are companies. They demonstrate this through changes to their reporting practices. In reality, this is only the beginning of the journey regarding companies reporting."

Graham Fox, Head of Retail Business for Amundi Ireland Limited

At times, it is easy to forget that we are all long-term savers and pension investors, just like the customers we work with. Investing for the future is at the core of what we do as investors and advisors and this becomes more apparent when we delve into what responsible investing is and why it is fast becoming one of the hottest topics within our industry.

What is ESG?

The PRI (Principles for Responsible Investing) define it as; 'a strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions and active ownership'.

The 'E' represents areas such as climate change, water scarcity and food shortages, the 'S' incorporates issues such as education and health and safety, while the 'G' focusses on areas such as gender diversity and corporate ethics. In reality much of the data behind the rationale for incorporating ESG highlights the challenges of our society. As a retail investor, ESG is, in short, about combining our desire for the common good with our long term economic interests.

Why is ESG relevant for Financial Advisors?

Increasingly, advisors are seeking ways to incorporate responsible investing into their customer's portfolios. It is often the customer requesting this and we are seeing a shift from ESG as a 'nice to have', to a fundamental need. This is not just a growing trend within the Irish retail market. A 2018 global investor survey(1) found that:

- 64% of retail investors increased their portfolio allocation to sustainable investments over the past 5 years.
- 82% of retail investors were willing to hold their sustainable investment longer than a standard one.

So, we see that most customers who invest in this area are more likely to invest for the longer-term. This could aid the wider solution of getting investors back to thinking longer-term investing.

Why is ESG relevant for Investment Managers?

For the investment manager it has been proven that factoring in material ESG risks during the investment process can help generate a higher quality return stream that is likely to be more stable over the longer-term.

Risk management has become increasingly important to investment managers and incorporating ESG risks

into investment decisions has helped gain a better understanding of the risks and opportunities of each company or asset.

One of the main conclusions of a 2019 Amundi research study(2), was that 2014 marked a turning point, with ESG screening driving outperformance in traditional developed equity markets. Environmental screens had a strong impact in North America and Governance was the key screen in the Eurozone.

Why is ESG relevant for companies?

Access to capital is the lifeblood for all companies. As both investors and investment managers push for a greater commitment to ESG so too are companies. They demonstrate this through changes to their reporting practices. In reality, this is only the beginning of the journey regarding companies reporting. With access to capital becoming more demanding, it will force companies to be more transparent and pro-active in their reporting.

The retail investor and advisors ESG investment journey is only beginning. We all have our beliefs on this topic, and there is no denying that it is becoming a core part of our discussions with customers in their long-term savings journey. As the leading European asset manager, ranking among the top 10 global players(3), Amundi prides itself on its responsible investing heritage and solutions to help Financial Advisors manage this journey with their customers.

- 1) **Schroders, 22 000 people surveyed in April-18 from 30 countries, investing at least €10k in the next year / * Schroders Global Investor Study 2016**
- 2) **The Alpha and Beta of ESG investing, Thierry Roncalli, Vincent Mortier, January 2019**
- 3) **IPE "Top 500 Asset Managers" published in June 2020, based on assets under management as at 31/12/2019**

IMPORTANT INFORMATION

Unless otherwise stated, all information contained in this document is from Amundi Asset Management S.A.S. and is as of 20 July 2020. Diversification does not guarantee a profit or protect against a loss. The views expressed regarding market and economic trends are those of the author and not necessarily Amundi Asset Management S.A.S. and are subject to change at any time based on market and other conditions, and there can be no assurance that countries, markets or sectors will perform as expected. These views should not be relied upon as investment advice, a security recommendation, or as an indication of trading for any Amundi product. This material does not constitute an offer or solicitation to buy or sell any security, fund units or services. Investment involves risks, including market, political, liquidity and currency risks. Past performance is not a guarantee or indicative of future results.

Date of first use: 27 July 2020

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There's a lot to look forward to

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AIG CargoGuard



Coverage that makes a difference anywhere

Globally AIG is one of the largest marine insurers. At AIG, we combine local expertise and knowledge with the quality and responsiveness of our international network, to ensure the protection of our customers' assets and their business reputation. Our CargoGuard product is suitable for a wide range of businesses that move their goods domestically or internationally. These could include manufacturers, suppliers, exporters, importers, wholesalers and retailers.

CargoGuard is accessible via our online trading platform, Rapidcover where you can receive a quote in minutes as well as bind policies and receive documentation almost instantly. Mid-term adjustments and renewals are also straightforward and can be made in real time. With Rapidcover, we've put the power to trade directly in your hands. And when you need support, our experienced team in Dublin, are here to help.

CargoGuard - What Does it Cover?

CargoGuard provides flexible 'All Risks' cover - as per the Institute Cargo Clauses 'A' - on an annual basis, suitable for both domestic and international transits by sea, air and land with optional extensions delivering solutions for a wide variety of business needs.

Protection Against

- Failure to deliver
- Theft
- Liability for payment of duty
- General Average losses
- Mechanical and electrical derangement
- Returned goods/shipments
- Consequential and/or financial losses up to €250,000

- Loss or damage caused by strikes, wars, riots and civil commotions

During

- Loading and unloading
- Transhipment
- Customs inspections
- Delays in transit
- Concealed damage discovered up to 30 days after delivery

Additional Expenses

- **Discharge expenses** – extra internal and external costs incurred sending replacement items
- **Forwarding costs** – expenses incurred unloading, storing and forwarding items if stopped during transit
- **Airfreight replacement costs** – up to €10,000 for the swift delivery of replacement items by airfreight
- **Container damage** – up to €50,000 for the physical loss or damage to containers
- **Debris removal** – expenses incurred during the removal and disposal of damaged goods

Additional Optional Covers

- Sales Representatives Samples / Engineers Tools and Equipment
- Includes tools and equipment that are on site and in vehicles
 - Full cover in private dwellings and hotel rooms overnight
 - Samples in transit and while being used for demonstration purposes



"CargoGuard is accessible via our online trading platform, Rapidcover where you can receive a quote in minutes as well as bind policies and receive documentation almost instantly. Mid-term adjustments and renewals are also straightforward and can be made in real time."

Niamh Hume, Senior Marine & Property Underwriter, AIG Ireland



Exhibition Risks

- 30 days cover
- Includes installation/dismantling/duration and temporary storage at exhibition site
- Up to €10,000 cancellation costs

Storage Cover

- Covering raw materials, WIP stock and Finished Goods
- Providing cover for stock stored at secure locations prior to transit
- Giving your customers complete cover for the cargo goods before and during transit

Claims

Our experienced claims handlers have expert knowledge of marine insurance, enabling AIG to resolve claims quickly with minimal business disruption. Daily our claims team deals with loss and damage to cargo in transit due to:

- Packing
- Loading and unloading
- Theft
- Heavy weather
- Fumigation
- Non-delivery
- Wet damage
- Road traffic accidents
- Customs damage

The following hypothetical scenarios seek to demonstrate the broad range of protection CargoGuard provides. The examples are illustrative only and not to be relied on to justify coverage in any particular situation.

Loading / Unloading

A manufacturer operates a warehouse where they dispatch goods when ordered. While assembling an order, a forklift driver loses control of his vehicle resulting in delicate electronic equipment being damaged. As the items are considered to have started their transit within the warehouse, CargoGuard responds and reimburses the insured for the damages.

Heavy Weather

An Irish based exporter distributes the majority of their merchandise across the EU. Experienced in cross-channel shipping, the company takes care to ensure their containers are suitably packed for the expected weather conditions. Unfortunately, due to heavy weather the container and its cargo are damaged during the transit. As the sea conditions were outside of those normally experienced at that time of year, CargoGuard covers the damage to the owner's cargo.

Theft

During the importation of high-end electronics, consignments are transferred from an arrival port to the insured's warehouse by truck. Whilst unloading a shipment and performing an inventory count, the client notices a discrepancy in paperwork and suspects the truck's driver of theft. As the goods were proven to be in transit when they were stolen, CargoGuard reimburses the client for the value of the items lost.

For more information on AIG's Marine insurance solutions, please feel free to reach out to me on:

Email: Niamh.hume@aig.com
Direct Dial: 01 208 1448
Mobile: 087 1908454

How can we help? | AIG's updated Risk Appetite

It's more important than ever that our Brokers know the areas where we can help them most. The AIG Ireland Business Development Team are committed to working with our Broker partners to deliver the best possible experience for clients; whether it's helping them better understand the risks they may face, how their policy stands up to these and most importantly how they can seek to avoid or mitigate against these risks in the first place.

We've recently outlined our updated and refreshed appetite at www.aig.ie/business, which includes a wealth of information to help you be as successful as possible:

Our underwriting sweet spots: the areas (such as particular industries or customer characteristics) where we can support you best

Our cautionary spots: more challenging areas for us where we have more restrained appetite (or even no appetite at all)

Marketing help: a range of downloadable summaries to help your own client conversations and marketing initiatives

Key contacts: Our Irish business leaders, their roles and their

contact details who are dedicated to helping you

Cross-class: All of this is available and continuously updated across our product range from Accident and Health to Property. Whatever lines of business you're interested in, please have a look at how we can help.

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How can we help?

WINNING WITH AIG



Property



Marine



Casualty



Environmental



Group PA & Travel



Financial Institutions



Management Liability



Cyber



Professional Indemnity



Commercial Combined



Multinational

We're helping brokers win and retain more business. We've outlined our risk appetite, product differentiators and team contact details @ www.aig.ie/business

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The Digital Path Forward

The Time to Digitally Transform is Now



By David McKnight, Regional Director, Applied Systems Ireland

In my time in the insurance industry, I've had the privilege to watch as the way Brokers, insurers and policyholders interact has transformed. Brokers have come to realise that the traditional ways of working and servicing customers must be coupled with innovative, connected ones. There have been many forces driving this change over time, however, there are a few specific at work right now, including:

1. Rapid technology change is creating massive value creation for Brokers, but also introducing noise into the system which can be confusing regarding who to partner with, on what and when.
2. New born-in-the-cloud competitors are coming to market with low cost business models, using simplicity and data in new ways to improve cycle times and customer experience.
3. Customer expectations are being defined by other industries, and the omni-channel, mobile-first world demands that we meet customers where they want to be served.

Accelerating the impact of these forces, COVID-19 shifted many of our realities and the way we look at business models and customer service strategies. The digital path forward for everyone brings with it lots of change – whether you're just pushing the transformation envelope in light of the COVID catalyst or taking the next step to advance your digital strategy. To estimate where the industry lies in its digital path forward, Applied surveyed more than 700 independent Brokers across the U.S., Canada, UK and Ireland in Q1 2020. The Annual Applied Digital Broker Survey questions examined the core competencies of a Digital Broker, including management system capabilities, mobility and cloud software, all working together to drive digital transformation. Here are a few key takeaways from this year's report:

1. Brokers are focused on advancing their digital strategies within 1-5 years

Irish Brokers of every size realise the importance of having a digital strategy with 100% prioritising within the next 1–5 years. This survey concluded before COVID-19 appeared on the scene. While we don't know how responses would have changed, it's interesting to consider. Seemingly overnight, this pandemic created social distancing, remote workforces, and for many Brokers, revealed cracks in traditional operating models. With in-person meetings no longer an option, the race for tools to connect employees and customers sheltering in place was on. Temporary fixes to manage this sudden shift may sustain Brokers for a short time; however, they must build their paths forward to navigate a post-pandemic business model that supports the digital reality we are living in today.

2. The management system remains the foundation of the business

Year on year, management system adoption among Irish

Brokers decreased to 81% compared to 85% in 2019. The larger a Broker is, the greater the adoption with revenue greater than €10M, 100% use a management system. However, management system adoption by even the smallest (< €1.25M and €1.25M - €2.49M) of Irish Brokers remains high at 67% respectively.

A single, integrated system provides a complete view of customers and prospects to each person in the business to access and act upon – regardless of role, time or location. Managing business within a single application standardises workflows, enabling Brokers to seamlessly connect to insurer partners and discover new business opportunities from both existing and prospective customers.

3. The cloud remains the go-to way for managing digital technology

Ireland had the most significant increase in adoption year on year compared to the other regions at 52% versus 38% in 2019.

Cloud hosting offers many benefits including improved performance, flexibility, security, reduced IT resource expenses, disaster recovery, and access to data anytime, anywhere. Especially now, during a pandemic, many countries around the world are instituting phased reentry plans. With cloud-based software, employees can stay connected to policyholders, prospects, insurer partners, their Broker co-workers, and information in core systems.

4. There's room to improve in mobile adoption and for those that do there's a significant reward

Irish Brokers have the most opportunity to adopt mobile capabilities with only 14% of medium-sized Brokers (€5M – €9.9M) indicating that they have a customer self-service portal. Likewise, only 43% of that same group have a mobile app for employees to interact with their management system.

Online customer self-service portals and mobile apps give customers freedom to initiate policy changes and quote new policies online; view, download and print policy documents; and pay their bills online, without having to come into the Broker's office. Convenient access to insurance information should not be limited to customers. Empower employees to work from wherever they are by providing mobile app access to the management system to sell and serve customers anytime, anywhere.

This year's results indicate that there is still considerable opportunity for Brokers to digitally transform their businesses. No matter where your business is on the journey to digital transformation, remember that the digital path forward is about creating greater productivity, intelligence, simplicity and value for Brokers, insurers and policyholders while keeping the mission of this industry at its core – to safeguard and protect what matters most in people's lives.



XL Insurance

Is remote working exposing your clients to cyber threats?

Many businesses are now either planning for or actively implementing a business model that involves an increasing level of remote working. In the rush to keep businesses working there is a risk that good cyber security practices may not be properly applied.

For advice from our cyber experts to help protect your clients visit axaxl.com/fast-fast-forward

Life Claims: Myths and Insights



In 2019 alone, Royal London as a Group paid 99.7% of all claims, totalling more than €645 million and helping nearly 120,000 customers*. It's obviously through these claim payments customers and their families can overcome the financial fallout which occurs when they are seriously ill or have died. You have, no doubt, seen first-hand the significant financial difference having a claim payment makes, when it's needed most. It's the reason why, as a Financial Broker, you recommend protection products.

Leading protection specialist Royal London's Underwriting and Claims Lead, Colette Houton, discusses some of the myths surrounding claims in the life insurance industry and the claims insights which can help dispel them. Colette began by saying:

"Unfortunately, we all know there are some false ideas widely held by the public when it comes to life insurance. As Financial Brokers, your advice informs your clients otherwise, but it is a task in itself to re-educate customers away from these myths. The following insights show the reality of life claims in Ireland."

Myth: Insurance providers don't pay claims

"My insurer refused to pay out" - most of us have encountered a headline like this over the years and this is probably one of the biggest, if not the biggest, life insurance myths out there. Headlines like these can be troublesome for both Financial Brokers and providers as they feed the pervasive myth that the majority of claims aren't paid out. At Royal London our focus is on providing the best customer outcomes always, so the payment of claims is the key moment of truth for us, and our aim is to pay all our claims."

Reading such stories can be alarming for your clients who may be regularly contributing to their life insurance or specified serious illness policy. When in fact, they should rest assured that 99.7% of all protection claims were paid out by Royal London as a Group* in 2019. This figure shows that claims are

seldom declined and when they are the reason is usually because of serious non-disclosure.

Myth: I am young, I don't need cover

Royal London's claims analysis shows that in 2019 the youngest person to claim for Specified Serious Illness was just 32 years of age, while the average claimant age was 49 years.

Colette commented: *"Unfortunately, youth does not make you immune from death or serious illness. And, it is a heart-breaking fact, but insurers are seeing children's claims getting more common."*

Here is one example of a claim paid to a young Royal London policyholder in 2019. A 32-year-old woman received a Serious Illness claim payment due to Breast Cancer. The policy was in force for four years. Another example from 2019, was a man, aged just 47, who made a claim for Prostate Cancer, less than two years after taking out his Specified Serious Illness policy.

Myth: I am healthy, I don't need cover

Royal London's 2019 claims statistics highlight that it's not always the most likely scenarios which result in a claim. One such example is a terminal illness claim paid for a 47-year-old man with mouth cancer. The customer was a non-smoker.

"We deal with all manner of claims situations here at Royal London and we see that even those who live a healthy lifestyle, exercising regularly, eating a balanced diet and not smoking, aren't guaranteed to not get seriously ill. Life can be unfair but at least if your clients have sufficient insurance protection in place they can be secure in the knowledge that even if the worst happens, they and their loved ones are financially protected at a time when it's needed most."

Myth: Making a claim is difficult

Claims are more likely to be paid out to your clients when your product recommendation is the best cover that's available to them in the market. For example, last year Royal London introduced a new, first-in-market impact-based protection product, Multi-Claim

Protection Cover (MCPC) which can pay out multiple times until 100% of the client's sum assured amount is used up. That said, when it comes to your client making a claim the claims philosophy and claims servicing of the life insurer is key.

Colette remarked: *"Making a claim shouldn't be onerous for your clients or their family. When Royal London reviews claims cases, we do so in the spirit of our aspiration to be known by Financial Brokers, like you, and your customers as the most trusted and recommended life insurance provider in Ireland. That's why death claims are paid with a minimum of evidence and why we have features like our Funeral Payment Helping Hand, which is designed to help alleviate some of the financial burden which can arise when seeking a grant of probate in Ireland."*

"Of course, it goes without saying that disclosure is very important when it comes to how easy or difficult making a claim can be. Good disclosure ensures that a valid client claim will always be paid out. Our range of underwriting supports available on our Broker Centre includes a guide on the underwriting process and medical conditions. It offers an overview of common disclosures to help you discuss medical and other underwriting information with your clients and we hope that it will be a useful tool in helping to prevent non-disclosure."

"Finally, it's worth remembering the good that's done through the payment of claims. As your client or their loved ones process a devastating, life-altering event like a death or a serious illness diagnosis, the effect of a claim pay out easing the extra burden of financial worry can be truly transformational."

Royal London's 2019 Claims Flyer can be found on its Broker Centre; www.royallondon.ie/brokers

*Group protection figures from Royal London UK protection business and Royal London Ireland claims paid (01 January 2019-31 December 2019). Figure includes Term Assurance, Whole of Life, Terminal Illness, Total Permanent Disability, Specified Serious Illness and Income Protection. Exchange rate used as at 08/06/20.

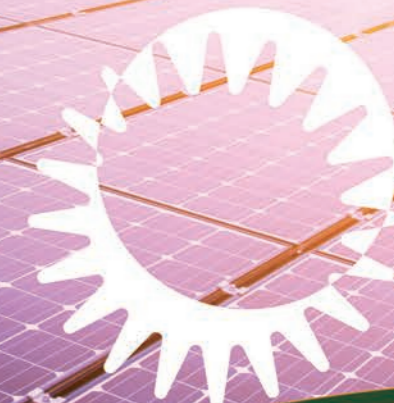


"When Royal London reviews claims cases, we do so in the spirit of our aspiration to be known by Financial Brokers, like you, and your customers as the most trusted and recommended life insurance provider in Ireland."

Colette Houton, Underwriting and Claims Lead, Royal London

Solar Flair PLC

New European Solar Investment Opportunity for Investment Brokers



REASONS TO INVEST

-  **High Target Returns**
Target investment return of at least 8% IRR per annum.
-  **Asset Backed and Income Producing**
The investment proceeds will be used to purchase Solar Assets in Europe, initial purchases will be in turnkey condition (built and connected to the GRID). All assets will be income producing from the outset.
-  **Stable Demand**
European Government-backed revenue stream for generated electricity, where appropriate.
-  **Turnkey Investment**
Investment into existing income producing Solar Assets.
-  **Agency Agreement**
Simple Agency agreement recognizing Broker Client Ownership.
-  **Strong Management Team**
A comprehensive management structure and a highly experienced executive team with a proven track record.
-  **Local Experience**
Solar Executive Services Limited will act as the project manager and will oversee all aspects in relation to the acquisition and management of the investment in Solar Assets. The Directors of the company have been involved in the international solar sector since 2010.
-  **Green Energy Investment**
Support for the European Green Agenda ('The Green Deal'). Solar renewable is expected to account for 50% of all electricity generated globally by 2050. (source IEA)
-  **Commission Investment**
Attractive Commission to introducing Brokers.

SOLAR FLAIR

Fund raising closing date 30th of November 2020

For further information and a copy of the Solar Flair Information Memorandum contact:

Joe Whelan FCII on 087 2267646 or email: joe@solarflair.ie

or

Michael Marsh FSAI on 086 7787111 or email: michael@solarflair.ie

Solar Flair PLC is registered with the Central Bank as an Alternative Investment Fund Manager under the European Communities Regulations 2013

Protection for the unprotected



As a Financial Adviser, you know good advice recommends that individual protection forms the basis of every financial plan. Income Protection is an essential part of that plan as that pays for everything else; life assurance premiums, pension contributions not to mention all the household expenses should your client fall ill and be unable to work.

However, you find yourself in a situation whereby you have a client meeting in your diary, you know the client is not an office worker and the occupation class is likely to be a 3 or 4. Your heart sinks as you know the premiums are going to be very high for this client. You must then decide whether you recommend it or not as you know the premium will be outside the client's budget parameters.

Many of you have told us that this is a problem for you, we also know how important it is to ensure your clients' can have the cover they need, at a cost they can afford. That's where our budget friendly income protection plan – Wage Protector comes in. This has been designed for the express reason that Class 3 and 4 occupations were virtually being excluded from buying income protection due to cost.

Wage Protector has all the same features of the full income protection plan, it's just that it will only pay out for a maximum of 24 months per claim. After 24 months to continue to qualify for the claim, your client must pass our functional assessment test. This is a simple, easy-to-understand set of physical and mental ability tests.

How does Wage Protector work?

The product is divided into two types of cover.

Transitional cover: This cover kicks in after the deferred period and pays your client a replacement income for 24 months if they are unable to do their own job. This gives them an opportunity to get back on their feet or prepare for an alternative job. After this initial period, depending on their circumstances, full Disability Cover may apply.

Disability cover: This cover will apply after 24 months if your client is unable to return to any work due to significant illness or injury and suffer a loss of earnings as a result. They must pass a Functional Assessment Test to qualify for this cover. This is a simple, easy to understand set of physical and mental ability tests.

Because the product is designed to pay out in this way, it provides much cheaper cover for these occupation classes when compared to full income protection. However, if your client becomes fully incapacitated, they may be entitled to disability cover which will pay them until they reach retirement

age. There is also full tax relief on the premiums, unlike some other short-term products in the market.

Sample Costs of Wage Protector Vs. Income Protection

Self-employed plumber Class 4
Self-employed domestic electrician Class 3

Product	Occupation Class	Weekly benefit	Gross Premium	Net Premium	Percentage cheaper
Wage Protector	Class 3	€649	€77.08	€46.25	45%
Income Protection	Class 3	€649	€170.09	€102.05	
Wage Protector	Class 4	€649	€95.45	€57.27	40%
Income Protection	Class 4	€649	€234.83	€140.90	

Quotes based on: Non smoker – age 37, dob 1/07/1983
 Salary €45k, weekly benefit: €649 (75% of salary)
 No indexation, no escalation in claim
 Personal IP – all reviewable as WP is reviewable
 Ceasing age: 65
 Deferred period: 13 weeks (logic, self-employed so no state illness benefits when sick)

Dog Groomer Class 3

Product	Occupation Class	Weekly benefit	Gross Premium	Net Premium	Percentage cheaper
Wage Protector	Class 3	€518	€66.66	€40.00	46%
Income Protection	Class 3	€518	€144.99	€86.99	

Salary €50k. Entitled to state illness so benefit 75% of salary less €10,556 =€518 per week.
 No escalation, no indexation, personal IP reviewable
 Deferred period 13 weeks.
 Ceasing age 65

Additional Automatic Benefits

Best Doctors Second Medical Opinion *

If your client or a member of their immediate family is diagnosed with a serious illness this benefit provides them with access to Best Doctors Second Medical Opinion. This service provides an in-depth analysis of their case by an expert from a database of more than 50,000 doctors in over 450 specialities. It's a confidential service that complements the care their own doctor is providing. The expert provides a comprehensive, personalised report, including a recommendation so they can be sure they have the right diagnosis and treatment plan.

Aviva Family Care Benefit **

Your clients' will have access to a counselling and support service provided by Workplace Options. Workplace Options



"Wage Protector is aimed at clients in riskier jobs who are generally more expensive to insure, such as construction workers, electricians, plumbers, mechanical engineers and the self-employed."

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

are an organisation that offer video or telephone based short-term counselling for your client's and their family, giving help with mental wellness issues such as bereavement, work-related stress and relationship breakdown.

Hospital Cash Benefit

Your client can receive an income if you are in hospital for more than 7 days during the deferred period. This income is equal to 1/365th of the annual benefit for each complete day you remain in hospital. This benefit will cease on the earlier of the 91st day spent in hospital or the end of the deferred period.

It is important to note that full income protection is the optimal option for any client who can afford it but where it's unaffordable to the client then Wage Protector can be a good solution. Please contact your Account Manager to find out more and how best to position this with your potential clients.

*Best Doctors is an independent company and Aviva will not be responsible for any actions taken or not taken as a consequence of recommendations made by Best Doctors. Aviva Life & Pensions Ireland DAC does not guarantee the on-going availability of the Best Doctors service to its policyholders and may, at its sole discretion, withdraw access to the service at a month's notice. Best Doctors is not a regulated financial service.

This simple table shows the main benefits between Wage Protector versus full Income Protection:

Our Income Protection Products	
Income Protection	Wage Protector
Replaces up to 75% of a customer's earnings up until they reach retirement age or return to work.	Replaces up to 75% of a customer's earnings for a limited period of up to two years.
Paid to the end of the policy term or return to work.	2 Year payment period Disability cover available if physically or mentally incapacitated to retirement age.
Evidence of earnings required	Evidence of earnings required
Own Occupation	Own Occupation (for 1st 2 years of claim)
Waiver of Premium	Waiver of Premium
Hospital Cash Benefit	Hospital Cash Benefit
Rehabilitation Benefit	Rehabilitation Benefit
Overseas Benefit	Overseas Benefit
Relapse Benefit	Relapse Benefit
Guaranteed Increase Option	-
Continuation Option (Executive Income Protection only)	-

**Aviva Life & Pensions Ireland does not guarantee the on-going availability of the Aviva Family Care Benefit (Workplace Options Counselling services), to its policyholders 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 31 days in advance of its removal.

Workplace Options Counselling and Carer Support Service (who provide the 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 One Park Place, Hatch Street, Dublin 2, D02 E651. 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

NFP Acquires HMP Insurance & Pension Advisors Limited

NFP, a leading Insurance Broker and Consultant that provides employee benefits, property and casualty, retirement and individual solutions, recently announced the acquisition of HMP Insurance & Pension Advisors Limited (HMP). NFP serves clients through more than 260 offices across the United States and 45 international offices across the UK, Puerto Rico and Canada. With the addition of HMP, NFP further expands its reach in Europe and establishes a presence in the growing Irish market.

HMP, based in Dublin, Ireland, provides employee benefits, pension and group risk advice to corporate and individual clients. Formed in 2006, the firm is a recognized leader in designing, communicating, implementing and managing tailored pension and benefit programs for clients based in Ireland, Irish-expats, and international corporations with operations in Ireland. David Moore, director of private client services, and Colm Power, director of employee benefits, will stay with NFP and report to Matt Pawley, senior vice president, international benefits consulting.

"Welcoming HMP is an important development for NFP's international business and complements our continued investment in the UK. We also believe that investing in Ireland is strategically important as we continue to plan for the impact of Brexit on clients and our ability to serve them," said Matt Pawley. "David, Colm and the entire HMP team give us a strong presence in Ireland, expertise in key businesses, and a tremendous foundation for growth. I look forward to their

contributions as we further refine our benefit and pension capabilities, and advance our ability to serve the dynamic needs of our clients."

"Joining NFP gives us access to resources and support that will help us deliver even more value to businesses and individuals," said Colm Power. "We've worked hard to create solutions and services that help clients meet their goals and as part of NFP, we will be better positioned to deepen relationships and cultivate new ones. We are excited to be active participants in a growing and innovative company that cares deeply about its employees and clients."

About NFP

NFP is a leading Insurance Broker and Consultant providing specialized property and casualty, corporate benefits, retirement and individual solutions through its licensed subsidiaries and affiliates. NFP enables client success through the expertise of over 5,700 global employees, investments in innovative technologies, and enduring relationships with highly rated insurers, vendors, and financial institutions. NFP is the 5th largest Benefits Broker by global revenue, 6th largest US-based privately owned Broker, and 8th best place to work in insurance (Business Insurance); 10th largest property and casualty agency (Insurance Journal); and 12th largest global Insurance Broker (Best's Review).

Visit NFP.com to discover how NFP empowers clients to meet their goals.

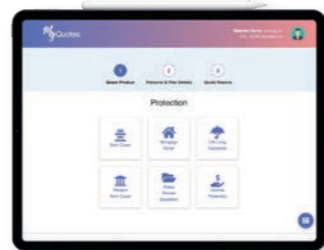
MyQuotes

Introducing Irish Life's new Broker Quotation system

We are delighted to launch our new quotation system MyQuotes which has been developed with the specific needs of brokers in mind. This is not a simple cosmetic freshening up of the old system but rather a total rebuild of the user interface, the client reporting functionality, the actuarial engine and how new business is submitted via Bline. We will continue to invest and differentiate our proposition in the digital space.

MyQuotes will go on to form the core of a connected ecosystem of broker focussed tools built around 4 key principles:

<p>1</p> <p>Ease</p> <p>removing pain points to deliver a better experience and help you drive efficiency</p>	<p>2</p> <p>Growth</p> <p>helping you develop business opportunities by supporting your advice with professional, scalable solutions</p>	<p>3</p> <p>Simplicity</p> <p>making complex calculations simple and solving key problems to hand you back time</p>	<p>4</p> <p>Broker Centricity</p> <p>ensuring you are at the centre of your client engagement with personalised, brandable outputs</p>
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MyQuotes is the result of an extensive design and development process going back over nearly 2 years. We listened to your feedback through surveys, coffee shop conversations and anecdotes and prioritised this as a foundation item in our roadmap to transform our broker online offering. Many of you participated in workshops to build requirements and user testing clinics to identify bugs and optimise features and flow. This involvement by brokers was vital in ensuring the final product is both high quality and compelling to use.

We originally launched the Protection module in May to support the need for remote working solutions and the submission and fulfilment of applications online. This was then joined by the Pension, Retirement Saving and Investment suite at the start of August to support your wealth business with precision and efficiency.

Some of the key features of MyQuotes include:

- Simple and intuitive product selection and navigation
- Helpful information buttons, tooltips and inbuilt product rules
- Mobile and tablet enabled with a quick-quote option for a price or fund projection on the go
- Efficiently saves your quotes on a personal dashboard



While long overdue, you could rightly say that an insurance company providing brokers with a functioning quotation tool is hardly a remarkable achievement. However, MyQuotes is much more than just a simple way of quoting for an Irish Life product.

We've included some killer functionality which really epitomises our 4 key principles in practical ways:

- Generate co-branded client reports with graphical and tabular displays for maximum impact and include additional documents like brochures, tailored KIDs and up to date fund factsheets at the click of a button
- Quote for complex protection cases with all combinations of optional benefits, illustrative loadings and full commission flexibility and use our simple Statement of Suitability builder to document your advice
- Create tailored client investment solutions by blending funds from our range and illustrating composite weighted charging to maximise trail and combined risk rating based on the asset level view

- No more confusion from the proliferation of profiles with the commission capture feature on the wealth products which allows you to build the terms for your client including dynamic allocation based on investment bands
- Maximise the opportunity of the need for client retirement advice with the full suite of ARF features such as our Retirement Portfolio de-cumulation funds, percentage or monetary income options and nominated fund drawdown to enable you to advise on different income strategies
- An integrated Revenue maximum funding check on all company pension quotations where you can capture all types of legacy arrangements and ensure the proposed contributions are within allowable Revenue limits



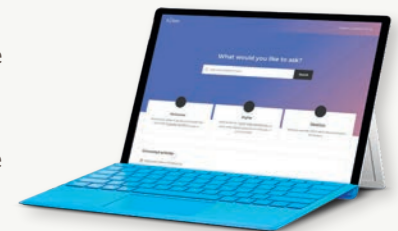
Additionally, because all your quote data saves on the system and pre-populates onto our online submission portal there is no wasted effort or re-keying so you can eliminate errors and ensure a great client experience because they receive the exact terms you quoted them for.

We won't pretend that we planned or wanted it this way but the timing of the launch of MyQuotes in the middle of the pandemic is very opportune. When combined with our range of other Ease initiatives which we have mobilised over recent months it presents a compelling end to end remote business process which provides you with tangible and quantifiable benefits now and beyond the timescale of the Covid-19 crisis.

Helping you do business remotely, from end to end

<p>Complete your personalised client quote with TAILORED COMMISSION, FUNDS & PRICING on</p> <p><i>MyQuotes</i></p>	<p>Generate your BRANDED REPORT and protection SUITABILITY STATEMENT & share by email or screen share</p>	<p>Launch our ONLINE SUBMISSION SYSTEM & prepopulate your application</p>	<p>Use EDITABLE PDF New Business forms for all your cases</p>	<p>Use E-Sign from our list of APPROVED PROVIDERS for all new business applications</p>	
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We are very proud of MyQuotes and are certain you will enjoy using it. However we are committed to making it even better over the coming months and already have an extensive list of Day 2 items we plan to add to it. This process will be made even better with your feedback so please use the online feedback form at the end of your quote session or send your thoughts to myquotes@irishlife.ie. As we have shown with other recent digital innovations this is not the end, it's only the beginning. Alongside the MyQuotes launch we've also further enhanced the MyRetirement Pathfinder to drive efficiency and improve the experience by allowing you to save your Retirement Reviews into your MyQuotes dashboard and resume at a later date. The Retirement Review reports have been upgraded so the look and feel is consistent with MyQuotes and the two can now form a complementary client pack.



If you have any questions about MyQuotes please speak to your Irish Life Account Manager or visit www.bline.ie/myquotes where you will find a wealth of supports, troubleshooter guides and helpful videos.

Choosing A Protection Product Provider



By Niall Concannon, Head of Broker Growth at New Ireland

For many Financial Brokers, the 'advice journey' has become increasingly objective-focussed, centred primarily on meeting clients' immediate needs in terms of cover. At the same time, there's a growing perception that the protection products and providers available are relatively generic. However, it is still essential that Financial Brokers clearly demonstrate the reason for recommending one provider and their products over another, and to have an established process in place for arriving at their recommendation. This process, if applied correctly, can be used to enhance the customer's understanding of their protection product and the value they see in it. With that in mind, let's look at a few key areas for consideration as part of the selection process.

Consider The Claims Statistics

When a client allows a provider to take money out of their bank account every month, it is in exchange for a promise made by the provider to ensure that their loved ones are looked after, and that a health crisis doesn't also become a financial crisis. While most providers publish annual claims statistics – evidence of fulfilling those important promises – not every Broker uses them as part of the advice process. Those that do, however, believe that these statistics can hugely increase the value a client has in their protection product for a number of reasons.

1. They hold insurers to account. Clients will often wonder whether or not their insurer will actually pay out in the event of a claim. These publications show that they do, and prove that Life Insurance is a section of the insurance industry that a client can have faith in.

2. They create confidence. Insurance and financial services are easy targets for bad press. Every opportunity to highlight the numbers of claims paid and the companies that paid them helps to counteract the negatives and build on the positives.

3. They help prevent non-disclosure. In 2019 New Ireland had a combined rate of acceptance in all Life and Specified Illness claims of 95.6%, amounting to a total pay-out of €129,732,482. Of the remaining 4.4% of claims, non-disclosure was the primary reason for them being declined. As you well know, non-disclosure can be casual as well as reckless or deliberate; some clients feel they don't 'need' to make certain things known. Referring to the claims figures can encourage clients to be more forthcoming with important facts, which, in turn, can help us to achieve an even higher level of claims acceptance.

Definitions matter

In recent years, several providers have negotiated improved definitions for Specified Illness conditions with their reinsurers and in particular for the most common conditions that clients claim for such as Heart Attack, Stroke and Cancer. These enhancements have lowered the threshold for valid claims and have the potential to enhance the claims experience for many clients. Brokers,

looking to add value for their clients, are encouraged to ensure that their recommended provider's Specified Illness definitions compare favourably with other providers.

Underwriting

These days, every provider expects the bulk of protection business to be completed online. This has led to improved processing efficiency, with much of the underwriting now automated using systems known as Underwriting Rules Engines (UREs). In 2018 New Ireland updated its URE, increasing the number of cases getting immediate decisions from 57% to 70% for Lifecover only, and from 67% to 78% for Life and Specified Illness. In cases where the final decision is made online, over 90% will proceed to issue, dropping to around 60% for cases where further medical evidence is required. Therefore Underwriting efficiency is a key driver of whether a client proceeds with valuable cover and the Broker gets remunerated for their advice.

Price

While price should not be the only reason for making a recommendation, it would be entirely wrong to suggest that it doesn't matter. For many people, life insurance is seen as an expense, so value for money will form part of their consideration. With that in mind, at New Ireland, we are pleased to announce that our price promotion has been extended, so we're continuing to price match and our discounts apply to the lowest premium in the market (where the benefit is price matchable). As an example, our Standalone Level Term Assurance policy continues to offer a discount of 17.5% on the price matched or New Ireland quoted premium. You'll find all the information on our extended Protection Discount Promotions on our website.

Protecting your business

It's only right that the client is the focus of every recommendation, but you should also give consideration to the long-term needs of your business. The current pandemic has demonstrated the value of recurring income to Financial Brokers. Last year, approximately 40% of the commission that New Ireland paid to Financial Brokers was recurring income, which has proved to be a valuable safety net for many Brokers business. While there are some commission offerings which provide a very high initial offering the recurring income is low and current experience should prompt Financial Brokers to take a more long-term view in planning their income streams.

For more information on New Ireland's current protection promotion available until 16th October, please contact your New Ireland Account Manager or visit our website.

Terms and conditions apply. Life insurance products are subject to underwriting and acceptance by New Ireland Assurance Company plc. It is important to understand that certain restrictions and exclusions may apply. While great care has been taken in its preparation, this article is of a general nature and.

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The ESG layers from the macro view to a company profile



Peter Smith, Investment Director at Aviva Investors

At Aviva Investors our ESG insights are developed through connected thinking across asset classes: from the macro view to a company profile, and from how we see the world to how we view a sovereign, a sector or a company.

As a long-term investor, we are convinced that the investments we make on our clients' behalf will be more successful if we understand how the companies and projects we invest in perform on issues like board diversity, governance, climate change and labour relations. Understanding environmental, social and governance (ESG) issues and trends helps us both mitigate the risks that could impact our investments and identify investment opportunities.

Supported by the Global Responsible Investment Team, our analysts and portfolio managers across all asset classes integrate these insights into the investment analysis and decision-making process. The Global Responsible Investment Team has a seat at the table throughout the investment process.

Shaping the macro view



We have an intra departmental approach towards forming forward-looking positions on key political, economic and social trends and expected outcomes. Quarterly meetings of representatives from across the business culminate in the publication of Aviva Investors' House View, which cascades back through the organisation and helps guide medium to long-term

investment positions as well as asset allocation for multi-asset strategies. The Global Responsible Investment Team is a key component in this process and ensures that material ESG factors are considered when determining the firm-wide macro outlook. As a result, themes such as the implications of global climate negotiations, populism and nationalism, and governance and social reform across key markets have helped form the base-case outlook.

Shaping the sovereign view



Our Sovereign Debt Team has developed a robust analytical model to evaluate the forward-looking prospects of sovereign debt issuers. The model is based on an assessment against six key data themes including growth, the monetary and fiscal environment, the current account, and political conditions. The Global Responsible Investment Team has been

instrumental in identifying factors and data inputs to support the assessment of a country's political condition. Factors that have been fully integrated into the sovereign rating model include measures of corruption control, rule of law, freedom of press, and accountability of government. The Sovereign Debt Team also reviews specific ESG data and analysis on sovereign issuers which are embedded in the risk and valuation framework for government debt securities.

Shaping the sector view



We provide both equity and debt finance to support companies across global markets. Consequently, we have fostered an integrated research philosophy and platform to assist in the evaluation of sector-specific risks and opportunities. Dedicated research specialists for each super-sector participate in the investment process across credit and equities to update the industry

outlook and share conclusions with fund managers and evaluate portfolio positions. The Global Responsible Investment Team formally contributes to the sector assessments by leveraging ESG insights from internal and external research, proxy voting records and experience from company engagements. The sector analysts evaluate the key ESG risks and opportunities to be factored into their analysis and present specific company case studies.

Shaping the company view



Our ESG Analysts provide analysis of corporate sectors, industries, and issuers. This analysis is performed at the corporate level, independent of the capital structure sleeve applicable to a specific investment strategy. Our ESG scoring is a core part of this integration. The dashboard aggregates the ratings of the different types of ESG risks of each counterparty in the investment

universe. We use the ESG data from MSCI ESG Research, in addition to data directly from company disclosures as well as information about the quality of corporate governance and the voting history of our team to form a final ESG score. The restated data is made available to the investment managers via the Bloomberg platform. Some raw ESG data and our own score are also included in our Aladdin front-to-back tool. Similarly, we have data on carbon intensity to assess the carbon trajectory of the company over time.

ESG considerations built into Aviva's MAFs range

Within Aviva's Multi-Asset Fund (MAF) range ESG considerations are built into the investment process¹. Not only is integrating ESG the right thing to do but at Aviva Investors we strongly believe it will improve returns for our investors over the longer term.

¹ Where funds invest in externally managed collective investment vehicles, Aviva Investors may not be able to apply ESG criteria.

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Claire wants her money to make a difference

Aviva research indicates that when explained clearly, environmental, social and governance investing, or ESG investing for short, is important to 80% of Irish customers¹. For your clients who want their money to make a difference, Aviva leads in acting and investing responsibly².

Investments that work for you.



¹ Source: RedC research undertaken on behalf of Aviva July 2019. Sample size 1,627. ² Source: Aviva Investors August 2020.

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COVID-19

How **insurance** can help the medical fight against the pandemic



In the fight against COVID-19, the search for a vaccine is a major international effort. In addition to trying to find a vaccine for the virus, drug companies also are working to find medical treatments that could alleviate some of the symptoms of the virus and help patients to recover faster and better.



By Christophe Durand-Maniclas, Head of Executive Underwriting, Life Science, AXA XL

Behind the scenes, underwriters and risk engineers are involved in this effort too. We have brought our risk expertise to discussions with clients that are exploring potential vaccines and treatments or looking at adapting existing medicines to address some of the effects of COVID-19. There is an obvious human importance to finding ways to tackle the COVID-19 pandemic. And the financial risks and rewards for pharmaceutical companies are significant. The development and marketing of new drugs is big business. For pharmaceutical companies, developing drugs takes a massive investment of both time and money. Industry experts say that it costs about \$800 million to bring a new drug to market. And according to the Tufts Center for the Study of Drug Development, in the U.S. this figure is even higher at an estimated \$2.6 billion.

As well as being a large financial investment, developing a new drug is a lengthy process. It takes an average of 12 years for an experimental drug to make it from the laboratory into homes in the U.S., for example.

Clinical trials and how they work

Clinical trials are a vital step in bringing a new drug to market. Testing on humans before a drug reaches the shelves can drastically reduce the risks involved. But, by their very nature, trials themselves are not without risk.

Clinical trials are observations of the effects of drugs on human participants that are designed to answer specific questions about their safety and efficacy.

Trials are conducted after the go-ahead is given by health authorities or ethics committees in the country where approval for the drug is being sought. Individual countries have many such ethics committees; for example, in France there are 39

research ethics committees, in Germany 53 and in the UK more than 100. In Ireland, clinical trials of medicinal products are assessed by the Health Products Regulatory Authority.

Trials of new drugs typically have three phases. During phase 1, drugs are tested on healthy volunteers to test the safety of the drug. In phase II, drugs are tested on patients to assess their efficacy and safety. And in phase III, drugs are tested on patients to assess their efficiency – their cost effectiveness – as well as their efficacy and safety.

Trials can range in size and cost and often take place in multiple countries. They can range in length from a few months to several years.

It is vital that risks are identified and monitored throughout the duration of a clinical trial. Key risk indicators include patient safety, patient recruitment, site performance, data quality and vendor performance. Data must be monitored throughout the trial, and the trial team must remain focused on risk at all times.

Regulatory considerations

There is a raft of regulations that pharmaceutical companies need to keep abreast of across the world. And as well as varying from state to state, these rules can often change quickly, meaning that a company's risk manager and their insurer must keep informed and up to date at all times.

In Europe, for example, the EU Clinical Trials Regulation is aimed at ensuring high safety standards and greater transparency, and also is intended to make it simpler for pharmaceutical companies to conduct multinational trials of drugs.

Insurance needs

Insurance requirements for clinical trials continue to be decided on a national basis. Increasingly, governments are introducing

“Insurance requirements for clinical trials continue to be decided on a national basis. Increasingly, governments are introducing mandatory requirements for trials to have insurance coverage over and above that offered by national healthcare systems. And the insurance requirements differ from country to country.”

mandatory requirements for trials to have insurance coverage over and above that offered by national healthcare systems.

And the insurance requirements differ from country to country. In some countries, for example, insurance coverage can only be written on a non-admitted basis. In some, there are mandatory insurance limits, and in others deductibles are not allowed. In addition, the extended reporting periods can differ from several years to more than two decades, depending on the jurisdiction. Most countries require pharmaceutical companies to conduct a clinical trial in order to be able to sell their drug there; so compliance with local regulations is vital. Clients often run multi-centric trials of new drugs and, therefore, they need to be sure that their insurer has the global reach and expertise to offer appropriate coverage wherever the trial is taking place.

While clinical trials can be covered under general liability policies, there are sometimes shortcomings to this approach. If a claim not related to the clinical trial occurs, this could exhaust

the limits of that general liability policy, potentially leaving the pharmaceutical company exposed.

One option that pharmaceutical companies can consider is standalone clinical trials coverage. Standalone clinical trial insurance covers the policyholder for the entire duration of a specific clinical trial – which can be several years. Many European regulations specifically require a stand-alone solution for study subjects enrolled in one country.

Global expertise, flexibility, and innovation are key to ensuring that pharmaceutical companies have the coverage they need for this important step in bringing potentially life-saving new drugs to people.

In these unprecedented times, this has come into even sharper focus. As clinical trials insurance underwriters and risk engineers, we continue to stand alongside pharmaceutical companies as they seek to innovate and find a way to defeat COVID-19.

“Clients often run multi-centric trials of new drugs and, therefore, they need to be sure that their insurer has the global reach and expertise to offer appropriate coverage wherever the trial is taking place.”

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Brokers Ireland Annual General Meeting 2020

The 3rd Annual General Meeting of Brokers Ireland took place on Thursday 13th August 2020 in the Clayton Hotel, Liffey Valley, Co. Dublin. Outgoing President, Duncan Duke passed responsibility for the forthcoming year to Ciaran Blackall, who was elected as President at the AGM. Liam Carberry was also elected as Vice President for 2020/21 term. We would like to congratulate both Ciaran and Liam and wish them well in their new positions and to the other 7 board members of Brokers Ireland. We would also like to thank members who attended the AGM in Liffey Valley under slightly 'unusual' circumstances this year.

All members present at the AGM voted unanimously in favour of all 9 board members who were proposed for election including:

- Ciaran Blackall, Blackall Financial
- Liam Carberry, Liam Carberry Financial Planning
- Duncan Duke, Inverdea Financial Services
- Rodney Croly, Croly & Co
- Linda Gallagher, First Ireland
- Richard Cotter, Growth Investments
- Samantha Nagle, Aspire Financial Services
- Robert Kelly, Insureplus
- Mark Nugent, Know Finance

Brokers Ireland would also like to sincerely thank Roisin Clarke, Paul Carty and Cathal Lowe who retired from the current Board of Directors and acknowledge their years of dedicated service and commitment to the Association.



Ciaran Blackall,
President, Brokers Ireland

Members Autumn CPD Webinars

Brokers Ireland is delighted to announce dates for our forthcoming members Autumn CPD Webinars which will take place from 15-24th September 2020. Individual presentations will cover a range of relevant industry topics and the full webinar schedule and registration details for each event are published on the Brokers Ireland website. Up to five hours CPD will be available to both General and Financial Brokers who attend all presentations at the event (subject to approval).

DATE	PRESENTATION TOPIC	TIME
Tuesday 15 Sept	Brokers Ireland – Compliance Update	11:00 -12:00
Wednesday 16 Sept	Premium Credit – TBC	11:00 -12:00
Thursday 17 Sept	Aviva – Personal Lines	10:00 -11:00
Thursday 17 Sept	Aviva – Commercial Lines	11:00 -12:00
Tuesday 22 Sept	AIG – TBC	10:00 -11:00
Tuesday 22 Sept	Royal London – Protection	11:00 -12:00
Wednesday 23 Sept	Aviva – Pensions	11:00 -12:00
Thursday 24 Sept	Newcourt - Retirement	10:00 -11:00
Thursday 24 Sept	Standard Life – Investments	11:00 -12:00

Brokers Ireland Webinars
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Life or Death by Committee? Establishing an Investment Committee with Zurich



The committee is not there to make asset allocation decisions, but to provide the framework for the selection and ongoing monitoring of investment options available to ensure good outcomes for your clients.



by Ian Slattery, Investment Consultant, Zurich

Hopefully the title hasn't discouraged any of you – I'm aware the concept of an additional committee may not be the most appealing thing to readers! It goes without saying that our industry continues to evolve, has more educational requirements, has become more sophisticated and many of us are now taking a more holistic approach to financial planning. The industry is growing with more and more Irish people choosing to conduct business through a Financial Advisor. Simultaneously, regulatory and compliance pressures continue to increase.

Most of this is positive for Financial Advisors and your clients, but it does come with added pressures as time and resource constraints continue to be felt. One area in particular where Advisors can steal a march on competitors whilst also freeing up more time to spend with their clients is establishing an investment committee. Whilst this is applicable to all Financial Advisors there are a number of scenarios where we see this working well:

1. Multi-advisor offices, or multi-office firms who have a number of advisors operating under the one brand.
2. Advisors who have recently bought a book of business and may not be as familiar with the new book of clients.
3. Smaller advisor offices with a strong personal brand but without the administrative back up.

The idea here is not to make an industry out of this – this all shouldn't become too cumbersome or time consuming to put in place. It should be manageable enough to make it worthwhile and useful, with the idea being to free up time elsewhere. The committee is not there to make asset allocation decisions, but to provide the framework for the selection and ongoing monitoring of investment options available to ensure good outcomes for your clients. There are a number of strategic structures you could put in place relatively easy:

- Permitted investment types
- Investment principles
- Frequency and composition of client reviews
- Create standardised investment options for certain client segments and profiles

There is a commercial aspect to this also. You would no longer be starting with a blank page when formulating a plan for a client, but have a foundation philosophy which you can apply. Ultimately, this leads to less time spent pulling together an individual investment proposition for every client and to more time spent with clients and prospective clients. This streamlines

investment recommendations for multi-advisor offices, or for offices which have recently completed a merger or acquired a back book of business. This may ultimately lead to having more time to focus on meeting clients and prospective clients which is a more successful practice than spending time on fund recommendations and research.

I discussed this concept at several conferences in January, and at the time stated one of the things an investment committee could assist with is helping to implement specific policies for distinct market events. This is certainly no less applicable from where we stand today. I don't think anyone can argue that it has never been a more important time for Financial Advisors to not only help mitigate risks for clients, but also to be able to portray this to your clients. For example, you could include in your client recommendation what your response would be to a moratorium on property funds, or a double digit fall in equities due to a 'black swan' event. This also helps bring the client along the journey with you and instil discipline across your own financial advisory practice.

The key benefits could include:

- Helping to ensure that client investment outcomes can be met.
- Implementing a framework that helps record the processes that went into making recommendations and maintaining the suitability of those recommendations.
- Providing improved governance and oversight.
- Ensuring all relevant regulatory and legislative requirements are adhered to.
- Creating a paper trail for compliance and audit purposes.

In conclusion, there are some very tangible advantages of establishing an investment committee, and associated policies, for your firm. There are a variety of opinions on the best way to do this, and each company should tailor their approach individually to their needs. However, the advantages of doing so from a compliance and regulatory perspective and the potential commercial benefits to your office are clear. And of course your clients will benefit as well! As the industry continues to evolve it is important to be able to keep pace. The above concept is one way where you could operate more efficiently, and ultimately continue to differentiate your service.

For more information on how you can establish an Investment Committee with Zurich's support, speak to your Zurich Broker Consultant.

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Making Group Pensions profitable



by Karl O Meara, Founder, Centric



Advisers throughout the country tell us that the majority of pension scheme members are either unengaged with their employer's pension or somewhat indifferent towards having a meaningful discussion on it. Not turning up for renewal meetings or showing a sense of financial apathy when they do, are all too common. We could all list the conversations we have all had; "It's too far to retirement", "I hear it's all taxed at drawdown", "my friend paid into a pension for years and got nothing back", ...we've heard them all.



Maybe it is time to reassess our assumptions about member engagement. Is it that these members don't care about money or their financial future? Is it that they cannot understand the perceived complexities of projections, risk, future value etc.? I think if we scratched beneath the surface, we would see that most are quite financially literate; they actively use the internet to research financial topics, read articles, watch vlogs and probably have a Revolut account. Sounds like a pretty engaged bunch.

Social Media engagement

So why not engage with their pension? Well, maybe they have no real issue with their pension. They have a rough idea what has been paid in and what they will get at retirement.

Maybe they just get their information from somewhere else. They don't have an issue with their pension but just don't engage with the way it's delivered.

The 2019 Digital Engagement Survey of the Superannuation industry (Australia), showed insightful results as to how Australians learn about their retirement funds.

Are we engaging with members in a way they find insightful? Is the adviser's brand at the forefront of all their financial decisions? Is the annual renewal meeting alone a bit 1990s?

What brand are members engaging with?

The brand that the member tends to engage with from a day to day basis is often not that of their adviser but instead their pension provider. The member probably has a login to their portal, gets information from their site, uses their interactive tools and even calls their Customer Services. Where is the adviser's brand in all of this?

The advent of IORP II won't help the situation. The adviser's role will be further diluted amidst the range of services that will

be provided by Master Trusts. We have seen the experience in Australia, where advisers struggle to get engagement from members who are well served by massive superannuation funds. There, the provision of advice is differentiated into that which is "financial" and that which is "general in nature", the latter being where no personal circumstances are taken into account. Using a host of tools and calculators provided by the superannuation fund, the average member is perfectly well served with the general advice option and the superannuation fund will happily provide it, without the need for an adviser.

To maximise the potential return from DC pensions and to secure the future relationship with scheme members, advisers here need to ensure that it is their brand that members are engaging with throughout the scheme year.

Touch-points

Brand engagement can only be created through awareness and customer touch-points. Is seeing scheme members once a year sufficient for creating lasting brand awareness? From the ritual Benefit Statement meetings do members really see the scheme adviser as the one to turn to for all their financial needs into the future? Unfortunately, in many cases not. Information is everywhere, available from all sorts of media, whenever and however members want it. Out of sight is out of mind, and if the adviser does not have year-round touch points, the member will get their answers and solutions elsewhere. This is where some advisers fall down in their bid to make the occupational pension a profitable part of their business.

Loss leader

For the adviser the modest income on the group scheme is often far out-weighted by the glitter of the potential of the individual parts. One scheme but one hundred potential clients is the vision when the scheme is being signed up, but reality often disappoints. The odd protection case, a few AVCs and new members along the way, props up what is often seen as a non-performing part of the business.

Digitally engage

Advisers need to be digitally engaged with scheme members. We might still have filing cabinets in the office but in the eyes of the member we need to be providing a modern engagement experience that they can relate to. Regular touch-points need to be established to continually reinforce the adviser's brand and create opportunities throughout the scheme year.

Centric has created **ENGAGE**, a Group Pensions Platform that creates a digital connection between scheme members and their adviser. **ENGAGE** increases the profitability of group schemes by creating sales opportunities throughout the scheme year, reinforcing the brand of the adviser and future proofing their business.

You can contact Karl by email at karl@centric.ie or by phone on 087 2151007. Web: www.centric.ie

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Thursday 22 October 2020

Brokers Ireland, in association with Aviva is delighted to invite members to our first **Virtual Meet The Market Day** on **Thursday 22nd October 2020** to help assist Insurance and Financial Brokers stay connected with specialist suppliers and key market representatives during these unusual times.

This exciting event is open to all Brokers Ireland members and their staff to attend and will 'run live' so that you can connect virtually with exhibitor representatives joining us on the day – simply connect via your mobile device! Over 30 suppliers operating in the Irish marketplace will be available to answer Broker questions and discuss your client's insurance needs.

There is **no fee for members** to register and attend this event and it's a great opportunity for Brokers to make some valuable business contacts and seek product information from specialist suppliers. Registration is required and full details on how to register for individual exhibitors are published on Brokers Ireland website.

About Brokers Ireland Virtual Meet the Market Day 2020

- 30 companies and key market representatives in the virtual exhibition hall including:

**Lloyd Cover Holders
General & Financial Insurance Providers
Finance and Investment Houses
MGA's
Loss Adjusters
Mortgage Specialists
Wholesalers
Software and Utility Companies**



- Ability to set up one-to-one video meetings with exhibiting company representatives
- Ability to engage with companies through the one-to-one chat facility
- No travel required – participate from anywhere via Desktop, Mobile or Tablet devices
- Explore new business opportunities, make new contacts and/or strengthen existing relationships
- 3 CPD webinars presented live on the day with Q & A's after each webinar session

What Brokers Can Expect to Learn at Brokers Ireland Virtual 'Meet the Market Day'

- Networking opportunities to meet specialist suppliers and key market representatives operating in the Irish marketplace including personal and commercial lines, Irish and UK cover holders, SME, investment houses and affinity business schemes
- Gain a better understanding and increase Broker knowledge of how to access new and specialist products

For further information on exhibiting or attending the 2020 Meet the Market Day Event, please email events@brokersireland.ie

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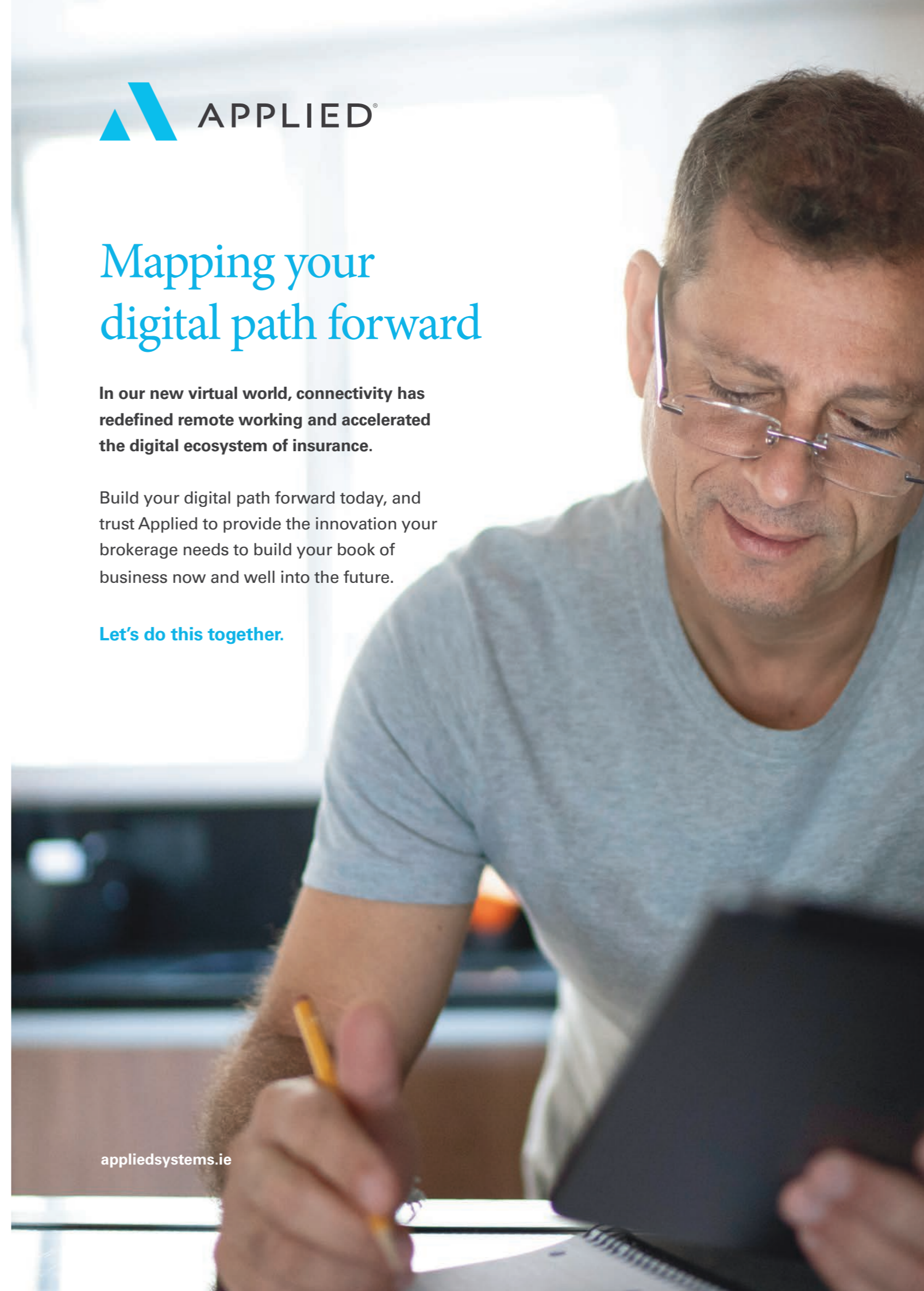
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Pandemics and Interest Rates – *What Next?*

with Graham O'Neill

Introduction

Governments initially responded to the Coronavirus pandemic by slashing interest rates and increasing fiscal support. While it is easy to think increased levels of fiscal spending could increase inflationary pressures, and therefore interest rates going forward, looking at the history of pandemics and interest rates suggests otherwise. Three academics at University of California Davis one of whom is a Federal Reserve Bank of San Francisco member have issued a paper on the Longer-Run Economic Consequences of Pandemics. Its authors argue investment demand is likely to wane as labour scarcity in the economy suppresses the need for high investment. They suggest a bigger glut in savings to come which for those looking for yield is a frightening prospect in a pre-pandemic world already suffering from demand deficiency. The paper looks at how major pandemics affect economic activity in the medium to longer-term. Oscar Jorda is attached both to the Federal Reserve Bank of San Francisco and the University of California Davis with the other co-authors Sanjay Singh and Alan Taylor also attached to Davis. The views expressed are those of the authors, rather than the Federal Reserve Bank.

History of Pandemics

As pandemics are rare events, the authors have looked at historical evidence over many centuries using data sets stretching back to the 14th Century which focus on 15 major pandemics when more than 100,000 people died. They have also looked at major armed conflicts which resulted in a similarly large death toll. They found that significant macroeconomic after-effects of the pandemics persist for about 40 years with real rates of return substantially depressed (excess of savings). Real yields (after inflation returns) for index linked bonds have gone negative even in the US in the aftermath of the outbreak. Wars in fact have the opposite effect. Pandemics have induced labour scarcity and/or shifted the population and corporates to greater precautionary savings.

The most devastating pandemic of the last millennium was the Black Death (1347-1352) resulting in economists and historians still debating its role in economic, social and political change in Europe. The resultant Peasant Rebellion in England

(1381) resulted in labour seeing a roughly 100% increase in real wages. In large scale pandemics the effects are seen across whole economies or wider regions, either because the infection is widespread, or importantly today because trade and market integration in capital and/or labour markets means the economic shock is spread across the world. The authors' comment that the initial work by Ferguson et al. at Imperial College placed COVID-19 as the most serious episode since the 1918 Spanish Flu pandemic. There are estimates that even with suppression strategies the death toll in the UK could hit 50,000 and around 220,000 in the US. This would mark COVID-19 as the second most devastating event of the past 100 years.

The authors have looked to estimate the natural rate of interest after a pandemic shock. The natural rate of interest is the level of real returns on safe assets which it equilibrates savings supply and investment demand, or keeping prices stable in an economy. Work suggests that the natural rate will see downward pressures as investment demand is likely to wane and savers may react to the shock with increased savings, either as precautionary moves, or to replace wealth lost.

Perhaps surprisingly there are records compiled by Schmelzing showing historical interest rates dating back from 1314 (prior to the Black Death) to modern times. The natural rate of interest has shown a secular decline over the span of centuries, from about 10% in medieval times to 5% at the start of the Industrial Revolution and nowadays hovering nearer 0%. Volatility of interest rates in the shorter term have declined as in today's world there are less wild fluctuations in harvests, serious armed conflict or other short-term factors. In other words, volatility of GDP growth has fallen. The authors believe that following a pandemic the natural rate of interest declines for decades thereafter, reaching its nadir about 20 years later with the natural rate about 150bp lower had the pandemic not taken place. They estimate it takes around 40 years for the natural interest rate to return to the level it would have been at had the pandemic not taken place. This reduction in rates is even more persistent than caused by Financial Crisis induced recessions.

"The most devastating pandemic of the last millennium was the Black Death (1347-1352) resulting in economists and historians still debating its role in economic, social and political change in Europe. The resultant Peasant Rebellion in England (1381) resulted in labour seeing a roughly 100% increase in real wages."



Graham O'Neill

Pandemics have also resulted in a rise in real wages (perhaps because the lack of a service economy (in historic periods analysed where job losses may persist) and lower returns to capital. This of course was pre-automation and in an era where the service sector as it was had no alternative to human interaction. Wars on the other hand have tended to be inflationary and left real rates higher. The authors argue if the trends play out similarly in the wake of COVID-19 the global economic trajectory will be very different than was expected at the start of the year. Low real interest rates, if sustained for decades, will provide welcome fiscal space for governments to mitigate the consequences of the pandemic, with the availability for now of low cost (possibly negative in real after inflation terms) long-term funding. There are other important implications for investors too, especially when considering, for example, growth stocks versus value investment strategies.

SUMMARY

This paper by academics at Davis argue that pandemics produce structural forces lowering the path of interest rates. This is now occurring at a time when there are secular disinflationary forces in the global economy. The recession following the GFC was not a severe form of a standard business cycle recession which resulted from an inflationary boom, but rather a financially driven or balance sheet recession. As pointed out a number of times before, recoveries from this type of recession are typically slow, hesitant and more drawn out, typically taking many years, even up to a decade before economic growth normalises. 2017 saw a brief upswing in synchronised global economic activity, but interest rate rises in the States saw a peak in the Fed funds rate of 2.50% and this monetary tightening resulted in an economic slowdown in 2018. Thus, at the peak of the last economic cycle, both interest rates and inflation were significantly below that recorded in previous cyclical peaks. The factors behind this are what we have referred to as 'Living in a 3D World'. This refers to debt, demographics and devices, the combination of which through both demand and supply side effects imparted a secular deflationary force on global economies. Even during an economic upswing, these powerful secular forces acted as underlying constraints on both growth and inflation.

The GFC was an outcome of the realisation that debt had reached unsustainable levels. Yet today globally the ratio of total debt to GDP, even before the pandemic, was higher than 2007. The principle drivers of this have been rising public debt in the developed world and rising private debt in the emerging world, mainly China. Corporate debt in the United States has also increased as companies have sought to use financial engineering to increase reported earnings. Over time debt acts as a drag on economic growth as it has involved borrowing today to boost growth and requires slower growth going forward to repay this. Now governments worldwide are taking the necessary steps to avoid a global depression, but this involves borrowing even more heavily and is likely to require slower growth going forward to repay this. In other words there will be a need for increased savings to pay down debt.

Demographics are also a negative for economic growth. Slowing population growth and ageing populations in the developed world, together with some emerging countries such

as China, are associated with slower trend economic growth, a consequence of both less people in the workforce and a tendency for older generations to spend less, in part because they borrow less than in their earlier years. Unless there is an offset in increase in productivity growth, of which there is currently no strong evidence in the developed world, then underlying economic growth rates will remain more subdued. One promising area for productivity growth globally was in the emerging world, so it remains important that the pandemic doesn't hit these regions disproportionately hard over the long-term, something now looking a real risk. Overall, globally demographics will continue to be a drag on growth rather than a positive. Government's fiscal positions are now further stretched and with the pressures of an ageing population and demands for better healthcare post the pandemic, the ability of governments to stimulate economies through further fiscal stimulus may well be limited once emergency measures are removed.

Devices, or in other words technology, have had a dramatic effect on the cost of producing goods and providing services. Some would view disruption as a modern-day word for competition, but there is no doubt that competitive forces of change have accelerated in many industries. This has been seen through the consumption of media which has moved away from print and traditional linear TV to online and streaming, together with the hollowing out of the retail sector in favour of online. This supply side effect will continue to impart downward pressure on prices for many years to come. Disruptive forces have in general been negative for the suppliers of labour versus the suppliers of capital.

Whilst clearly compared to past pandemics, governments have supplied high levels of fiscal stimulus to global economies, the effect of this outside of the widespread adoption of MMT (Modern Monetary Theory) is likely to be limited due to debt constraints and be transitory. However government role in economies is likely to increase. Analysis of previous pandemics suggests downward pressure on interest rates results and today this is combined with secular disinflationary forces, the 3D's. This, if it occurs, will result in a lower discount rate applied to future corporate earnings which will benefit true growth companies.

Despite the already large dispersion between growth and value in the marketplace, the acceleration of the already strong move to new economy and disruptive businesses and lack of mean reversion in the market could well result in highly rated companies trading at an even larger premium going forward. To date value investors have not seen any protection in this economic and market downturn as shares that are lowly rated are so mostly for good reason. Many of these businesses are heavily cyclical and highly leveraged so their operational gearing means returns on capital will deteriorate and some businesses solvency may well be threatened resulting either in bankruptcy or dilutive share issuance either of which can wipe out existing equity holders. Overall, the environment going forward remains likely to favour quality growth businesses and in an even lower growth world those few companies able to demonstrate genuine secular growth are likely to remain in favour with investors.

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"Now governments worldwide are taking the necessary steps to avoid a global depression, but this involves borrowing even more heavily and is likely to require slower growth going forward to repay this. In other words there will be a need for increased savings to pay down debt."



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Championing Green on Stephen's Green



Aviva Life & Pensions Ireland DAC are the latest corporate to come on board Champion Green, working to support small local businesses and start-ups, and to encourage consumer support for local producers and services providers. The property team at Aviva have committed to providing short-term, vacant retail space in prime locations to start-ups and local producers who are looking to establish a retail presence for their brand or business.

Award-winning Irish design brand, Jill & Gill is first to be allocated a short-term licence for a pop-up shop in Dublin city centre. Located at 5 St. Stephen's Green, at the junction of St. Stephens Green and Grafton Street, the 399 sq.m. retail unit will allow the design duo to showcase and sell their bold and colourful fashion and homeware collection.

Their hand-printed range of organic cotton t-shirts and sweaters in a fresh eclectic style has won the creative design duo, illustrator Jill Deering and printmaker Gillian Henderson, legions of fans. Their fashion and prints collection are already stocked by Kilkenny Design and the new St. Stephen's Green retail pop-up will see even more city centre shoppers able to browse the brand's latest collection.

Suzie Nolan, Head of Property Fund Management at Aviva, said: "The short-term licence arrangements are a 'win win' for everyone; not least shoppers and the city centre retail community. We are enabling up-and-coming businesses to showcase their products in a physical and high-profile location which is expected to drive additional footfall to these locations. "In the case of Jill & Gill, we are delighted to provide a complimentary short-term licence on the property so that the business can explore the high street retail potential and extend its consumer reach. Not only does this support local creative talent, but it also strengthens the city centre retail offering with new and exciting Irish brands as well.

"The property fund will also benefit from this initiative as, having the shops occupied by interesting and attractive tenants such as Jill & Gill, will assist in promoting the currently vacant units to prospective new tenants. While the vacancy rate in the Fund is only 4%, it is made up of small units in well located properties that would be an ideal fit for the Champion Green initiative."

Pop Up Potential

Jill Deering of Jill & Gill said: "The brand's very own pop-up store on St. Stephen's Green is an incredible and exciting

opportunity for our business. We are very grateful to Aviva and to all the organisations and consumers that have bought into Champion Green so wholeheartedly. We are delighted to bring our creative offering right into the heart of Dublin's shopping district for visitors to enjoy.

The fine art, fashion and design creatives already operate their studio on Francis Street in Dublin. Opening a retail outlet was always an ambition for them, but the impact of Covid-19 on business had made that an unlikely prospect until Aviva joined forces with Champion Green.

"To have this chance for people to see what a small Irish business can do excites us so much", Gillian Henderson said. "We want to showcase our skills and passion for modern, handmade Irish products. Through this store we can give a sense of the value and satisfaction of investing in local design that is meaningful and impactful and created with passion".

The Champion Green initiative was created by Kilkenny Design, and is sponsored by Visa, in an effort to help thousands of small businesses across the country that form the backbone of the Irish economy.

Consumers, large organisations, financial institutions, administrators and State bodies all recognise the need to get behind smaller local brands and businesses, and to buy locally and use local services. "This is about jobs and national prosperity", said Marian O'Gorman, Kilkenny Design CEO. "Without the small businesses, bigger businesses risk losing their customer base. And so, other corporates, large businesses and organisations need to up their support for local traders and identify practical means to support them as we move towards recovery", the business leader added.

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Suzie Nolan, Head of Property Fund Management at Aviva

A sensible approach to No Claims Discounts



No-claims bonuses can make the difference between a premium that costs hundreds of euros, and one that costs thousands. Some insurers make it difficult for clients to qualify, but at DUAL, we aim for a more sensible approach

by Kate O'Connor, Head of Business Development, DUAL



For many motorists in Ireland, car insurance isn't cheap. Clients expect their Brokers to shop around to find them the best value cover and save them the most money. However, just looking for a low premium isn't necessarily the best way to keep costs down. An insurer's attitude to no-claims bonuses can also cost or save your client significant sums.

Clean history, but no bonus

As in most countries, car insurance in Ireland is more expensive for younger or less experienced drivers. These motorists are statistically more likely to be involved in accidents, so it makes sense that their premiums would be higher.

Less logically, the problem is also often worse for people buying an additional car, or clients who have been driving on a company fleet policy. That's because most insurers require motorists to earn a separate no-claims bonus for each car they are insured on, rather than one for themselves as a driver. If they replace their car, they can transfer their bonus, but if they buy a new car in addition to their existing one, they have to start earning a new no-claims bonus from scratch.

Returning expats

It can also be difficult for expats to find affordable insurance when they return to Ireland. If a driver hasn't been insured in Ireland for two or more years, their no-claims history may be lost. Even if they have been driving claims-free all the time they were out of the country, many insurers may still refuse them a discount.

Some insurers in the market do offer bonuses to returning expats with a clean claims history. However, their eligibility depends on where they were living, and if the insurer accepts a no-claims certificate from that country. So, while a safe driver returning from New York might obtain a full no-claims discount, an equally safe driver returning from Shanghai may not.

Same driver, different premium

These limitations mean that a client with a clean, continuous driving history may need to start from the ground up, paying a full premium and re-earning their no-claims bonus year-

on-year. They also mean that drivers who want to insure themselves to drive an additional car must choose which to apply their bonus to, and then start earning a new bonus on their other vehicles. This is the case whether they are driving a company vehicle, a world-class collection of vintage sports cars, or their spouse's car. It makes no difference how safe the driver is, nor the fact that their skill and experience remain unchanged. If they drive multiple cars but have only earned one bonus, they may have to pay a full premium on any other car they drive.

This can have a significant impact on the cost of your clients' motor insurance. A clean claims history can save a driver more than half the cost of their premium. But if they have just returned from working abroad, or if they have just added a new vehicle to their car collection, most insurers could charge them as much as if they were a newly qualified younger driver.

The sensible solution

At DUAL, we think this doesn't make sense. If your client has been driving a company car for years with no claims, and then decides to invest in a nice classic car for the weekends, they don't suddenly become a more reckless driver. In the main, the difference between driving safely and dangerously is the driver themselves, not the car they are in.

That's why we consider your clients' driving history when we set their premium, and we offer the same bonus across all their vehicles. If your client has a clean driving history, we look to offer them a full no-claims discount that can save your client up to 60% of their premium, on every car they are insured on. If you are looking for sensible comprehensive car insurance from expert insurers, get in touch.

Kate O'Connor is the Head of Business Development at DUAL, the world's largest international MGA. DUAL Private Client specialises, amongst other areas, in high net worth personal insurance in Ireland and are backed by AXA XL, a division of AXA, one of the world's largest insurance groups. t: 01 6640001 / e:enquiry@dualgroup.ie



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How to present Technical Information to 'non-techies'



by Dermot McConkey, Development & Training Limited

I was asked an interesting question last week. It crops up on coaching sessions from time to time and it's simply this. *What is the best way to present technical information to people who are non-techies?* It can be a real challenge for presenters as technical information, by its nature, can often involve a lot of detail unfamiliar to others like lots of figures, lots of jargon, lots of abbreviations and comparisons and if you are not motivated by such material, it's easy to switch off and be demotivated. I think it's fair to say we've become a world that communicates in two-minute sound bites and 140 characters (Tweets). So how can anyone be expected to explain complex information in a quick and easy to understand way within these limitations? Most people at the receiving end of any presentation usually want to know "what's in it for me". That's understandable. Most want to know if this information is relevant to them at that time? Will it improve their lives in some way? If they don't take it in, will there be a consequence? Does it really matter if they tune out? If those questions are in the mind of your target audience, you have a job in hand to win them over. So, is there a blueprint to follow that could help with these challenges? Let us examine some possibilities.

There is a big difference between presenting to technical peers and presenting to non-technical audiences. When you talk to peers, you can often count on an atmosphere of common ground or shared commitment, even before you start. With non-technical audiences, you have to create this shared commitment. That is the job of your introduction. A good introduction is important. The whole introduction should take no more than two minutes; otherwise, the audience will begin to assume that you have moved into the body of your presentation and they have missed the transition. You should follow the tried and tested formula for presentations ie....

Tell them what you are going to tell them (the agenda)

Tell them the theme (of the whole presentation)

Tell them what you told them (the summary)

Be concise

As Albert Einstein once said, "If you can't explain it simply, you don't understand it well enough." Try to focus your opening sentence on the central point of your presentation. After that, use the "Twitter test" and try to reduce each important point down to 140 characters. You may not hit that number exactly, but it will force you to think of boiling the information down to the bare bones. At tech-savvy companies like Google, Facebook and Microsoft, successful workplace interactions are often dependent on a technical professional's ability to inspire collaboration, express their ideas, and solve problems with their non-technical co-workers or leaders.

Include stories

Technical experts in our industry often begin a presentation with data and statistics, but that can lack impact. By thinking of how the information can be crafted into a story the audience can be immediately engaged. A key rule of telling stories is giving your audience an emotional experience. Purposeful stories that reach the listener's hearts and minds are those that

move them to action. Specialists say that the most effective and efficient way to do that is through the use of metaphor and analogy. These linguistic devices are key components of the way we think, building blocks of the very structure of knowledge. They can be used to evoke images and turn on memory, along with rich sensory and emotional associations, bringing the listener into the story, cognitively and emotionally, as an active participant. Stories allow an audience to feel the emotion of those involved in the story without it actually happening to them. Stories can be case studies of success or otherwise.

Use visuals to illustrate your technical points

Figures can be difficult for many to follow. Lines of figures beside one and other can look very similar and hard to differentiate so use colour in bar charts, pie charts, diagrams, line graphs or photos where possible. Remember: A picture is worth a 1,000 words. If there are decimal points in your figures round them up and down as the case may be. It can make your points easier on the eye and less visually cluttered. Here's a simple advice chart.

- Use a photo to show**What it looks like
- Use a map to show**Where it is / positioned
- Use a diagram to show**How it's organised
- Use a graph to show** How much there is
- Use a pie chart to show** Proportions, %'s
- Use a bar chart to show** Comparisons of quantities
- Use a table to show**A body of data

Integrate questions at various points

Throwing in a question now and then can really help. You might have a slide with "So what?" or "what's the big deal with that?" written on it. Your audience will immediately connect with that question and want to know your answer to the point you are making at that time. Challenge each of your key points to ensure that you're relating it to the listeners and their lives. Remember: A man convinced against his will is of the same opinion still!

Include FAQ's

Frequently asked questions are always worth including at the end in any technical presentation. Include the most basic to the most complicated questions. That way you'll keep the attention of all listening to you.

FAB is worth including too

As a sales trainer you'd expect me to include this. I suggest you include features (F), advantages (A) and benefits (B) into your technical presentation. Think (F) dough, (A) oven, (B) pizza. The features are the dough. The oven is the process it goes through (what happens, how it works, the problem it solves) and the pizza is the end result – the benefit to the end user. Explained in this way people can clearly see the beginning, the middle and the end via this logical progression. If you include some of the above in your delivery, I'm confident you will win over more of the non-techies in your future presentations.

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The Consumer Insurance Contracts Bill brings major benefits to Business and Consumers but the most onerous aspects for Insurers have been deferred until September 2021



Colm O'Neill has almost 40 years claims experience and in 2013/14 added to his insurance and loss adjusting qualifications by completing an MBA in Business from Trinity College Dublin. In August 2020 he started a Loss Assessing business named 'Oneclaims' and can be contacted at colm@oneclaims.ie or 0871808069, www.oneclaims.ie.

Firstly the act applies to **consumers** and **all business with a turnover of less than three million euro** per annum which will cover all private policyholder purchasers of insurance and a large proportion of business concerns. This act which has been signed into Law commenced on September 1st 2020 with some of the more onerous provisions under Sections 8,9,12 and 14(1)-(5) not coming into force until September 2021.

MAIN PROVISIONS THAT WILL NOT NOW COME INTO FORCE UNTIL SEPTEMBER 2021

Purchase and Renewal of Insurance

The greatest change is to what was known as the duty of Utmost Good Faith. If an insurance company **does not now ask a specific question the consumer does not have to provide information.** Up to now there was a duty on the consumer to provide some information that was not asked for ie that the homeowner or someone in the home had a criminal conviction. (Known as a material fact). This enabled insurers to deny claims where they became aware of information after the fact that should have been disclosed. This put the consumer in a difficult position when taking out Insurance in that they had to make a judgement on what facts were material and what facts were not.

The **questions** asked by the Insurer must be in a **plain and understandable** form.

The consumer must respond to any questions asked **honestly and with reasonable care.**

The Insurer must seek information at the time a policy is renewing by **asking specific questions.**

If the consumer gives **incorrect information** the outcome will depend on whether the information was given **innocently, negligently or fraudulently.**

Innocent Misrepresentation will not affect the right to make a claim

Negligent Misrepresentation will depend on what the insurer would have done if they knew the full facts. The remedy must be proportionate.

Fraudulent Misrepresentation will enable the insurer to avoid the contract from the date the claim was submitted.

A copy of the application must be provided to the consumer.

The Insurance Company must now annually provide consumers with a **list of premiums paid** and **claims paid** in the **last 5 years** on the policy.

MAIN PROVISIONS THAT APPLY FROM SEPTEMBER 1st 2020

The Consumer has **14 working days (Cooling off period)** in which to withdraw from the contract. They only pay for the days they were on cover.

Claims Issues

Insurers must engage meaningfully and promptly with consumers in resolving their claims.

Insurers shall pay **that part of a claim that can be quantified within a reasonable time.**

Insurance Companies will now only be able to withhold **5% of a claim up to €40,000.00** until repairs are complete and **10% over €40,000.00.**

Where an insurer is dealing with a third party claim such as under

a motor policy they have to **inform the customer about the outcome of the claim.**

False or Misleading Information given by the policyholder in the course of a claim can result in **a refusal to pay that claim.**

Fraud on a claim **does not affect other claims** on the policy that are not affected by the fraud.

The Insurance Company can terminate a policy from the date of submission of a fraudulent claim.

Where a contract contains a clause excluding cover for a **criminal act or intentional act or omission** the exclusion applies **only to the person who committed the act** or abetted or consented to the act. So an **innocent** family member who had no involvement **should not suffer** due to the criminal act.

If a policyholder breaches a policy condition, cover is only suspended during the period of the breach. So for instance if a fire alarm was not working for a period and there is a condition on the policy stating the homeowner has to have a working alarm at all times. The Policyholder gets the alarm fixed and a fire happens. **The insurance company cannot deny the claim on the basis the policyholder did not have a working alarm at all times.** If it was working at the time of the Fire cover would apply. It should also be noted that if the alarm was not working at the time of the Fire such as due to a power cut or battery failure the Insurance company would not likely be allowed to deny a claim, on grounds of reasonableness.

An Insurance company **cannot use a breach not associated** with a claim **to deny** a claim. Example If you have a burglar alarm condition on your policy and a fire starts in your TV, the Insurance company cannot use the fact that your alarm was not working to deny a fire claim.

You can now take a claim against a third party by making a claim directly against their insurance company if the other party, dies, is insolvent or a court thinks it's fair to allow you to do so.

Example 1. You are involved in a motor accident and the other driver refuses to co operate or to report the claim to their insurer. You took his Insurance details at the scene of the accident or get it from the Gardai. You can contact his insurer and if they refuse to co operate you can pursue them directly through the courts, if a court thinks its fair.

Example 2. You employed a building Contractor to undertake work on your property. The builder causes damage to the property and then goes into Liquidation with the job unfinished. You can contact that builders Insurer and seek details of the coverage which they have to provide. You can then go after that Insurer directly for your loss and damage.

Delay in Notifying a claim will not of itself allow an Insurer to refuse to deal with your claim. They will now have to show that the delay caused prejudice to their position also.

Where the risk changes materially an "alteration of risk clause" can result in a claim being denied but the change must be substantial not a simple modification of the business.

Subrogation

It will not be possible for your insurer to sue a family member or co habitant resulting from an incident that causes damage.

Example. A member of the policyholders family causes a fire due to a cigarette being thrown carelessly in a bin. The Insurer will not be able to sue the family member in negligence.

Insurable Interest

Under previous law if your name was not on the policy you could not claim. Now if you can show an interest in the property or indeed if you can show that you expected to have an interest in the property in the future you may be able to claim even if you are not listed as an insured person.

New campaign from Irish Life to help support your business

1 in 5 of us are happy to re-start our 'daily business' such as getting the car serviced or dropping into the local bank branch.

However almost half of us still say that we're not comfortable meeting people in confined or indoor spaces. So, starting Monday 7th September, Irish Life will be running a second round of our new campaign to make your customers aware that they can now complete a financial review or get advice on their Retirement Planning options, through a video chat with their Financial Broker. Research suggests that 2 in 3 people say they would avail of the video option because of its safety aspect and the convenience of not having to leave home.

This campaign will not only include TV as previously but also new radio, digital and



social media adverts to promote video advice to a wider audience beyond the retirement segment. The adverts will continue to use examples of things people are getting to do more of at home during lockdown...things you wouldn't expect to do while getting financial

advice. So using that unexpected connection to make customers aware that they can now get advice safely in the comfort of their own homes from their Financial Broker. Keep an eye out for the campaign which will run through to October 11th.

A Group Pension has many clients, how are you cultivating yours?



Centric's Adviser Platform significantly enhances revenue opportunities from existing group schemes

Revenue opportunities and brand awareness are created through digital interaction with scheme members, providing advisers with an innovative communications platform.

Advisers can now upload documents and send push notifications direct to member's phones throughout the scheme year. This targeted messaging ensures that members have a strong awareness of the adviser's brand and the range of services they offer.

New business referrals are continually generated as members engage with the interactive *to do list*, choosing from a range of tasks such as pension consolidation, family protection, savings options or indeed members can simply create their own.

The Centric Platform transforms scheme communication and creates a unique value proposition for the adviser.

For more details contact:

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087 2151007 / karl@centric.ie
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New car registrations down 28.6% on same period last year SIMI

The Society of the Irish Motor Industry (SIMI) has released their official new vehicle statistics. New car registrations for August were down 4.2% (4,875) when compared to August 2019 (5,088). While registrations year to date are down 28.6% (78,920) on the same period last year (110,527). Light Commercial vehicles (LCV) are down 11% (1,683) compared to August last year (1,891) and year to date are down 23.8% (16,700). HGV (Heavy Goods Vehicle) registrations are up 20.13% (185) in comparison to August 2019 (154). Year to date HGV's are down 25.6% (1,641). Used car imports for August (8,143) have seen a decrease of 16.1% on August 2019 (9,706). While year to date imports are down 45.1% (39,672) on 2019 (72,214).

Brian Cooke, SIMI Director General commenting on the market figurers said: "August represents another disappointing month for new car sales, with sales again down on the same month last year, as they have been each month of 2020. This has led a year to date reduction of 29% in new cars sales, and a 43% reduction over the last 4 years. The Industry is operating at the same business levels as 10 years ago, when the sector shed close to 15,000 jobs. The outlook for 2021 is not optimistic, with the negative impact of both COVID and BREXIT, new car sales will continue at recession levels. The Motor Industry in Ireland supports employment in local communities throughout the country and to protect these jobs it needs a fair taxation environment in which to operate. With Budget 2021 only weeks away, now is the time for a significant reduction in Vehicle Registration Tax (VRT). This would enable the car market return to normal sustainable levels that would not only save jobs, but increase overall tax take and help renew the Irish car fleet, reducing both the age of the fleet and emissions from transport."

Buyer seeking to acquire an IDR Regulated entity with mortgage licence or a mortgage only regulated firm under CMCAR

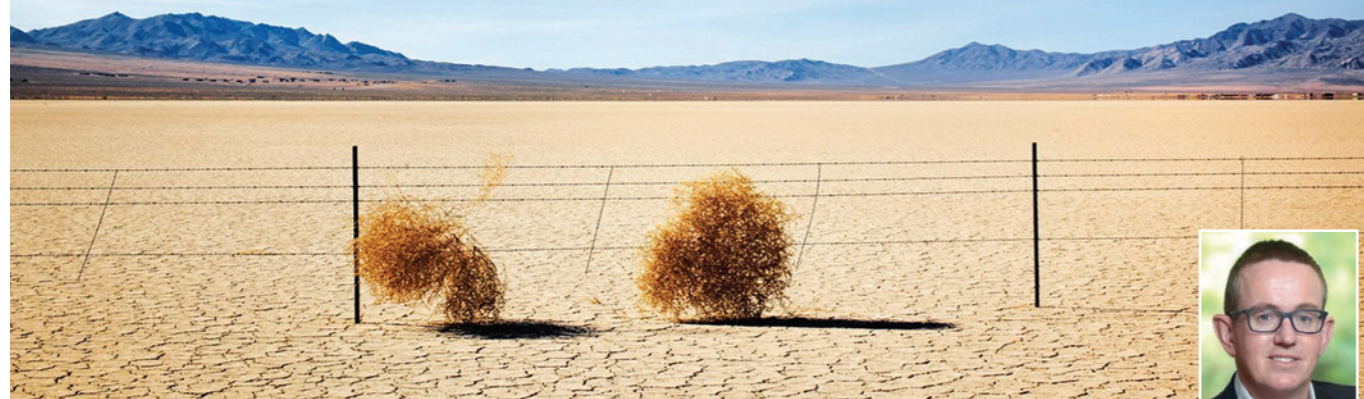
(European Union Consumer Mortgage Credit Agreement) Regs 2016

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What do you do when the flow of new clients dries up?

"If you have a clear target market and all of your communications are aimed with that group specifically in mind, the customers within that group will connect with your messages and are more likely to view you as a specialist who is out to serve their specific needs."



Eamonn Twomey, StepChange

As Financial Brokers are adjusting to working remotely from the office and distanced from clients, the challenge of attracting new clients is a recurring question these days.

Most Financial Brokers have adjusted quickly to servicing existing clients, however attracting new clients has been more challenging. While the recent economic upheaval has created a difficult backdrop for all, the issue has been particularly challenging for Financial Brokers whose main source of new clients traditionally has been by referral, particularly where the Financial Broker previously had an effective way of asking at meetings for referrals. Because client conversations are not quite as smooth when using Zoom etc, Financial Brokers are finding it more difficult to have effective referral conversations. My advice? While referrals were and will always be a rich source of new clients, they can't be your only approach. It's time to go back to the first principles of marketing and to consider in particular the concepts of **Segmentation, Targeting & Positioning (STP)**.

Some definitions

So we'll start with a 30-second marketing lesson. Here is a definition of each, as set out by Philip Kotler, the grandfather of marketing education.

- **Market Segmentation:** Dividing a market into distinct groups of buyers with different needs, characteristics or behaviour, who might require separate products or marketing mixes.
- **Market Targeting:** The process of evaluating each market segment's attractiveness and selecting one or more segments to enter.
- **Market Positioning:** Arranging for a product (or service) to occupy a clear, distinctive and desirable place relative to competing products (or services) in the minds of target consumers.

What's happening in the Financial Broker market in Ireland?

Many Financial Brokers realise that a "one size fits all" proposition just doesn't cut it any more. Either for the client who is looking for more than a generic service, or for the Financial Broker who cannot profitably or successfully deliver the same service to all clients irrespective of their value, characteristics, needs etc. As a result, many Financial Brokers are undertaking segmentation exercises by analysing both potential customers and their existing client bases. The goal is to identify all of the

different groups of customers, possibly by sector, by business potential metrics, or by demographic factors.

Once the segmentation exercise is completed, the next task is to identify the segment(s) that you are going to target. These may for example be SME business owners within your county and surrounding counties, or corporate executives aged over 50. It's quite possible that you will also decide to target another group such as newlyweds – they might offer lower value today, but offer growth potential in the future. You will decide your target groups based on your access to those people, the segment potential, your areas of expertise and specialism, the capability of your Financial Brokers etc.

Most Financial Brokers are relatively comfortable with these first two steps, it's the third step of positioning that challenges people more. This is where you aim your proposition, your services and your communications at the groups you have identified to target. The reason people are uncomfortable with this is because through targeting specific groups, there is a risk of not appealing to others outside of your target groups – of leaving people out.

Of course the alternative is to try and talk to everybody, but the significant risk with this is that you can end up appealing to no-one.

Why STP is so important for Financial Brokers today

It's this final step of having the courage to position yourself within a specific target market (or even a niche) that is a step too far for many Financial Brokers. They struggle with the idea that while attracting new clients might be quite tough today, that it might actually be easier if you narrow your focus! How does this make sense?

If you offer a generic service to clients, they will recognise this. They won't feel any particular connection with what you do, as it is not targeted **at them**. Instead if you have a clear target market and all of your communications are aimed with that group specifically in mind, the customers within that group will connect with your messages and are more likely to view you as a specialist who is out to serve their specific needs.

There are lots of very good Financial Brokers operating in the Irish market. At the end of the day, how are you going to stand apart from the crowd if you offer a very generic service? Instead the answer may lie in identifying your ideal clients, and then developing your proposition and communication approaches to target them in a very structured way.

You can contact Eamonn by phone on 086 2519895 or email: eamonn@stepchange.ie



Oireachtas Digest

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



Mortgage Issues

We have about 36,000 businesses on bank loan breaks. Our schemes will then be available to come in and support those businesses as time progresses. Our first port of call was to work with the banks on forbearance and that has proven to be successful – **Orlaigh Quinn, Sec-Gen, Department of Business, at the Oireachtas Special Committee on Covid 19 Response**.

A decision should be made to not just engage with the credit unions, but to assist them with putting their €18.5 billion in assets into play in order to support businesses in their areas. They have a methodology for assessing and dealing with loans and they know their customers. There has been a great deal of talk about supporting micro-enterprises. Using the credit union movement is one sure way of getting money into the local economy – **John McGuinness TD (FF, Carlow/Kilkenny)**.

When a person or business does not pay back their loan, the cost of that is socialised in terms of higher interest rates on other businesses. When somebody does not pay back their mortgage, the cost of that is socialised in terms of people who pay back their mortgage having to pay more. That is why it is such an unfair thing to do, not to pay one's bills and not to pay one's debts because one just passes on the cost to other people – **Leo Varadkar TD, Minister for Business, Enterprise & Innovation**.

I cannot mandate how temporary payments received under the Wage Subsidy Scheme are treated in lending sustainability evaluations by regulators and lenders. The banking crisis we faced over 10 years ago was fueled by unsustainable lending. There are now thankfully far firmer regulatory controls and restrictions on lenders. Speaking on this particular issue, on 7 May, the CBI Governor publicly noted that if an individual borrower's circumstances have changed such that doubt is cast over the sustainability of potential borrowing, it is in the best interests of the borrower and the bank if the situation is reviewed – **Paschal Donohoe TD, Minister for Finance**.

Credit unions account for approximately one-third of the consumer credit market and are well positioned to provide access to credit to support the recovery from the current crisis – **Paschal Donohoe TD, Minister for Finance**.

The Programme for Government contains a commitment in terms of introducing the necessary reforms of the personal insolvency legislation and to ensuring that sufficient supports are in place for mortgage holders with repayment difficulties to access the CCMA, including the available suite of ARAs, and to ensuring it has full legal effect – **Darragh O'Brien TD, Minister for Housing**.

The large vulture funds do not have any mercy for the people in this country. Until we bring in proper legislation to ensure protection where someone is making an effort, we are not going to solve this problem – **Michael Fitzmaurice TD (Independent, Roscommon/Galway)**.

The coordinated forbearance actions of the banking and non-banking sectors agreed to by the members of the BPF and CBI, have provided essential support to personal and business customers impacted by Covid-19 – **Peter Burke TD, Minister of State, Dept of Housing**.

It could be months or years before the economy is back up and running. I accept that nobody knows, but in the interim, thousands of households will face crystallised debt they will not be able to pay. One day, the walls will come tumbling down and somebody will have to pay the debt so the Government might as well face it now – **Alan Kelly TD (Labour, Tipperary)**.

Borrowers make probably the most significant financial transaction of their lives when they take out a mortgage. It is a 20 plus year commitment. The lender and the borrower need to take it extremely seriously and need to ask themselves the question: will this loan be repaid? – **Gabriel Makhlof, CBI Governor at Oireachtas Committee**.

There are several commitments in the Programme for Government relating to credit unions, which will be expanded

upon in the coming weeks and months as the new Government beds down, taking into account work already completed. Credit unions already have the ability to improve their loan to asset ratio, including through additional consumer lending, mortgage and SME lending, either individually or through collaborative efforts – **Paschal Donohoe TD, Minister for Finance**.

Pensions

A Commission on Pensions will be established to examine sustainability and eligibility issues in relation to State Pensions and the SIF. The Commission is to report to Government by June 2021 on options including the qualifying age, contribution rates, total contributions and eligibility requirements. Pending the Commission's report and any subsequent Government decisions, the State Pension age will remain at 66 as at present – **Heather Humphreys TD, Minister for Social Protection**.

The Programme for Government proposes an "Early Retirement Allowance or Pension" for 65-year-olds paid at the same rate as Jobseekers Benefit without a requirement to sign on, partake in any activation measures, or be available for and genuinely seeking work. The new allowance will be introduced as early as possible for those who are retired from employment – **Heather Humphreys TD, Minister for Social Protection**.

General Issues

If there is an outbreak or Covid cluster in a business such as a café or restaurant, will the owners face any insurance liability? Has the Department considered this or how it might support businesses experiencing such impacts? – **Martin Heydon TD (FG, Kildare South)**.

I am not of the view that a business is liable for somebody contracting Covid on its premises, unless it was somehow grossly negligent or responsible for it. To my knowledge, nobody has ever successfully sued a business or crèche because they or their kid got chickenpox or the flu on its premises. I do not see why that would apply to Covid, but stranger things have happened in the Courts with regard to

● *continued overleaf*

compensation claims – **Leo Varadkar TD, Minister for Business, Enterprise & Innovation.**

Insurance Ireland noted that there are insurance products available, which are referred to as GAP (Guaranteed Asset Price) or RTI (Return to Invoice) insurance, which compensate the customer for the gap between the value of the car at the time of the loss and the cost to replace the car. However, they noted that this cover does not tend to be sold as part of a traditional motor policy, but instead they are sold by the finance providers (in many instances these will be vehicle manufacturers and retailers). Therefore, Insurance Ireland advises that consumers review the finance documentation they received when they

purchased finance for the car with a view to understanding if they were offered GAP cover and if the potential risks associated with same was explained to them at the time of purchasing the finance – **Paschal Donohoe TD, Minister for Finance.**

We are absolutely determined that insurance companies should pay up where they have to pay up. They should not be obligated to pay up if nothing is required in the contract. It is inevitable that in some cases, this will need to be taken to the courts – **Gabriel Makhoul, CBI Governor at Oireachtas Committee.**

The Programme for Government sets out a multipronged approach to dealing with

insurance, both on the personal injuries side and in terms of making sure there is fair competition. We will be tackling the insurance issue on a number of fronts – **An Taoiseach.**

While it may be possible for individuals to claim against businesses if they allege that they have contracted COVID-19 on their property, it may well be the case that it would be difficult to prove where a person specifically caught the virus in the first place. I believe the best way that a business can protect itself from litigation is to follow public health guidelines and implement social distancing measures and this is also true for all individuals in terms of their own health – **Paschal Donohoe TD, Minister for Finance.**

Aon brings together Coalition of Leading Employers to help move the economy forward

Aon, a leading global professional services firm, has announced the formation of a Coalition of leading Irish based employers and Ibec, Ireland's largest business representative group. The Coalition will work to build guidance and best practice for Irish businesses and organisations navigating the recovery phase of the COVID-19 pandemic and the safe return to offices.

The Coalition will share key insights from operating in a COVID-19 environment over recent months, assess the impact of these efforts, evaluate the role of latest technologies in responding to the pandemic and develop a set of guidelines to help companies respond to a changing business environment. The focus of the Coalition will be around Return to Work, Travel and Convening - challenges currently facing all leading businesses as they plan to bring people back to offices once public health guidelines support those efforts.

The insights and guidance will be shared with other organisations across the economy to support the journey to societal and economic recovery.

Aon launched similar coalitions in Chicago in June, New York in July, and Singapore in August, with plans to conduct similar efforts in other major cities including London, Madrid and Tokyo.

The launch of the Coalition in Ireland coincides with new research from Aon's COVID-19 Pulse Survey into the current return to work plans of Irish businesses. The survey shows that six in ten companies believe less than half their workforce will be able to return to their office in the next three to six months while just 30% of those surveyed believe the majority of their workforce will return to physical locations within a twelve month period. Organisations are actively looking at how best to address the future workplace and it is hoped that the work of the coalition will help to inform these decisions.

Accenture, AIB, Amazon, Aon, A&L Goodbody, Bord Bia, ICON plc and Irish Life are members of the Irish coalition together with Ibec, the group that represents businesses which employ over 70% of the private sector workforce. The first virtual meeting will be held in the coming weeks to discuss how best to navigate the return to office-based work and the new reality of managing workforces under government guidelines and public health restrictions.

Welcoming the formation of the coalition Leo Varadkar, TD, Tánaiste and Minister for Business, Enterprise and Jobs said: "Covid-19 has had a profound impact on the way we work and will continue to present really difficult challenges for



"The task of bringing everyone back to the physical workplace is an immense challenge and one that all businesses and organisations are facing together."

Peter Brady, Aon's CEO for Commercial Risk & Health Solutions in Ireland

businesses as they navigate the next few months. It's great to see companies working together on how they are managing these challenges and sharing information on what has worked best. I look forward to hearing any ideas that can be shared more widely from this group."

Commenting today Peter Brady, Aon's CEO for Commercial Risk & Health Solutions in Ireland said: "While many of Ireland's retail and hospitality businesses have reopened in line with Government recommendations, most office-based companies continue to work remotely. The task of bringing everyone back to the physical workplace is an immense challenge and one that all businesses and organisations are facing together."

"The Government has published its 'Return to Work Safely Protocol' guidelines which give employers a blueprint, providing good insights and guidance, however as an employer of more than 50,000 world-wide and over 600 people here in Ireland, when we started to put in place our own return to work plan we realised that there were significant existing and future challenges that needed to be explored and addressed.

"Over recent months, teams at Aon have used our expertise to assist clients in maintaining operations and mitigating risk during the pandemic—and believe we have a responsibility to play a larger role in helping the private and public sector navigate the recovery."

Danny McCoy, Ibec CEO said: "It is important that business leaders share best practice and insight in relation to how the Government's Return to Work Safely protocol can be effectively implemented. It is now crucial that 'when' public health advice allows the return to offices that businesses have a coordinated view on the 'what' and 'how' already developed. This initiative can help in this coordination role."