

Aidan Connaughton

General Manager, AIG Ireland

IN THIS ISSUE



Aviva announce Global Climate Escalation Programme

Peter Smith



Pensions commission consultation on the state pension

Rachel McGovern



Multi-car policies, how they can save your clients money

Kate O'Connor

THE
INSURANCE
EXPERT

MOTOR | COMMERCIAL | HOME | SPECIALITY

insurancebroker.ie

IS LIVE

The new InsuranceBroker.ie website will help to professionally promote Insurance Brokers and consistently raise consumer awareness of their value proposition.

NEW CONSUMER SITE | FRESH, MODERN SITE DESIGN | SIMPLE, INTUITIVE NAVIGATION | EASY TO USE BROKER DASHBOARD & RESOURCE CENTRE | MOBILE & DEVICE RESPONSIVE

WHAT DO BROKERS GAIN?



IMPROVE
CONSUMER
PROFILE FOR
INSURANCE
BROKERS



POSITIVELY
ENDORSE THE
IMAGE OF
INSURANCE
BROKERS AS A
GROUP



VIBRANTLY
PROMOTE
BROKERS &
YOUR VALUE
PROPOSITION



PROJECT THE
DYNAMISM &
PROFESSIONALISM
ESSENTIAL TO
RETAINING
CUSTOMERS



ACCESS MARKETING
MATERIALS
FOR CUSTOMER
CAMPAIGNS &
COMMUNICATION



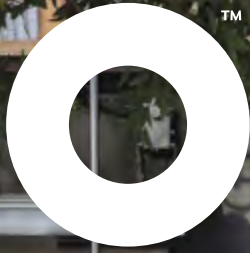
WIN NEW
CLIENTS



info@brokersireland.ie
www.insurancebroker.ie



**INSURANCE
BROKER**



**FINANCIAL
BROKER**



**EVOLVING
THE BRAND**

**WORK IN
PROGRESS**

**NEW
WEBSITE
LAUNCHED**
Financialbroker.ie

**WHAT DOES €25 PER
MONTH GET YOU?**

All of this and more for €25 per month



National radio advertising on RTE



Year round digital and PPC campaign



Measurable Broker website leads through campaign activities



Radio branding-consumer shows & event sponsorship



Consumer materials -brochures; posters; articles; blogs



Videos – customised with Broker logo/ branding



Guides for Financial Brokers



Attendance at annual Financial Broker Conference



- FRESH, MODERN SITE DESIGN
- EXISTING SITE FUNCTIONALITY
- EASY TO USE BROKER DASHBOARD & RESOURCE CENTRE
- SIMPLE, INTUITIVE NAVIGATION
- MOBILE & DEVICE RESPONSIVE

THE FINANCIAL EXPERT

PENSIONS | LIFE | INCOME PROTECTION | MORTGAGES | INVESTMENTS



www.financialbroker.ie

Contact: financialbroker@brokersireland.ie

Managing your compliance.

Take our online Self-Assessment.

A huge amount has changed in our world over recent times and the need for Financial Brokers and Advisors to stay on top of their compliance responsibilities is as important as ever. At New Ireland we make it easier. Our online Compliance Self-Assessment takes less than 30 minutes to complete and provides you with peace of mind that you are managing your compliance requirements.

From connecting with your clients to managing compliance and more, we're determined to make everything easier for brokers. **Because when we make it easier, you do too.**

Visit newireland.ie/ComplianceHealthCheck



NEW IRELAND
Securing your future

Seeing the wood from the trees

I'VE never been to war thankfully, but if I was sent, I think the very first thing I would do is assess the enemy. I'd look at their resources, how they were structured and organised and their positions. I'd ask what I knew about their strategy, how they had historically behaved and then I'd look at their people. I'd look at their leadership and in particular those running their most powerful and important resources.

Once I understood where the greatest threats lay, I would deploy my resources accordingly focusing on the greatest points of weakness to their system in general and forming the fullest understanding of their most important and powerful people. I would to a lesser extent want to have a deep understanding of their broader organisation. I'd like to know about those of lesser importance and impact, those in more functional positions but to a lesser extent than those at the top. I would most definitely not apportion the same amount of my time and effort in dealing with minor participants.

I suppose if you asked me to regulate an industry I'd act in a similar manner. After all, I am a rational actor.

When you think about recent scandals in the financial services sector, you have to question why the wood has not been seen from the trees. Regulators have opportunistically called for more powers to ensure things won't happen again. This is the wrong approach. No regulator can have infinite resources, no organisation can. This is why we make risk assessments and focus our finite resources where the risk lies. Take the PCF regime. To apply the same standards and regime

to the proprietor of a start-up one-man financial brokerage with a five figure turnover, as to the chief of a systemically important institution with a staff of thousands and multi billion euro balance sheet, is a nonsense. It is not more powers and resources that are needed but razor sharp focus on risk assessment and deploying resources in monitoring those who can inherently have systemic impact, those who possess power and influence. It is naive to think that strengthening rules and requirements will make a difference if these powers are applied with a butter knife. The wood must be seen from the trees and resources focused where the greatest risks lie.

Keeping ‘on track’



MEMBERS MEETINGS

IN January this year, Brokers Ireland hosted our virtual members meetings to outline the Association’s key focus and strategic framework for 2021. These sessions were well attended and facilitated some robust exchange and input from members across a range of important Insurance and Financial Broker issues. Apart from some initial trepidation in hosting these virtual interactions, the obvious benefits of reduced travel and increased attendance, quickly became apparent. It has enabled us to improve our collaboration with members through a more frequent and focused meeting structure and increase accessibility to a wider cohort of Brokers. While virtual sessions may never be a complete substitute for physical meetings, they have nonetheless, created a new dynamic and engagement in staying connected with members.

With this in mind, we are again hosting two virtual Members Meetings in April which will update members on developments across key Brokers Ireland priorities. These meetings will present Directors and Principals with updates on actions taken so far in Q1 2021 and provide an opportunity for members to provide feedback which will help to shape our roadmap going forward.

The meeting for Insurance Brokers will take place on 13th April and address: differential pricing; agency agreements; legislative changes; the Insurance Broker brand and overregulation. The Financial Broker session will take place on 20th April and outline: pensions reform; lobbying – budget submission 2022; the Financial Broker brand; life office engagement; agency agreements and market evolution in future proofing Financial Broker.

We strongly urge members to attend and get involved in this participative process and I look forward to welcoming as many of you as possible to these meetings in April.

EUROPEAN DEVELOPMENTS

Europe continues to be a primary source of legislative and regulatory change for the Broker market and that is set to continue. On the 24th of September 2020, the European Commission published a new CMU Action Plan, “A Capital Markets Union for people and businesses-new action plan” which sets out 16 legislative and non-legislative measures to deliver on the following three main objectives:

- To support a green, digital, inclusive and resilient economic recovery – with a focus on SMEs
- To make the EU an even safer place to save and invest long-term
- To integrate national capital markets into a genuine single market

Among the 16 measures are several actions focusing on retail investors which include:

- Measures to enhance the financial literacy of retail investors
- Assessing the applicable rules in the area of inducements and disclosure and, where necessary, propose amending the existing legal framework for retail investors to receive fair advice with clear and comparable product information (Q1 2022)
- Propose reducing information overload for experienced retail investors (subject to appropriate safeguards)

- Subject to a positive impact assessment being carried out in the context of the reviews of the IDD by Q1 2023 and MiFID II by Q4 2021, the Commission will introduce a requirement for advisors to obtain a certificate that proves their level of knowledge and qualifications is sufficient and shows they participate in an adequate level of continuous education
- By Q1 2022 the Commission will assess the feasibility of setting up a pan-EU label for financial advisors which can be used to comply with the requirement to obtain a certificate

Brokers Ireland believe it is vitally important that this plan considers the existing legislative framework. MiFID II and the IDD already ensure that individual investors can now benefit from: (i) adequate protection, (ii) bias-free advice and fair treatment, (iii) open markets with a variety of competitive and cost-efficient financial services and products, and (iv) transparent, comparable and understandable product information.

Another draft regulation published by the European Commission is the Digital Operational Resilience Act (DORA) which forms part of the Commission’s wider Digital Finance Strategy to support the development of digital finance while mitigating associated risks. DORA is being introduced so that participants in the financial system have the necessary safeguards in place to mitigate cyber-attacks and other Information Communication Technology (ICT) related risks. Under the proposal, DORA will apply to insurance intermediaries in the same way as do much larger financial entities. Whilst understanding that the wide scope of DORA aims is to facilitate “a homogenous and coherent application of all components of the risk management on ICT-related areas” in the financial services sector, the regulatory architecture of DORA is based upon the activities of a stock exchange or a large insurance undertaking. It was certainly not devised with hundreds of thousands of SME-size insurance intermediaries throughout Europe in mind, the activities of which do not pose a risk to the stability of the financial system. Brokers Ireland has submitted observations to the Department of Finance on DORA and has also been in contact with the relevant Irish MEP to advocate for an exemption for small and medium insurance intermediaries.

Reviews are also due to take place in the coming years at European level of the IDD, MiFID II and the GDPR amongst others, despite their relatively recent implementation. Through our membership of BIPAR (the European Federation of Insurance Intermediaries), Brokers Ireland contributes to lobbying and submissions at an EU level to influence legislative developments at their inception. Whilst EU legislation should be forward-looking and should reflect ongoing developments, Brokers Ireland believe that many rules do not need to be changed on such a regular basis and that proportionality could partly be achieved by giving more time for rules to become effective.

Diarmuid Kelly, CEO Brokers Ireland

Choose Zurich for great Mortgage Protection

Not only does Zurich's Mortgage Protection offer great competitive prices, but it has unique product features that will really matter to your customers.

Waiver of Premium Benefit is free with our Mortgage Protection*

This benefit ensures that your customer's premiums are paid in the event of them being unable to work due to illness or injury. And because we believe its essential protection for customers, it's available for free!

Reinstatement Clause*

One of the most important safety features available on our Term product – so missing a premium doesn't mean that cover will end. To reinstate a policy, unpaid premiums can be repaid within three months of the date on which the first unpaid premium was due.

Best in class Continuation Option*

Also known as our rolling 'Protection Continuation Option'. This allows your customers to extend the term of their cover at any stage without evidence of health.

For more information, speak to your
Zurich Broker Consultant or visit zurichbroker.ie



CONTENTS

01

Editorial Comment



02

Inside Track
Keeping 'on track'

Diarmuid Kelly

06

Cover Story
We talk to Aidan Connaughton

10

Irish Life Protection Claims 2020
What was the big claims story of the year?

Martin Duffy

12

Compliance
Brokers continue in difficult circumstances to support and assist consumers

Elizabeth Smith Wright



14

Home Insurance Claims rise by 4.5% as people stay home in pandemic

16

Investing is about controlling yourself at your own game

Andy Ivory Corr

18

Tech Bites
Tax considerations on buying and selling a financial brokerage

Bríd Whelan

21

Liberty Insurance drives positive change for brokers

Jesús Núñez



23

We all need to become leaders in achieving the Net Zero Goal

Brian O'Neill

26

Standard Life MyFolio strategic asset allocation changes

Niall Black

28

Ecclesiastical's specialist approach to underwriting

Justin Kelly

29

Health is Irish public's biggest concern and number one priority

Colette Houton



30

A message from the local Institute Presidents to the graduating class of 2021

32

There is nothing passive about investing responsibly

Michael Hayes

34

The impact of bond yields on the equity market

Philip Byrne

36

Are your clients paying too much for their motor insurance?

Kate O'Connor



37

Pensions commission consultation on the state pension

Rachel McGovern

38

Aviva sets its sights on the world's 30 largest carbon emitters

Peter Smith

40

Retirement Planning Courses for clients of Brokers Ireland members

41

AIG Ireland Online Broker Academy 2021

Naomi Sabherwal

42

Economic & Market Outlook Markets in Transition?

Graham O'Neill

45

Don't sell: Educate and differentiate

Dermot McConkey

46

Oireachtas Digest

Frank Lahiffe



Irish Broker is the monthly journal of Brokers Ireland. The magazine is circulated free of charge among all Brokers Ireland Members. Insurance Companies, The Financial Regulator, The Central Bank, various Government Departments and a select list of companies and people involved directly or indirectly with the Irish Insurance Industry. Other companies or people who wish to receive the magazine may do so on an annual subscription basis of €100. Cheques should be made payable to: "Irish Broker" and addressed to: 136 Baldoye Industrial Estate, Dublin 13.

Irish Broker reserves the right exclusively to edit all copy. Views expressed by contributors or correspondents are not necessarily those of Brokers Ireland, the Editors, the Board Members of Brokers Ireland or Irish Broker Magazine Limited and neither Brokers Ireland, the Editors, the Board Members of Brokers Ireland or Irish Broker Magazine Limited accepts any responsibility for them. Deadlines: The magazine is published during the second week of every month. All items of an editorial nature must be to hand at least 15 days prior to publication date. Advertising copy is required 10 days prior to publication.

Editorial Board

Cathie Shannon
Diarmuid Kelly
Donal Milmo-Penny
Jarlath Jordan
Paul Carty
Paul Gibson

Administration

Accounts: Linda Coldrick
Advertising Sales: Paul Gibson
Graphic Design: Mandy Lawless
Circulation: Linda Coldrick
Printing: Judita Press
Directors: Paul Gibson (M)
Linda Coldrick

IRISH BROKER

is published by
Irish Broker Magazine Limited
Holyrood House
136 Baldoye Industrial Estate
Dublin 13

Tel: 01-8395060 Fax: 01-8395062

Editorial and Advertising
paul@irishbroker.ie

Accounts and Subscriptions
linda@irishbroker.ie

Graphic Design
mandy@irishbroker.ie

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

Very happy to and thank you for the opportunity. I've been with AIG for just over 32 years serving in various leadership roles, most recently as Head of Personal Insurance, Ireland before being appointed General Manager at the start of October 2020. Last year was a significant year of change with the backdrop of a global pandemic and I'm very proud of the strength, resilience and dedication shown by our local team. I'm looking forward to what lies ahead and all that our team can achieve together throughout 2021.

Can you tell us about the AIG Ireland operation and how brokers fit into that?

AIG has been in operation in the Irish market for over 44 years and our general insurance market share is approximately 8%. I really believe we have the most talented underwriting teams who are subject matter experts within their fields and the market we operate in. Our broker partners and clients are also fully supported by our local distribution and claims experts who are always on hand to help. Our mission at AIG, is to be our brokers and clients most valued insurance partner. We aim to achieve this through developing our valued broker partnerships and demonstrating a customer first mindset in all that we do.

Our mission at AIG, is to be our brokers and clients most valued insurance partner. We aim to achieve this through developing our valued broker partnerships & demonstrating a customer first mindset in all that we do.

We also invest significantly in risk management & mitigation services to deliver market leading solutions for our broker partners and clients. From a product distribution perspective, we underwrite a vast array of commercial products that companies require so we can cater for most risks and queries that are submitted from brokers, for example : environmental, marine, cyber, contaminated products, terrorism and much more.

The majority of our commercial business is transacted through the broker channel, so brokers are very important to our success at AIG and remain front of mind when we're taking strategic decisions.

We continuously partner with our brokers to deliver the best possible experience for our clients; whether that'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.

Communication is a top priority for us in terms of developing thought leadership material for our brokers to utilise in conversations with their clients about various claims trends, risk mitigation knowledge, and other emerging trends. It's also important for us to support brokers with their training requirements. This year, we are delighted to announce the continuation of our AIG Online Broker Academy which aims to provide our broker partners with the latest product and market knowledge to ultimately help them better serve their client's needs. We are very committed to supporting our brokers needs and will always listen to their views on how we can help to make it even easier to carry out business with AIG.

Some insurers offered rebates or refunds on motor policies last year to reflect the lower claims volumes due to the travel restrictions. AIG addressed this through

discounts as policies came up for renewal. Why did you take this approach?

AIG has introduced a range of measures to support our customers throughout COVID-19, including priority repairs, free breakdown service and courtesy cars for HSE and frontline professionals. Our private car insurance rates are also very competitive.

Our view remains that the most meaningful way to offer value is not through one-off rebates but through the renewal cycle. Premiums reflect the risk environment, and as this changes AIG customers will benefit from falling premiums – which has been the case during the pandemic as travel restrictions have impacted road usage and led to a fall in claims volumes.

Other insurers have sought to address this through rebates. We took a different approach on the basis that flat rate rebates mean those with higher premiums are disadvantaged. The 4% discount implemented by AIG means those whose premiums are highest will save the most. In some cases, this will be a multiple of the rebates offered by other insurers. Some of our customers have saved as much as €145 on their premium at renewal.

Can you share your views on dual pricing and the legislative proposals tabled by Pearse Doherty?

Ultimately insurers, regulators, brokers and customers benefit from a competitive and dynamic market. It's important to point out that the Irish insurance market is already highly competitive and dynamic. We have a strong base of well-established domestic insurers, along with many of the major global and London Market insurers. We want a sector in which a number of players compete fairly and competitively on price, product and service and where the customer benefits from innovation and from the value added, both by providers and brokers. Any intervention or legislation that works towards that outcome can only be a good thing.

In that context, AIG certainly welcomes the announcement by the Government that a new office will be set up to increase competition in the insurance market in Ireland. More competition will increase capacity and the availability of insurance solutions to this market, ultimately benefitting the customer.

On differential pricing in private car & home insurance, I should note that the recent Central Bank interim report of its Differential Pricing Review finds that differential pricing can encourage competition and innovation and facilitate market access for some consumers. This highlights the importance of customers engaging with providers to get the best product available and shopping around regularly, similar to other services such as broadband or gas / electricity. I believe it also highlights the value brokers add for the consumer in this process.

Please share your views on the new Personal Injuries Guidelines and do you expect these to make a significant impact on levels of competition in the Irish market, provision of insurance to Irish businesses and cost of insurance?

On differential pricing in private car & home insurance, I should note that the recent Central Bank interim report of its Differential Pricing Review finds that differential pricing can encourage competition and innovation and facilitate market access for some consumers.

Having worked with AIG for over 32 years, **Aidan Connaughton** was appointed General Manager in October 2020

Recently he spoke to Irish Broker
about AIGs Ireland operation.



In common with all stakeholders who have engaged in the process of reform since the original Cost of Insurance Working Group was established, AIG is supportive of the Government's efforts to date including the recent Action Plan on Insurance Reform.

The new Personal Injuries Guidelines adopted by the Judicial Council are definitely an important step towards achieving meaningful change in reducing Ireland's high cost of claims. The guidelines don't fully close the gap between Ireland and other jurisdictions and still maintain much higher levels of award for certain classes of injury than the UK, for example. It should be noted that the guidelines specify unusually wide bands in certain categories. For minor neck injuries, the band stretches from €500 to €12,000. This still leaves scope for widely varying awards.

Once the legislation is passed the guidelines will apply to cases which have not yet been assessed by the Personal Injuries Assessment Board. AIG is hopeful that, as the legislation is enacted and the guidelines are implemented, award levels will begin to fall, leading to a reduction in overall claims costs.

We also welcome the Government outlining its commitment to the review of the duty of care laws. We firmly believe that a more balanced approach to the duty of care applied to policyholders is an integral catalyst to achieving further reform by discouraging frivolous claims and reducing costs.

Can we have your views on how COVID 19 has impacted the distribution of insurance and what positive changes do you see for the industry as a result of the pandemic?

I think the industry has demonstrated operational resilience throughout the pandemic. Like many organisations, we had to adapt to a working from home environment almost instantly while ensuring no disruption to our customer and broker service levels. I was really proud of how quickly our team adapted and not only got by, but really thrived in this new environment.

Another positive change I've witnessed through the pandemic, is the continued emphasis on communication & wellbeing. We are making a conscious effort to communicate more regularly with colleagues across the business as well as key stakeholders. Continuing to stay connected with our team members, broker partners and clients has never been more important. As a result of traditional face to face interactions no longer being possible, we quickly adapted to an online environment for engaging with our stakeholders. For example, last year we completely went online with our popular AIG Broker Academy, now offering thought leadership courses to hundreds of brokers each month across the country.


In terms of distribution, the pandemic has accelerated the industry to become more digitally focussed. There has been a shift away from traditional point of sales interactions to data analytics, artificial intelligence, digital marketing and other functionality to enable an enhanced customer experience.

Can you talk to us about your views and possible long-term implications as a result of consolidation in the insurer market?

There's no doubt that we need a strong and diverse Insurer market, both locally and London based, to continue to provide choice for our customers. Brexit, hardening rates and reduced capacity in sectors of the London market has led to more business returning to the local market in recent months but that said, I feel competition in the Insurance market locally is still very strong, with Insurers offering a wide choice to brokers in both the Commercial and Consumer markets.

The market remains competitive with a mix of domestic and global Insurers, many of whom have a long history of commitment to the Irish market. Successful implementation of the new Personal Injuries Guidelines should help both existing Insurers commitment to the market as well as

>>> *overleaf*



Our commercial product suite is vast and unrivalled in the Irish market, particularly in Financial Lines. We offer nearly all the commercial policies to cover an organisation's insurance and risk management needs, whether they are an SME or a Multinational.

potentially attracting further investment from new entrants. Our own commitment to the Irish market remains stronger than ever and we look forward to continuing to work with our broker partners & clients in 2021 and beyond.

Do you think that the insurance landscape in Ireland will be impacted by the emergence of the Internet of Things and Mobility Insurance?

I think it's fair to say that everywhere around the world is going to be impacted by the emergence of an increasingly connected landscape. What started with the humble smartphone now includes everything around us from smart homes to smart cars and even smart cities. In the future, everything will talk to everything else, collecting vast amounts of data along the way.

In terms of insurance, this will likely present a seismic shift in how we view risk, for example in terms of driverless cars. The risk or need for insurance does not simply go away, however it may result in the risk transferring from the motorist to the manufacturer.

This new digital world will result in huge time savings, choice and convenience. It also makes doing business easier. But it brings with it new and emerging operational business risks.

Digitalisation is an essential part of almost every business model, be it a spreadsheet of customer information, online booking system or entire IT platform, all businesses are vulnerable to cyber-attacks. One of the problems in managing cyber risk is that, what constitutes cyber itself is constantly evolving. Even with the best will in the world, you cannot make a business totally immune to cyber attacks and organisations across Ireland will need to further prepare as that cyber threat continues to evolve.

Where do you feel AIG differentiates from the rest of the market?

We have many areas where we differentiate ourselves at AIG Ireland. Firstly, our commercial product suite is vast and unrivalled in the Irish market, particularly in Financial Lines. We offer nearly all the commercial policies to cover an organisation's insurance and risk management needs, whether they are an SME or a Multinational.

An area where we also really stand out is our claims operations. For over 100 years, AIG has handled millions of business insurance claims throughout the world, which gives us a vast amount of data, insights and expertise across the entire spectrum of risk that businesses face. We pride ourselves on being there for our insured when an incident occurs. Whether it's a property claim, where we promise to pay 50% of agreed damages within 7 days to keep the business moving forward, a multijurisdictional financial lines

claim, a USA products liability loss or a motor damage claim, our team on the ground have the experience to handle such losses, backed by a global network of knowledge & expertise.

I also think it's important to touch on our client risk mitigation proposition which aims to use analysis, expertise and innovation to create a range of data driven services to help clients identify and reduce the risks they face. An example of this is our Property Risk Engineering. Our property risk engineers assess clients' exposures, risk controls and potential interruption threats and offers solutions to reduce loss. Our dedicated team partners with both brokers and clients for a deep understanding of the insured's needs, ensuring the advice we give is set firmly in the context of the client's industry.

In terms of technology, we have our online broker trading platform Rapidcover which hosts an array of products including commercial combined, office package, property owners, office combined, public liability, cyber, A&H, marine, and more. With this platform, a broker can obtain a quote and bind cover within a matter of minutes for their clients.

In terms of consumer business, we aim to offer innovative products, such as AIG BoxClever, our telematics motor solution where we will reward young motorists for their safe driving. We were first in the market to deliver a telematics solution, so we have a storehouse of claims data which allows us to analyse claims trends over time and price competitively.

Lastly, I think one of our greatest assets within the global & local market is our strong trusted brand. We pride ourselves in supporting local communities, through our valued partnerships – Dublin GAA, Golf Ireland, Aoibheann's Pink Tie and globally, the AIG Women's Open.

What are your hopes for 2021?

My overall hope is that society and the economy can re-open fully as soon as it is safe for us to do so. I'm profoundly grateful for the efforts of our essential workers in healthcare, the emergency services and on the front lines for everything that has been done to date to manage the COVID-19 pandemic and protect public health.

I'm also thankful for how my colleagues at AIG have responded and for the continued support of all our customers.

Hopefully as the vaccine rollout gathers pace and case numbers fall, the year will finish on a much more positive note than it began.

**All views expressed are my own*



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

Irish Life Protection Claims 2020

What was the big claims story of the year?

THERE was in fact, two big claims stories from 2020, which we would not have predicted in January 2020. Firstly during 2020, Covid related death claims accounted for 4% of Irish Life's death claims paid. Secondly, the quite unusual reduction in the numbers of claims notified and paid during 2020 versus 2019.

During 2020, Irish Life Assurance plc ("Irish Life") paid out €3.2 million a week to customers to overcome the often sudden and adverse financial consequences of a death, serious illness or the medical inability to work. It's a cliché to say it but it's also true in respect of 2020, that never before has protection cover been more important to the public. It is vital that we as an industry continue to recommend protection cover to families and businesses and that when the time comes, pay claims quickly and professionally. As always, a knowledge of claims can clearly support you in offering advice to potential new protection customers.

Irish Life continued to pay out large monetary amounts in protection claims during 2020.

Summary of Irish Life Retail claims for 2020	Death Claims	Specified Illness Claims
Number of claims paid	1691	701
Amount paid	€111.1m	€47m
Average adult claim amount	€65,739	€67,127
Average age of claimant	66	52
Average duration in force	18 years	14 years
Additional/Partial payment SIC claims	n/a	25
Number of Child claims	47	23

Source: Irish Life Assurance 2020

We also paid out €3.7 million in respect of 326 individual cover, income protection contracts. The drop in paid claims appears to be industry wide in both Ireland and the UK. For example, Irish Life paid 15% less death claims and 23% less Specified Illness Cover (SIC) claims than we did in 2019. It's hard to be specific why the volume of death claims is down like this, perhaps delays around probates and legal processes in general was a factor.

On specified illness, we know that many of the national screening programmes were closed for much of 2020, along with a general reluctance by people to attend GPs and hospital A&E departments. Even within specified illness categories it is quite surprising to see things like stroke (permanent symptoms) claims being down from 65 in 2019 to 39 in 2020 (down 40%), heart attack claims down from 77 in 2019 to 61 in 2020 (down 20%) and coronary angioplasties down from 45 in 2019 to 19 in 2020 (down 55%). In these three areas, particularly the first two, one might expect the



Irish Life Assurance plc, paid €166.8 million in death, terminal illness, specified illness cover, income protection and rider benefit claims during 2020, under 3460 plans.

Source: Irish Life Assurance 2020

customer to have had significant symptoms, leading to a medical consultation. It is likely the volumes of diagnosis for many of these conditions will 'catch up' during 2021 and eventually lead to a SIC claim or possibly a death claim in the future.

To help prompt some reflection on the paid claims, here are some further details.

Death Claims

60% of claims in 2020 were on male lives, 37% on female lives with 3% being on children. Some of the larger claims we paid, was one for €1.4 million to the estate of an individual in their 70s who died of cancer and a claim for €1.2 million to the estate of an individual in their 40s who died from a cardiac arrest. We paid 19 claims for accidental deaths to the value of €3.3 million; including eight claims as a result of a fatal road accident. As an example, we paid one claim for €200,000 to the estate of an individual who died because of a work related accident under a plan only in force 5 years.

We regularly see unexpected medical deaths where the plan was only in force a relatively short period. For example, Irish Life paid a death claim during 2020 for €149,000 to the estate of an individual who died suddenly from a heart attack where the plan was only in force less than 6 months. In general, we saw twice as many heart attack deaths in men versus women. Interestingly during 2020, we paid claims to the estate of 3 different people where their plans were in force 53 years!

We have paid 68 COVID-19 related death claims across 63 lives to the value of €3.2 million during 2020.

**Martin Duffy Chartered Insurer,
Head of Underwriting and
Protection Claims, Irish Life**



Only 20% of paid death claims were for over €100,000 with less than 5% being for over €250,000. Even looking at plans only taken out since 2000, where there was a death claim paid during 2020, only 28% were for over €100,000. This information probably shows that we may not be recommending enough cover, particularly to parents of young families. Irish Life paid 28 terminal illness claims during 2020. The total value of these was €3.2 million, with the average claim amount being €116,000 and with average plan duration of 11 years. The average age of female claimants was only 51 vs 58 for males. The two biggest causes of terminal illness claims in 2020 were brain and lung cancers.

Irish Life paid 98.5% of death claims during 2020. This should give you the maximum possible confidence when placing your protection business with Irish Life.

Specified Illness Cover (SIC)

Within specified illness cover, the top conditions under which we pay claims continues to be malignant cancer (66%), heart related (17%), stroke (permanent symptoms) (6%), multiple sclerosis (3%) and LOI/PTD 1%, so over 93% for the top 5 medical areas. We also paid 25 additional payment claims, which was 3.5% of total SIC, claims, for a total value of €408,000 with the two biggest categories being Carcinoma-in-Situ of the breast and Coronary Angioplasty. Within the malignant cancer category, we paid 110 breast cancers (including 2 on male lives), 77 prostate cancers, 32 lung cancers and 29 colo-rectal cancers.

We paid four individual SIC claims during 2020 with a benefit of around €500,000, all of these to lives aged in their 40s and 50s.

63% of claims were for lives aged between 40 and 60. The average age for SIC claims generally was only 53. Interestingly we paid 3 different SIC claims during 2020 to lives where their plans were in force 30 years.

Irish Life paid 89.8% of specified illness cover claims

2020, with only 2.8% being declined for material non-disclosure reasons. We are one of the few offices in Ireland who regularly publish our decline percentages over time. This probably should be one of the key factors in deciding where to advise customers to place their SIC business.

Covid claims: We have paid 68 COVID-19 related death claims across 63 lives to the value of €3.2 million during 2020. The average amount paid was €48,000. While the median age was 73 and most had a pre-existing medical condition, we did pay eight claims to lives under age 50. Typically, the underlying conditions were cancer, heart disease, diabetes, respiratory illnesses, high blood pressure and dementia. The average time duration from date of death to date of notification to Irish Life was 26 days. The earliest death from Covid was in late March 2020.

We have also paid a small number of income protection and rider benefit claims due to Covid, including those with 'Long Covid' symptoms.

I hope that you found this review of the protection claims paid by Irish Life in 2020 thought provoking.

The real big claims story in particular for 2020 and in fact, every year is, are we doing enough to promote the essential nature of protection cover and the resultant claims we pay?

If you have any comments, questions or suggestions please email me martin.duffy@irishlife.ie

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



Elizabeth Smith Wright, Brokers Ireland



Brokers continue in difficult circumstances to support and assist consumers

AS we enter the second year of the Covid-19 crisis, few could have imagined last March that we would still be living under restrictions which impact practically every aspect of our daily lives. Covid restrictions have challenged members in relation to the way they carry out their day-to-day businesses from 'meeting' their clients to staff working remotely. The resilience of the sector is demonstrated by how Brokers are continuing to adapt to remote working and the new way of providing their services to ensure continuity of services to their clients. They have, as acknowledged by the European Insurance and Occupational Pensions Authority (EIOPA), continued in very difficult circumstances to support and assist consumers and have enabled consumers to manage their risks by providing protection against uncertainties.

The Central Bank has issued communications to intermediaries advising of their expectations in respect of supporting customers, emphasising the importance of maintaining continued compliance standards and the management of risk. Two areas where the Central Bank have highlighted as been of particular importance during the pandemic are the areas of anti-money laundering and countering the financing of terrorism (AML/CFT), and cybersecurity. Given the move to online and distance sales, there is a concern that it can create opportunities for cyber threats to compromise IT systems and also that criminals may seek to utilise Broker's businesses for fraudulent means.

The coming months will also see the transposition of the long-awaited 5th Anti-Money Laundering Directive (5AML).

The Data Protection Office has issued practical advice about how employees can maintain appropriate levels of data security when working away from your office. It relates to the use of devices, email protocol, cloud and network access. The DPC have also reminded organisations that the processing of personal data, including measures to contain the spread and mitigate the effects of COVID-19, must remain necessary and proportionate to the aims of processing under data protection laws.

It is also more important than ever that firms ensure that their systems and controls for preventing money laundering and terrorist financing continue to protect the financial system and consumers at large with the Central Bank outlining that senior leadership are required to take

an active role in instilling the right culture as their firm deals with the ongoing challenges presented by the pandemic.

In the Central Banks bumper 2020 intermediary times, it was outlined that they expect firms to:

- Continue to be effective in identifying suspicious or potentially suspicious transactions.
- Review their AML/CFT risk assessments in light of the current situation and where required make any necessary adjustments to reflect the changed risk landscape.
- Adjust their AML/CFT systems and controls as necessary to reflect any new risks or potential new risks arising from the disruption caused to the financial system and more widely e.g., transaction monitoring levels may need to be recalibrated to reflect the stalled nature of the economy and changes to patterns of consumer behaviour brought about by the pandemic.

Where firms take a decision, under the risk-based approach, to apply a lower but still Criminal Justice Act (CJA) compliant level of control or oversight to an aspect of its AML/CFT framework, it is important that the reasoning for taking that decision is documented, is approved by senior management, and retained on file. Where firms apply temporary measures to adjust their AML/CFT framework, they should reinstate the original measures when it is safe and feasible to do so.

The coming months will also see the transposition of the long-awaited 5th Anti-Money Laundering Directive (5AML). The Bill transposing the 5AML into Irish law has been published and has recently completed its legislative process so now awaits signing into law and implementation. The new Bill proposes to amend the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010-2018.

Included in the new components of the Bill, is the creation of new categories of Designated Person; the expansion of the PEP definition; new triggers for conducting customer due diligence and the inclusion of a list of enhanced due diligence measures to be taken when dealing with customers residing or established in high risk third countries. Designated Persons, prior to establishing a relationship with a customer, will be required to ascertain that the information concerning the beneficial ownership of a customer is entered into the relevant beneficial ownership register.

Brokers Ireland will update members on any developments in relation to the implementation of the 5th AML Directive over the coming months via email and webinars.



WE COVER WAREHOUSING

At Allianz we can offer customised insurance solutions for your customers in the warehousing industry.

Contact us for more information:
allianzcommercialquotes@allianz.ie
or your Customer Relationship Executive.

Home Insurance Claims rise by 4.5% as people stay home in pandemic

THE outbreak of Covid-19 has driven a 4.5% increase in home insurance claims. This is according to Aviva Insurance Ireland DAC (Aviva), who recently released claims data which reveal the company recorded an increase in both the volume and cost of settling home insurance claims in 2020. Preliminary data shows the gross incurred cost of these claims may have increased by 20%.

Water damage was found to be the number 1 cause of claims – accounting for 37% of all claims, an increase of 14% on 2019. Aviva says that, with people spending more time in their homes, there is increased pressure on heating and water systems, resulting in a higher frequency of water leaks causing damage in homes. Fire claims to family homes also rose by almost 10%, and regular storms throughout the year resulted in a dramatic 48% increase in the number of storm related claims to private properties in 2020.

Commenting on the data David Lyons, Senior Claims Manager at Aviva said: *“The increase in water damage claims is actually a trend we are seeing year on year as more modern homes come with additional bathroom, en-suite and toilet facilities, all of which increase the potential for such incidents. Poor workmanship and the use of inadequate materials in certain instances have also contributed to the frequency of water leaks in the home. This appears to be a particular factor in some homes built during the Celtic Tiger boom period in the mid 2000’s. Undoubtedly however, the fact that more people are staying in their homes due to the pandemic is a major driver of the higher volume of claims”.*

Highlights from the Aviva Home Insurance Claims Report 2020 include:

- The most common type of water claim received was due to leaks from en-suite facilities
- Some 38% of water damage claims received in 2020 originated in the en-suite bathroom, 34% arose from issues with domestic water pipes and 17% from central heating pipes.
- Preliminary data shows the gross incurred cost of water damage claims has risen by 20%.

- Claims arising from water damage varied from minor damage as a result of burst pipes, leaking radiators or blocked drains, to very significant damage to homes caused by overflowing water storage tanks in the attic space, and everything in between.

David Lyons explained, *“The outbreak of Covid-19 has seen our customers and their families spending significantly more time at home as they are working, attending college, and being home schooled remotely. This, and the closure of sports and gym facilities due to level 5 lockdowns, has led to an increase in the use of water and heating facilities in homes, which has put additional pressure on those systems.”*

Unusual Claims

While the impact of water damage in the home can be very distressing for the homeowners, particularly when valuable or much-loved possessions are destroyed, Aviva was notified of some slightly unusual claims from home insurance customers in 2020:

- A customer placed the contents of an ashtray in a bin under the sink. The contents were not fully extinguished and ignited the bin which melted a water pipe above it. Thankfully, the water from the pipe extinguished the blaze which avoided what could have been a very significant fire claim.
- A family Sunday roast was abruptly interrupted when a ceiling collapsed onto the dining table just as they were all ready to tuck in. A leak in the bathroom above not only destroyed the bathroom and the ceiling but the dining table and the roast dinner whilst giving all the family a big fright. They did see the funny side of it eventually!
- Toddlers are notorious for turning on taps for no reason whatsoever and walking away. Unfortunately, these actions are sometimes not discovered until water is found pouring through ceilings, downstairs etc with the potential for significant damage done to the home. One toddler did this on more than one occasion! Ouch!

The outbreak of Covid-19 has seen our customers and their families spending significantly more time at home as they are working, attending college, and being home schooled remotely.





THE END OF CAREER GUIDANCE COUNSELLOR

Our newest recruit is here to support you
and your customers, so that they can prepare
for the second life they want to lead.

Standard Life
There's a lot to look forward to

Investing isn't about beating others at their game. It's about controlling yourself at your own game.

Benjamin Graham author, 'The Intelligent Investor'.



Andy Ivory
Corr, Head of
Investment Sales
for New Ireland
Assurance

Let me ask you a puzzle

A bat and a ball cost \$1.10. The bat costs one dollar more than the ball. How much does the ball cost? This is a puzzle posed by Daniel Kahneman in his book 'Thinking fast and slow'. The likelihood is that such a straight forward question didn't require too much effort to come up with the answer of 10c. If this was the answer you intuitively came up with, I'm sorry to say, it's actually incorrect!

So right now, you are probably likely to read over the question again, and on coming up with the correct answer ask how did I get that wrong the first time? Well worry not because apparently from experiments carried out over many years, thousands of University students around the world also regularly get it wrong!

Behavioural Finance

Behavioural Finance studies the psychology of decision making. It recognizes humans as emotional and sometimes irrational beings that, as investors rarely behave according to the assumptions made in traditional finance theory. We are influenced by our biases and often use rules of thumb in making both simple and complex investment decisions. Questions such as the bat and the ball above demonstrate how a fundamental part of human nature leaves us prone to jumping to conclusions and not always thinking things through rationally.

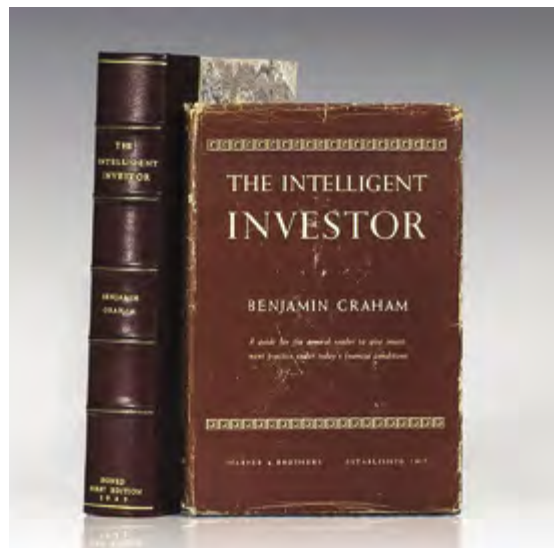
These decision making behaviours are called biases and relate directly to how we process information in order to make decisions. As investment advisors we need to recognize that such biases and rules of thumb exist with our clients, and try to understand just how much they impact day to day decision making. Importantly these biases are shown to affect not just our clients, but professional advisors also.

Behavioural Finance recognizes humans as emotional and sometimes irrational beings that, as investors rarely behave according to the assumptions made in traditional finance theory.

Removing these biases is difficult but we can certainly work on both recognising and understanding them. This can help to influence our client's financial decision making and in turn improving their investment outcomes.

Loss Aversion

Have you had any service or product provider offer you a 6 month free trial any time recently? I'm sure you can think of a few. They offer you, a six months free trial, you click the button to accept, and low and behold they want your credit card number in order to proceed with this special offer. Annoying isn't it? Welcome to the concept of 'Loss Aversion'.



Most people simply don't like to ever give back something that they already have, which is the basis behind your free six month trial. Marketing gurus recognize that many of us will typically just keep it going until the payments eventually start to come off our credit card. They also recognize that we are prone to suffer from inertia! Many of us simply won't be bothered to contact the card provider to cancel the subscription. So signing us up and getting that credit card detail at the start meant that loss aversion would convert us to a paying subscriber, and eventually inertia as a continuing subscriber!

To put some actual science behind this, research has estimated that the pain of loss is roughly two and a half times greater than the pleasure of the equivalent gain. In simple terms, losing €10 feels much more painful than the pleasure of finding €10.

Applying this to the world of financial advice, the concept of loss aversion is probably one of the most important in Behavioral Finance as it suggests that most clients will feel the pain of loss much greater than they'll appreciate the pleasure of equivalent gains. Managing downside risks, avoiding chasing unrealistic returns, and keeping our clients objectives within their risk tolerances are all areas where understanding the concept of risk aversion is so important.

Prospect Theory

In financial terms the amount of joy gained from receiving €50 should be equal to a situation in which you gained €100 and then lost €50, as both situations result in a net gain of €50. Prospect theory, as part of loss aversion has proven that losses and gains are valued by our clients differently. Investors typically make decisions based on the perceived value of losses or gains around a reference point, rather than on the final outcome itself.

This was demonstrated by research in 1995 of Olympians which found that in many instances bronze medal winners were happier with their results than that of silver medal winners. Why? Because the silver medal winners

considered a gold medal as their starting reference point, and in winning a silver medal saw themselves not as second but as 'first loser'. At the same time bronze medal winners starting reference point was focused downwards towards forth, and so in this instance any outcome above not winning a medal at all is a perceived gain!

So understanding this reference point piece is quite important in finance as it helps us to realise that our clients deal with gains and losses differently. They often seek a higher level of risk to regain a previous loss than they would be willing to invest simply to generate a future return.

After clients have had a number of years of strong returns their reference point changes as the value of their investment increases. Someone that started with a €50k investment that grows to €65k, then falls to €62k, typically may not see a gain of €12k. They may see a loss of €3k, as their reference point moved up to 65k. Through an investment cycle understanding that our clients are influenced in this way can help us provide good council.

We will never be able to control all of our client's biases and behaviours, but we can certainly work on learning to recognise and control our own. This in turn can make us better advisors, and in turn more successful investors.

In a low growth world, Investors are inclined to go further out the risk spectrum in search of returns. Recognising and understanding loss aversion and prospect theory can assist us in keeping our clients future investment expectations realistic. Prospect theory is particularly important in areas such as ARF investing, where the investment value at the end of the pension journey typically becomes the reference point from which the start of the ARF journey begins. Loss aversion should then be considered as the investment strategy of the ARF is considered. Generating return, managing drawdown and keeping all this within our clients risk tolerance and capacity for loss all are areas that require careful consideration.

Inertia

We regularly see that many clients fail to get around to taking an action, putting off investment decisions to a future date. This can be a real barrier to successful financial planning. This can be directly linked to the 'Availability bias' which suggests that recently observed or experienced events can strongly influence our investment and financial planning decisions. Volatile markets create nervousness preventing clients from making important long term investment decisions, whilst benign, calm markets can see us chase unrealistic future returns, and sometimes make irrational investment decisions. Strategies like target date investments or life-styling can help us get around these biases as the long term asset allocation decisions are made for our clients in an 'auto pilot' format. Couple this with an opt-out clause rather than an opt-in clause for company pensions, and such strategies can be hugely beneficial

for clients who now don't have to make a decision, and who can benefit from this positive inertia affect.

Anchoring

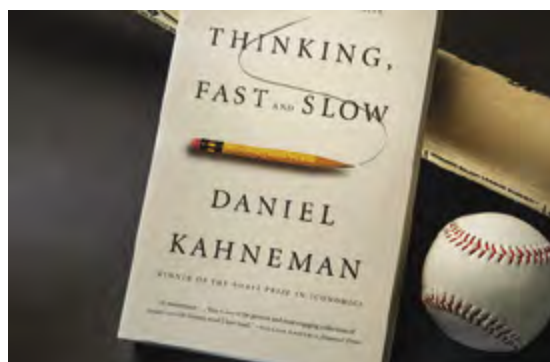
One final point of importance for us to recognise in advising our clients is that decisions can be anchored by the way information is presented. Using the last twelve months returns of a proposed investment for a client creates a psychological benchmark that can carry a disproportionately high weight to our client's future decision making process. Understanding this point helps us realise that once we suggest a forecast return to our clients (anchor a number) for any investment, this number becomes the benchmark from which success or failure is subsequently determined. The effect of this being that any result below this benchmark return, even over short periods may be perceived a potential failure and can lead to an inappropriate change of investment strategy by our clients.

One way in which we can reduce the impact of this anchoring effect by allowing a wider margin of error. Avoiding the use of short term performances and instead of suggesting a narrow frame of say 4% per annum as an expected return, widen it to an expectation of 3.5% to 4.5% return over time. This ensures that we and our clients don't have such narrow and specific measure of perceived failure and can avoid taking actions, often for the wrong reasons at the wrong time.

These are just a few areas that we can use our understanding of our clients behaviours to try help them to achieve their long terms goals and objectives. Evaluating our client decision making styles, developing formal investment policy statements and even perhaps using a behavioural checklist can be a great help to recognise and work through these potentially destructive investment behaviours.

We are irrational decision makers, primarily driven by emotions. Buying high and selling low may be irrational but it feels comfortable, with mistakes often driven by fear, and it's not irrational to feel scared. We will never be able to control all of our client's biases and behaviours, but we can certainly work on learning to recognise and control our own. This in turn can make us better advisors, and in turn more successful investors.

If you would like to read more on any of the above concepts, a few books I'd suggest, Nudge by Richard Thaler, Thinking Fast and Slow by Daniel Kahneman or the excellent Predictably Irrational by Dan Ariely.



Oh and by the way, the correct answer to the bat and ball question is the ball costs 5c. If the bat costs \$1 more than the ball, and the ball was 10c (as many of us guessed) it would make the price of the bat \$1.20. So a bat is \$1.05 and a ball is 0.5c.



Tax considerations on buying and selling a financial brokerage

IN recent times, notable sales and purchases of financial brokerages have taken place which indicate continued growth and consolidation in the sector. The process of buying and selling any business is essentially a commercial one, during which several tax matters must be negotiated. Generally, buyers favour acquiring assets of a business, whereas sellers prefer share sales. However, the tax implications of buying and selling financial brokerages are particularly nuanced and require careful consideration. This article provides a high-level overview of some pertinent tax issues which arise in buying and selling a business, particularly in connection with the acquisition and sale of financial brokerages.

Buying a Business

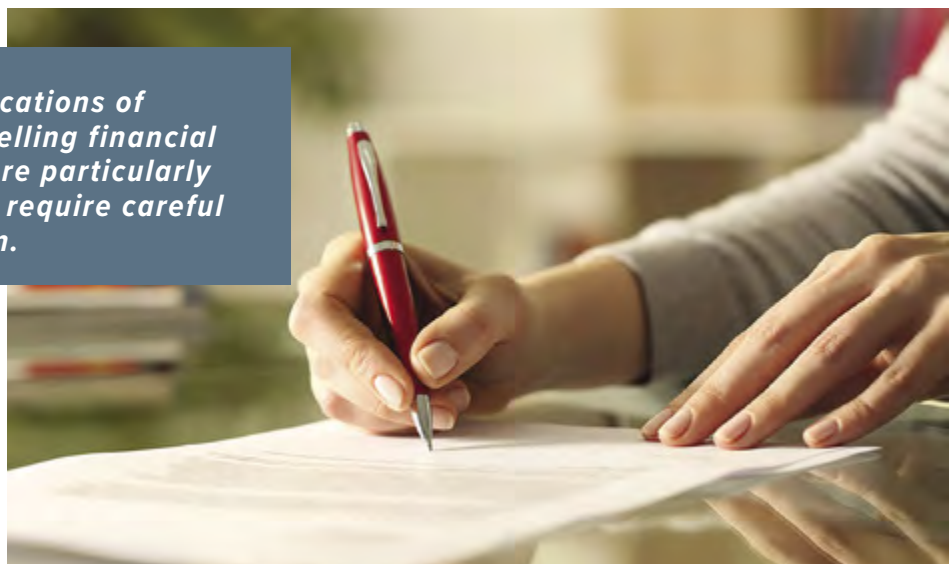
- Stamp duty at a rate of 1% applies to the market value of shares, whereas a current rate of 7.5% applies to the purchase of business assets which may include the “book of clients”, goodwill and other business assets.
- Buyers of shares should be aware that they may be exposed to hidden tax liabilities of a company. Latent tax liabilities should be identified during the due diligence process. This will assist in negotiating the purchase price and in determining the type of warranties and indemnities which should be included in the share sale agreement.

- Many business transactions are structured such that the Seller transfers business assets to a newly formed company and the Buyer acquires shares in a company, which has a short history and less risk of hidden tax liabilities. However, it is understood that the transfer of business assets to a newly formed company may be problematic for a financial brokerage company due to Central Bank regulations.

Selling a Business

- A major advantage of a share sale from a Seller’s perspective is that the proceeds of the share sale will be received personally, thus avoiding a double charge to tax which would generally arise on an asset sale.
- A company will be liable for corporation tax on the chargeable gain arising on the sale of business assets, including goodwill. The shareholder(s) may then, in turn, be liable for income tax or capital gains tax on dividends/liquidation distributions paid by the company, which results in a double charge to tax.
- Capital gains tax (CGT) will apply at a rate of 33% on any chargeable gain arising, in the absence of tax reliefs applying. Two main tax reliefs to consider from a CGT perspective on the sale of qualifying business assets are retirement relief and

“The tax implications of buying and selling financial brokerages are particularly nuanced and require careful consideration.”



Buyers of shares should be aware that they may be exposed to hidden tax liabilities of a company.

entrepreneur relief. Specific conditions must be satisfied for each of the reliefs to apply.

- Broadly, where an individual is over 55 years of age and disposes of a business/part of a business or of shares in a family company, he/she may avail of retirement relief to reduce or eliminate the CGT liability.
- Entrepreneur relief applies to reduce the CGT rate on chargeable business gains to 10% on a lifetime limit of €1m.
- Retirement relief may also be available on the sale of a business premises, owned by the Seller, if it is sold to the Buyer in conjunction with business assets/shares.
- It may also be possible, by Revenue concession, to obtain retirement relief or entrepreneur relief on the liquidation proceeds of a company following the sale of a business.
- Deferred consideration/Earn outs are quite common in the sale of financial brokerages where the Seller is perceived as being instrumental to the success of the business. The CGT implications of same should be considered carefully prior to concluding the business/share sale.

- A share sale is exempt from VAT. However, the transfer of business assets/goodwill may be subject to VAT at 23% if transfer of business relief does not apply. This requires careful consideration given that a significant portion of the income of a financial brokerage may be VAT exempt.
- Prior to selling a business or shares, or to liquidating a company, it may be possible to have ex-gratia tax-free termination payments made to the Seller(s) in respect of the cessation of employment or of the office of directorship.
- There may be scope to make additional pension contributions as a tax efficient method of extracting funds prior to sale.
- A holding company structure could be put in place prior to the sale of a trading company which could result in the exempt sale of a trading subsidiary, subject to specific qualifying conditions being satisfied.
- A Seller may also wish to introduce the next generation as shareholders with a view to having them participate in a future sale as a form of wealth planning. Advance tax planning is key in order to structure this tax efficiently.

Tax planning is critical, particularly prior to the sale of a business so as to ensure that potential tax reliefs are maximised.

As this article is intended as a general guide to the subject matter, it should not be used as a basis for decisions. Specific tax advice should be obtained prior to engaging in the sale or purchase of a business.

Multi-vehicle policies for your important clients

Bespoke cover for family fleets and multi-vehicle households.

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

DUAL Underwriting Ireland DAC is regulated by the Central Bank of Ireland. Registered No. 633531. Registered office: 11, Fitzwilliam St. Upr., Dublin 2 D02 YV66. 03/21 5589

DUAL
PRIVATE CLIENT



Protecting Your Clients



€109 million in Protection Claims Paid in 2020

Income Protection



€45m

was paid to
approx. 2000 claimants

Life Protection



€51m

paid to approx.
453 claimants

Specified Illness



€12.8m

was paid to approx.
132 claimants



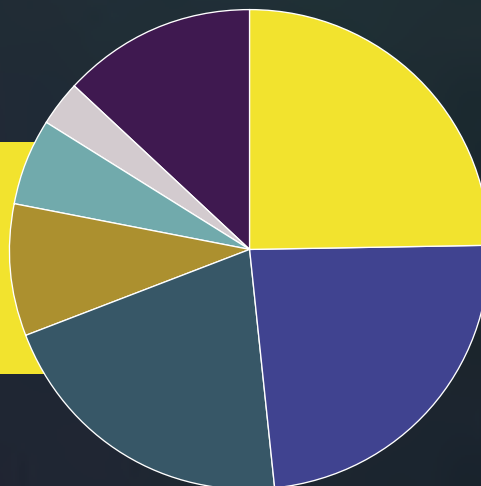
We invested over

€200,000

towards rehabilitation and retraining programmes
which benefited approximately 100 income
protection claimants

At **25%**

Psychological issues now
the No 1 reason for new
Income Protection claims



- 25% Psychological
- 24% Orthopaedic
- 21% Cancer
- 9% Neurological
- 6% Cardiac
- 3% Respiratory
- 12% Other medical condition

**For more information, please contact your
Account Manager or log onto avivabroker.ie**

Source: Aviva Claims Department, February 2021.

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

Have you ever filled out a survey and wondered why am I doing this, and will any actions come from it?

Jesús Núñez, Sales and Distribution Leader for Liberty's European Operations on how Liberty Insurance is using Net Promoter Score (NPS) to drive positive change for brokers.

At Liberty Insurance, we ask, you share, we listen, and we act. We have always worked hard to ensure we have strong relationships with brokers. Since rolling out Net Promoter Score (NPS) surveys in Ireland in 2018, where we maintain a leading engagement rate, we have managed to take this to the next level.

NPS is a loyalty and satisfaction measurement tool that asks customers how likely they are, on a scale of 0-10, to recommend products or services to others, however, there's much more to it than that. It helps us understand the importance of different interactions brokers have with Liberty and where we need to focus to improve what we deliver. This is vital as we continuously focus on making things better.

We began surveying brokers through NPS in Spain in 2014 with a focus on driving positive change within our day-to-day activities. Not only did satisfaction rates increase, but we were also able to implement numerous service improvements based on feedback we received.

In 2018, we took this best practice to Ireland. This is a great example of how we utilise our global scale to share best practices across the Liberty Group.

There are many examples of how we have used NPS data to make things better, and to drive positive change within the business, specifically in terms of service standards, something we pride ourselves on.

Service Improvements

While it is always pleasing to get positive commentary within the surveys, we equally welcome and value constructive feedback as it allows us to continuously review ways to improve the trading experience for brokers. So far, following broker feedback, the following changes have been implemented:

- The development and ongoing roll-out of Webchat, to ensure we can continue to deal with broker queries in a timely and efficient manner.
- The creation of our home claims "Fast Path".
- The launch of a pilot for digital renewal documents.
- The establishment of an "Ease of Trading for Brokers" initiative.
- Improvements to our policy wordings and coverages.
- Enhanced CPD training platform.

NPS surveys have allowed us to lay a solid foundation of actions. By systematically monitoring the actions and changes we make, we will continue to support our network in a meaningful way.

Process Efficiency and Ease of Trading for Brokers

This initiative was included in our 2021 strategic plan for intermediary business in Ireland as one of our main focus areas. We've created an internal Process Efficiency and Ease of Trading forum and have identified key areas where minor amendments to our internal processes can and will have a positive impact on service.

This team will meet throughout 2021 and beyond, re-engaging with brokers to seek their feedback and monitor the impact of the changes we make to service levels.



Effective communication with brokers enables us to be transparent and to provide content that adds value to brokers' businesses.

Communication as a Tool

Effective communication with brokers enables us to be transparent and to provide content that adds value to brokers' businesses. A prime example is the newly created digital communication tool "Liberty Meeting Point", launched in November 2020.

Brokers expressed interest in hearing from experts in industries such as technology and innovation, particularly as customers are now seeking to trade with brokers online as well as through traditional methods. The first event was a two-day conference, which included an insightful presentation from co-founder and former CEO of Netflix, Marc Randolph, and an opportunity for brokers to hear from the Liberty Europe Executive Team on the plans for the business in the short, medium and long term. We have a series of similar events to this one planned for this year so stay tuned.

Home Claims 'Fast Path'

Feedback from NPS surveys led to the implementation of our claims "Fast Path" system in Spain for our home product. This involves streamlining our internal claims processes to ensure that broker customer claims are handled as quickly as possible, and the broker is fully involved throughout the process. It involves using a damage valuation / video appraisal tool and we are working on bringing this system to Ireland soon.

Our business is not perfect, nothing is. However, at Liberty we vow to continue listening to brokers and work towards delivering what they and their customers want and need.

If you are not already taking part in the NPS surveys and would like to participate, please contact your Broker Distribution Representative.

My Retirement Pathfinder

Supporting Brokers and their clients in the Retirement Journey

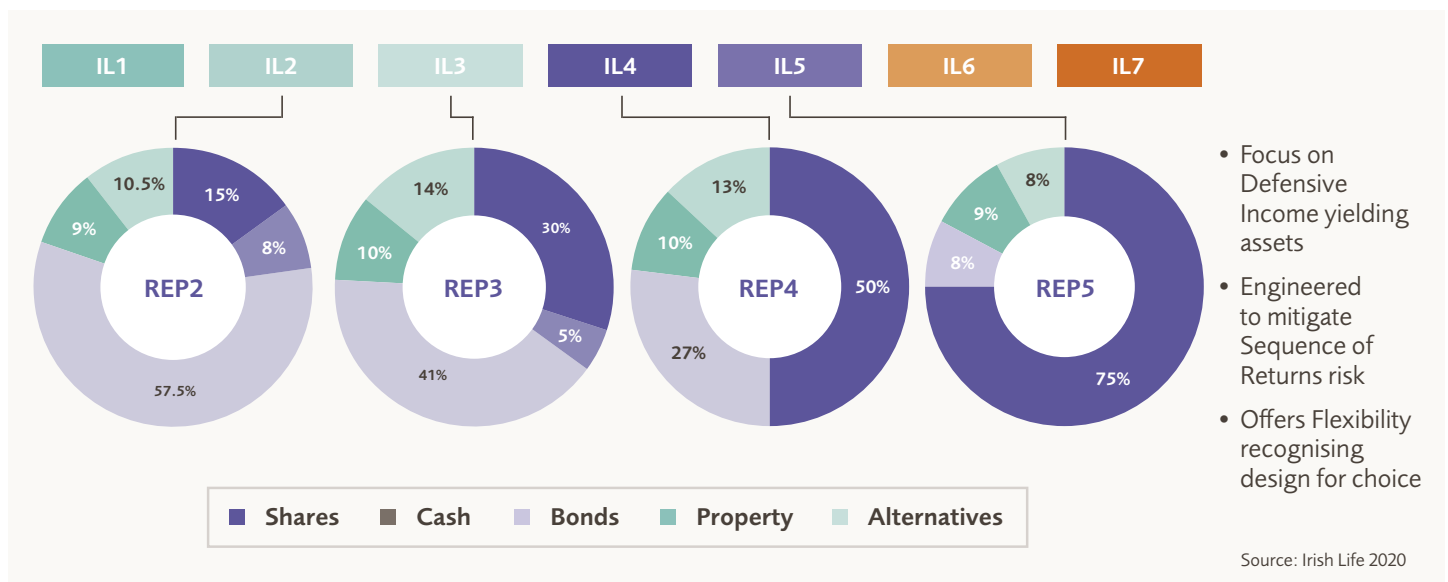
RETIREMENT INCOME FUNDS

When we launched our Retirement Income Funds at the beginning of last year it was because we identified that there is a defined difference between requirements for funds in the pre-retirement and post retirement space with different requirements and challenges accordingly.

There are four Irish Life REPS ranging from lower-risk, where more of the portfolio is invested in cash and bonds, to higher-risk where more is invested in shares. This means that if you are a low-risk, medium-risk or high-risk investor there is an Irish Life REP that may suit you.

The funds are designed to provide peace of mind for investors in retirement. Based on an investor's attitude to risk, they will have a specific risk rating between rating 1 (Safety First) and risk rating 7 (Very Adventurous). Each of our Irish Life REPS is designed for a specific Irish Life (IL) risk rating.

IRISH LIFE FUND RISK SCALE



If you are interested in any of our REPS funds and want some further information, please don't hesitate to contact your account manager who will be happy to help you.

Irish Life Investment Managers (ILIM) is an appointed investment manager to Irish Life Assurance plc.

Warning: If you invest in this product you may lose some or all the money you invest.

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

Warning: This fund may be affected by changes in currency exchange rates.

For more details go to <https://www.bline.ie/myretirement-pathfinder>

We all need to become leaders in achieving the **Net Zero Goal**

THE climate crisis is one of the greatest global threats of our time but owes its origins to the 19th century Industrial Revolution. The need to address the serious and negative impact of global warming has been advocated for many years, but we are now at a positive tipping point where governments, businesses, regulators and consumers are all prepared to take radical positive action to address and mitigate the causes of the crisis. As insurance companies and brokers, risk management is at the heart of what we do to help our corporate and personal customers manage insurance and investment risk. We are therefore well positioned to play a leadership role in tackling the negative causes of climate change in the products and services that we provide to our customers.

The key negative driver of global warming is the exponential increase in carbon emissions, the main source of greenhouse gases emitted into the earth's atmosphere. This increase has, over two centuries, resulted in significant climate change and volatility since the second half of the 20th century. Last year (2020) was the warmest global year on record and, without immediate wide-scale action, global temperatures will increase by four degrees by 2050, resulting in an uninsurable world, due to the impact of far more catastrophic flooding, fires, and other extreme weather events.

To avoid this catastrophe, we must all deliver on the agreed ambitions of 191 nations, including Ireland, in the 2015 Paris Agreement, to slow the global increase in temperature to just 1.5 degrees. There is a scientific consensus that the world will not reach net zero without carbon removal, which would require both a massive cut in carbon emissions and new activities which remove carbon from the atmosphere e.g. planting trees. The requirement for us all, including the insurance industry, is to become "net zero" in Carbon emission by 2050 at the latest. Net zero for a business is defined as balancing the carbon produced and measured across its operations, products and supply chain with carbon removed or reduced through measurable actions taken by the business. While an insurance company does not manufacture tangible products, achieving a net zero goal is still challenging and will involve significant changes to some business practices.

Aviva has been carbon neutral since 2006, supported by the purchase of instruments known as carbon credits to offset usage and we have recently announced a plan to become net zero by 2040, a full decade ahead of the Paris 2050 deadline, and the first insurance company to make this ambitious commitment. Aviva plc is a global life and general insurance group and Ireland is one of its core markets, so we must become net zero by 2040, in our general and life insurance businesses. This requires supporting the delivery of Aviva's key climate goals by;

- Reducing and eradicating carbon emissions in our buildings and premises, using renewable sources of energy, and ensuring our car fleet is either electric or hybrid by 2040.

- Ensuring our suppliers are aligned to our climate goals and can deliver products and services to us and our customers while reducing carbon to net zero levels.
- Taking immediate action on the carbon intensive assets we insure, including coal, by ceasing to provide insurance cover for fossil fuel providers unless they commit to meeting scientific based net zero carbon targets.
- Delivering net zero carbon emissions from our shareholder and policyholder investments by 2040 achieved through a 30% cut by 2025 and a 60% cut by 2030. This includes the assets we invest in directly e.g. property and bonds plus the full range of investment funds provided by our fund managers including ESG and green funds.
- Increasing active engagement through our fund managers, including Aviva Investors into the companies and sectors they invest in on our behalf. This is to ensure their investments meet our carbon reduction goals and applies to all investment assets where we or our investment managers have decision-making control. Where we don't have this control – for example where it rests with trustees of pensions schemes – we will engage with the decision-makers to explain our approach.
- Aviva will invest over €120m in nature-based solutions to remove carbon from the atmosphere.



Brian O'Neill,
Head of
Communications,
Brand and
Sponsorship,
Aviva Ireland

As a general insurance broker, you can assist your clients in their efforts to reduce carbon through risk and energy management initiatives.

What can you, as brokers, do to become net zero and deliver an immediate and significant reduction in carbon emissions by both you and your clients? Like Aviva, you can reduce the emissions in your own office by finding ways to be more efficient with energy or water usage. As a general insurance broker, you can assist your clients in their efforts to reduce carbon through risk and energy management initiatives. As a life broker you can educate your clients about the benefits of responsible investing and inform them about the growing number of ESG and/or green funds offered by a range of providers. These aim to provide your clients with environmentally friendly investment options without compromising on the potential risk adjusted returns. As your clients become more aware and concerned about these climate issues, they will also ask you whether their investments are environmentally friendly.

In summary we all have a part to play in literally saving the world as we know it, including the insurance industry, and so we all need to become leaders in achieving the net zero goal in Ireland as highlighted by Aviva's 2040 commitment.



Aviva - Net Zero by 2040

We're taking climate action with the most demanding of any major insurance company in the world today.

By committing to be Net Zero by 2040 Aviva



Net Zero carbon emissions from our own operations by 2030



Net Zero carbon supply chain

climate
20

Visit www.avivabro

Aviva Life & Pensions Ireland Designated Activity Company, a private company limited by shares. Re
Aviva Life & Pensions Ireland Designated Activity Company, trading as Aviva Life & Pensions

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

0

target



va has also set the ambitious target to be:



emissions in our
in by 2030



Net Zero carbon investments
by 2040

te
40

[ker.ie/netzero2040](https://www.aviva.com/uker.ie/netzero2040)

Registered in Ireland No. 165970. Registered office at One Park Place, Hatch Street, Dublin 2, D02 E651.
Aviva Insurance Ireland and Friends First, is regulated by the Central Bank of Ireland. Tel (01) 898 7950.

any limited by shares. Registered in Ireland No. 605769. Registered Office: One Park Place, Hatch Street, Dublin 2, Ireland, D02 E651.

Standard Life MyFolio strategic asset allocation changes



Niall Black,
Investment
Specialist,
Investment
Solutions,
Standard Life

ABERDEEN Standard Investments formally review the Strategic Asset Allocation (SAA) for all the MyFolio funds on an annual basis and consider whether any asset changes are required. The key consideration is to ensure the expected overall risk to which investors are exposed does not significantly vary over time, while also aiming to optimise returns at each risk level.

The risk, reward and correlations between assets classes can change over time. At the last review at the end of 2019, the MyFolio Team decided to continue with the same spread of asset classes and to maintain the same asset weightings as they did not believe there were any material benefits to be had from adjusting the asset class exposures agreed at the previous review. The 2021 review has concluded that with all that has happened in 2020, the 10 year outlook for markets has changed sufficiently to justify some asset allocation changes to the portfolios to improve the prospects for long-term, risk-adjusted returns. **See table below.**

DEFENSIVE ASSETS

The most significant changes are:

A reduction in European Bonds (Risk level I to IV) and Global Corporate Bonds (Levels I and II) – both Euro hedged. Corporate bonds remain an important asset class but the MyFolio Team reduced exposure to improve diversification within the defensive element of the portfolios, particularly at lower risk levels. The severe market sell-off experienced in March 2020 provided evidence that historically low yields and reduced liquidity dampen the protective qualities of the asset class.

Increase in Government Bonds (Risk level I to III). Although yields are low, government bonds continue to provide effective insulation from periods of equity market stress. A period of rising yields provided an opportunity to moderately increase exposure to an important diversifying asset.

GROWTH ASSETS

The most significant changes are:

Increase in US equities across all risk levels. This is noteworthy move from the European bias which the MyFolio Range has held since its launch. Despite the rapid fall in equity prices that saw global equity markets lose almost a third of their value in March

2020, markets rebounded sharply over the course of the year. The recovery also saw a continuation of trends from the past decade. US equities have outperformed their international peers.

While US equities are not as attractive as other major equity markets based on Aberdeen Standard Investments' long-term expected return forecasts, the composition of the market – particularly its technology bias – there are scenarios where it continues to outperform. The SAA adjustment is to ensure that the portfolios are approximately positioned should these transpire. This higher return outlook for non-US equity markets underscores the benefits of a globally balanced and diverse equity strategy in multi-asset portfolios.

A decrease in UK equities (Risk level I and II). UK equities remain one of the most attractive asset classes from a valuation perspective, but following a period of improved performance from both the equity market and currency, the MyFolio Team moderated the size of the position.

The key consideration is to ensure the expected overall risk to which investors are exposed does not significantly vary over time, while also aiming to optimise returns at each risk level.

Smaller increases to Asia-Pacific and Emerging Market equities (Risk Level I to V). Emerging market equities have endured a torrid decade of performance, but now offer strong growth potential and attractive valuations.

The Team expects Asian equities to deliver attractive returns in 2021 given the current containment of COVID-19 in large parts of the region and the ongoing robust economic recovery in China. As valuations appear to have already largely priced in good economic prospects, a continued recovery in earnings will be key to drive the market higher. The broader economic recovery and strong growth from the technology segment should prove supportive for

Changes to MyFolio Strategic Asset Allocation

	Current					Proposed				
	I	II	III	IV	V	I	II	III	IV	V
Defensive	70.0%	50.0%	29.5%	11.9%	3.0%	70.0%	50.0%	25.0%	10.0%	3.0%
Growth	30.0%	50.0%	70.5%	88.1%	97.0%	30.0%	50.0%	75.0%	90.0%	97.0%

Source: Aberdeen Standard Investments, 2021

Standard Life MyFolio Active III Strategic Asset Allocation 2021

	MyFolio Active III		
	Current	New	% change
Money Market including Cash	1.0%	1.0%	0.0%
EUR Government Bonds	0.0%	1.3%	1.3%
Global Government Bonds	0.0%	0.0%	0.0%
Global Index Linked Bonds	0.0%	0.0%	0.0%
EUR Corporate Bonds	14.0%	6.9%	-71%
Global Corporate Bonds	5.0%	5.1%	0.1%
Short Dated Global Corporate Bonds	3.6%	5.7%	2.1%
Diversifying Defensive Assets	5.9%	5.0%	-0.9%
Total Defensive Assets	29.5%	25.0%	
UK Equities	7.5%	7.5%	0.0%
US Equities	11.1%	16.7%	5.6%
European Equities	16.9%	16.9%	0.0%
Japan Equities	4.1%	4.2%	0.1%
Asia Pacific Equities	3.2%	4.7%	1.5%
Emerging Market Equities	3.2%	3.9%	0.7%
Global High Yield Bonds	5.2%	6.6%	1.4%
Emerging Market Local Currency Bonds	6.4%	7.1%	0.7%
Global REITs	5.8%	3.6%	-2.2%
UK Direct Property	0.0%	0.0%	0.0%
Diversifying Growth Assets	7.1%	3.8%	-3.3%
Total Growth Assets	70.5%	75.0%	

Source: Aberdeen Standard Investments, 2021

earnings. Aberdeen Standard Investments' 10 year forecast sees Emerging Market equities offering returns on par with Global Equities albeit with more risk.

A decrease in Global REITs (Risk Level I to V). In the midst of heightened uncertainty for global property markets, the MyFolio Team believed it prudent to reduce property exposure in favour of broadly diversified equity markets.

Japanese equity reduction (Risk level II to V). Despite Aberdeen Standard Investments' expectation of Asian equities to deliver attractive returns in 2021, Japan is one of their least favoured equity markets, this is largely driven by its demographic make-up and the implication for long-term growth compared to other regions.

Emerging Market Local Currency Bonds reduction (Risk level I to V). Declining bond yields has reduced the expected return from this asset class, and Aberdeen Standard Investments' long-term preference is for equities over emerging market bonds.

In MyFolio Active, the **Diversifying Growth Assets have been reduced by circa 50%** for the second consecutive year across all of the Active funds. See table left.

The information provided above offers a high level overview of the 2021 strategic asset allocation changes. You can find out more about the changes and how MyFolio can help you and your clients by visiting Brokerzone.ie or contacting your Standard Life Business Manager.

Zurich's New Digital Marketing "How-to" Webinars

BUSINESS is becoming more and more digital in an increasingly virtual world. Now more than ever it's important to have an online presence and practice digital marketing in order to be competitive.

Introducing Zurich's Digital Marketing "How-to" webinar series. The aim of this webinar series is to provide practical guidance in key areas of Digital Marketing. The series kicked off in March with the first webinar attracting a large number of Financial Brokers and Advisors.

This webinar series aims to inform about how to help potential clients find you online and provide guidance on how to use key channels in order to get the most from your digital marketing efforts. We've chosen the following key topics as a focus:

- **Facebook:** How to set up a business page, post and advertise from it, set up audiences and more.
- **LinkedIn:** How to set up a company page, create audiences, post, advertise and more.
- **Google Analytics:** How to set up Google Analytics and get the most from your website data.
- **Google My Business:** How to set up your Google profile and optimise it so people can find you.

- **Search Engine Optimisation:** How to set up the main tools you need, optimising your content and quick wins for your website.
- **Google Ads:** How to set Google Ads up, understand it and setting up your first campaign.

We think it's very important to focus on your digital proposition, especially as the way we do business is becoming increasingly digital. With limitations on customers visiting physical locations at this time, having an online presence and practicing digital marketing is crucial in order to be competitive.

But with so many channels on the digital landscape and changing at such a fast pace, it can be difficult to know where to start and how to keep up. Having the basics in place and understanding how to make digital marketing work for you is the first step.

Whether you have no digital marketing experience at all or you're a seasoned digital marketer, the webinars will have something to offer you. Visit the webinars section of zurichbroker.ie to watch past webinars on-demand and also to tune into future webinars in this series.



Our specialist expertise is the reason our customers have trusted us to protect heritage, history and culture for over 130 years; our specialist approach to underwriting sets us apart



Justin Kelly,
Underwriting
Development
Manager,
Ecclesiastical

THERE has been a lot of change within the insurance industry in recent times and if anything, it feels as though the pace is accelerating; whether it's changing insurance contract law, governance requirements, M&A activity or the reinsurance market cycle. At Ecclesiastical, we have recently launched a refresh of our visual identity while staying true to our core principles.

When we explore what Ecclesiastical's refreshed logo represents, our differences become apparent. Our new star is bright, bold and unique - it shines a light on what makes Ecclesiastical distinctive. We remain a truly specialist insurer, one that's owned by a charity with a purpose to make a difference to the communities we serve. In the last 5 years alone we have delivered almost €100m of our distributable profits to good causes across our territories.

Specialist expertise resonates throughout our in-house teams of risk management, underwriting and claims professionals, all with deep sector knowledge. We understand the importance brokers place on having access to decision makers based locally and insurers with strong financial rating and a proven long term commitment to the Irish market. However, it is the dedication to our niches and the specialism paid to tailor innovative solutions across our functions that truly sets us apart. For example, on one occasion a disused quarry in Italy was re-opened to extract the source stone to reinstate a fire torn heritage building to its former glory. When it means more than anything, nothing less will do than rebuilding in a way that respects the original design, architecture and integrity.

Ecclesiastical's genesis and *raison d'être* in 1887 was for the protection of church buildings. The faith sector remains a very important part of what we do; protecting churches, synagogues, mosques & temples. However, today our portfolio is focused across six specialist niches.

We offer expansive programs with market differentiating coverages aligned to our niches across Property, Business Interruption and Liability; including Fine Art, Reputational Risks and Public Liability on a claims occurring basis with the future certainty of cover that provides. Cover can also encompass financial lines such as Trustee & management liability, Directors' & Officers' and Professional indemnity. We are passionate about presenting comprehensive, customer centric solutions. Consequently, in partnership with specialist providers, our offering extends to Legal Expenses, Cyber, equipment breakdown insurance and Engineering inspection services.

We take pride in being different and taking a distinct approach to mainstream thinking. For example, we offer a free valuation service by one of our qualified in-house professionals (a minimum sum insured applies). Subject to adoption of our valuation as an index linked sum insured, we will remove the average clause under the policy. Our key propositions are tailored to match the differing and specific needs of insured's within each of our six customer niches;

1) Heritage:

Three core products are promoted under our Heritage niche; Arts & Culture, Historic Ireland and Business & Leisure. The parameters of qualification are common to all; Property or activities with archaeological, historic (typically greater than 100 years old), architectural, traditional, cultural, engineering or scientific significance. Examples include historic estates, castles, museums, theatres, cinemas and even light houses. We insure some of Ireland's most historically significant buildings and are the main insurer of UK's Grade I listed buildings.

2) Charity & Community:

This niche caters for registered charities, community interest company's, social enterprises or voluntary not for profit organisations and we insure over 50,000 charities and not for profit organisations across Ireland and the UK. These include many of the recognisable national charities in Ireland. Aimed at those larger charities, our proposition now includes Enterprise Risk Management support.

3) Education:

Our focus within this niche are Primary and Secondary schools (fee paying & public), Third level education and Higher / Adult education establishments. We have been providing specialist education insurance propositions in Ireland for over 35 years. A key area of attention here is the promotion of best practice safeguarding policies and this forms a central aspect of risk acceptance.

4) Faith:

A core niche that serves the needs of faith based not-for-profit organisations and places of worship. We insure Cathedrals, Churches, Places of worship (including synagogues, mosques & temples), Parish Centres and Faith groups. Our specialist perspective means we understand the risks and provide mitigating advice on related activities from fundraising events, to education, to outreach & community support.

5) Property Owners:

In addition to property owners of portfolios or individual risks, our comprehensive proposition is ideally suited to landlords, investment groups and managing agents. Our target business includes contemporary and commercial real estate, such as Business parks, Offices and Retail (not enclosed shopping centres).

6) Fine Art:

It could be viewed that rather than a customer niche, this is an enhanced coverage or stand-alone policy option. Ideal for stately homes, museums, galleries (non-commercial), schools and/or universities. Nonetheless another specialism of ours, offering on an agreed value or market value basis, nuanced cover for collections of fine art, exhibits, antiques, statues, sculpture, collectables and/or memorabilia.

We remain a truly specialist insurer, one that's owned by a charity with a purpose to make a difference to the communities we serve.

We operate an engagement model that gives you, our broker partner's, direct access to commercially astute specialist underwriting professionals, empowered to tailor bespoke solutions to meet the exacting needs of customers within our stated niches.

With a fresh visual identity, our new star symbolising our specialist expertise and dedication, we have capacity to match our exciting growth plans in Ireland. If you feel our specialist approach to underwriting can benefit you, we would be glad to hear from you.

Health is the Irish public's biggest concern and number one priority

HEALTH has overtaken money as the Irish public's biggest concern in 2021. This is according to research commissioned by leading protection specialist Royal London, which also found that 50% of Irish people plan to make health, be it physical or mental, their focus this year.

Health concerns highlight the peace of mind of protection

Commenting on the survey results, Colette Houton, Underwriting and Claims Lead at Royal London said, *"Financial Brokers will already have deep insight into the motivations behind what drives consumers' wants and needs when it comes to financial protection products. Making provisions for the future and protecting against ill health are goals for many. You'll also know that money is a common source of worry for people. In our annual survey, which asks people what their biggest source of worry for the year ahead is, money unsurprisingly was at the number one spot for the last five years. This year, given the ongoing global pandemic, health replaced money, with three out of ten people in Ireland saying that health is their biggest worry for 2021."*

Biggest Worry	2021	2020	2019	2018	2017	2016
Category	Percentage					
Health	30	21	19	15	18	19
Money	24	40	39	46	37	46
Family	16	14	15	15	22	14
Work	7	11	13	11	8	10
Loneliness	18	7	7	6	8	4
Relationship/ Love	3	4	5	5	6	5
Friends	2	3	2	2	1	2

When contrasted with the Royal London survey that was conducted in 2020 pre-pandemic, this year's survey results show how the experience and impact of Covid-19 has changed what the Irish public are worrying about. The number of people who reported that money was their main worry has dropped considerably from 40% in 2020 to 24% in 2021, while the proportion of respondents who said health is their number one concern has increased from 21% last year to 30% this year.

Colette continued, *"While money worries have dropped down from pole position this year, it's still the biggest source of concern for almost a quarter of respondents. Many people throughout the country, as we know, will have experienced the negative financial impact of Covid-19 to varying degrees, through job losses and income reductions."*

The Royal London survey found that money is a greater worry for men (28%) than it is for women (21%). The younger generations are also more likely to be

concerned about money: it is the biggest source of worry for 32% of respondents aged 18 to 24 and 35% of respondents aged 25 to 34.

Health is the focus

The nationwide Royal London survey also asked people what their biggest focus was for 2021. Health was cited as the majority of people's main priority (50%), up 10% on 2020, with five in ten people in Ireland planning to make health, be it physical or mental, their focus this year.

Biggest Focus	2021	2020	2019	2018	2017	2016
Category	Percentage					
Health (physical and mental)	50	40	36	32	37	40
Career	22	21	26	23	26	21
Travel	11	17	14	17	13	13
Property	7	9	10	9	8	9
Family	5	9	9	13	10	12
Love	4	4	5	6	6	5

Colette said, *"For the fifth year running, health is the top priority for people, but it has increased by 10% on 2020 which means it is now the primary focus of half of all adults in Ireland. So, while health has continuously been the top focus, as a nation we are focused on our physical and mental health now more than ever."*

Colette finished by saying, *"The effects of the pandemic and subsequent restrictions have altered many aspects of our lives. So, it's understandable that while health is now the Irish public's biggest concern, health is also people's biggest focus. You'll know first-hand the benefits of protection and how your clients can look after their mental well-being through the peace of mind that financial protection can bring. As a broker-only company we know that brokers are well placed to help alleviate some of this worry with tailored protection advice and in recent press releases on the topic we have encouraged people to make contact with their local Financial Broker to discuss their personal finances and the options available."*

You can view Royal London's press releases by visiting www.royallondon.ie/brokers



Colette Houton, Underwriting & Claims Lead, Royal London

As a broker-only company we know that brokers are well placed to help alleviate some of this worry with tailored protection advice and in recent press releases on the topic we have encouraged people to make contact with their local Financial Broker to discuss their personal finances and the options available.



A Message from The Local Institute Presidents to the Graduating class of 2021



Niall O'Shea
Cork

Congratulations and well done to all our members in Cork who are graduating this year, each of whom has achieved their qualification in the face of much adversity. When it comes to insurance, lifelong learning and a commitment to education is a given – but this time last year we couldn't have imagined the challenges that lay ahead, and so this year's graduates deserve even more credit. I can only speak of our Cork members, but each of them has shown themselves to be a role model – and they have inspired not only their colleagues, but also those who know them and who might be considering studying while working.

Much thanks needs to be given to insurance employers and mentors also – the graduate's achievements would not be possible without the continued support they receive from their workplace. I know in Cork all of the insurance employers have developed an ethos and a culture of learning, and this contributes hugely to their staff having the necessary appetite and ambition to further their education and development.



Denis O'Leary
Dublin

Graduation is never the end of something, in fact it really marks the beginning of something new – and so while we're unable to celebrate the 2021 graduates achievements with the usual formalities, I'd like to take the opportunity to wish them the very best of luck as they embark on this next chapter in their career. I've no doubt they will do so with more confidence and reassurance in their abilities than they've ever had before, not to mention their new knowledge and learning which I'm sure we will all benefit from.

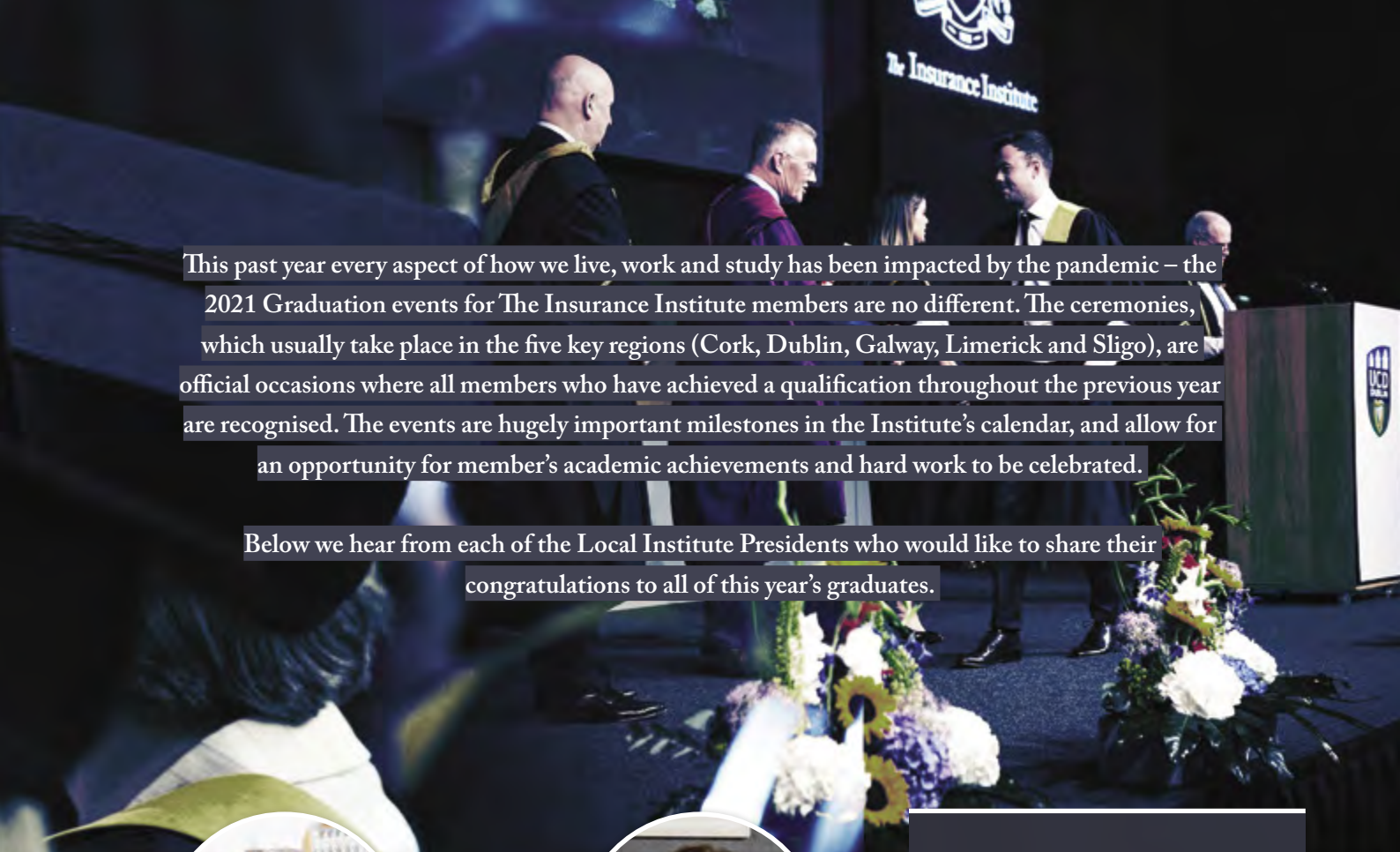
When you set out with the intention of achieving a qualification it can seem like an insurmountable task, however with the right attitude, work ethic and support it is always possible – and our 2021 graduates have proven this. Never before have those studying had to be so adaptive and creative in terms of their thinking – not to mention the stress that each and every one of us has had to deal with this past year. I speak on behalf of everyone at the Dublin Institute when I say congratulations and well done to all!



Majella King
Galway

Well done to the graduating class of 2021 – I'm delighted that your hard work and dedication has paid off and that you've achieved this goal on your journey to professional development. In Galway we are fortunate that the insurance community is extremely close-knit, and so I know from speaking with many of this year's graduates what these achievements mean to them and the impact it will have on their careers.

Education and development is hugely important, both for the individual but also for the insurance sector as a whole. Learning enhances our understanding of our work, it gives it meaning and brings it to life - it also means we are better able to provide a first class service for our clients and it contributes to creating a more professional industry. We each have a responsibility to uphold this standard throughout our entire career, regardless of what stage we're at. I've no doubt we will see much more from the graduates of 2021, and I for one look forward to hearing more about their contribution to our industry.



This past year every aspect of how we live, work and study has been impacted by the pandemic – the 2021 Graduation events for The Insurance Institute members are no different. The ceremonies, which usually take place in the five key regions (Cork, Dublin, Galway, Limerick and Sligo), are official occasions where all members who have achieved a qualification throughout the previous year are recognised. The events are hugely important milestones in the Institute’s calendar, and allow for an opportunity for member’s academic achievements and hard work to be celebrated.

Below we hear from each of the Local Institute Presidents who would like to share their congratulations to all of this year’s graduates.



Cian O’Dea
Limerick

Congratulations to all those, in particular my colleagues in Limerick, who have achieved their chosen qualification and are part of the graduating class of 2021. I know the dedication it takes to achieve any qualification – I also know that central to these achievements is the people you have around you, and so I also want to acknowledge the support and encouragement each of our graduates would have received from their family and friends – having a strong support network is what makes it possible to achieve your ambitions.

When you commit to a career in insurance you are signing up to a lifetime of training and education. This is fantastic and hugely fulfilling but it does mean sacrifice. One thing I can say for sure is that an investment in your education is always worth it, and it’s something which can never be taken away from you. Best of luck to the class of 2021, I look forward to seeing more from you all soon.



Trish O’Hagan
Sligo

I want to take this opportunity to say how proud I, and everyone at the Sligo Institute is, of our members who have, despite all the challenges they faced this year, achieved their respective qualifications. At the best of times working full time and studying is extremely difficult, it takes dedication and it comes with enormous sacrifice – but to keep your focus and accomplish your designation in the current environment is an incredible feat and is testament to our members’ resilience.

Throughout this past year I’ve been hugely encouraged by the dedication our members in Sligo have shown to progressing their learning and development – as we all know, a commitment to lifelong learning is essential to a career anywhere, but paramount in the insurance industry. It enhances both your ability to do your job and your confidence, but to some extent it would have been understandable if some of our members had chosen to take the foot off the pedal this year. I saw no evidence of this, and instead our members rose to the challenge and this was truly wonderful to witness.

The Insurance Institute wishes all those graduating this year a huge congratulations – we hope that your newly acquired knowledge will enhance your career and your professional development in many great and unexpected ways. The business of insurance is built on relationships, and we hope that as our graduates embark on the next phase in their career that they remember the importance of the relationships they’ve developed along their career trajectory and how they contributed to their success to date. Our wish is that their accomplishments will inspire others and that each graduate will provide their peers with the same support and encouragement they received, so that all those working in our industry can reach their full potential.

There is nothing passive about investing responsibly



Michael Hayes,
Investment
Development
Manager, Irish
Life Investment
Managers

AT Irish Life we believe in building a more sustainable future for everyone. Investing our customers' money in a responsible way helps make that future a reality. It also makes good financial sense, companies that manage Environmental, Social and Governance (ESG) risks are less exposed to issues that can damage their share prices. Such companies are also better placed, in our view, to create and preserve long-term investment growth.

Irish Life Investment Managers (ILIM) is an appointed investment manager to Irish Life Assurance plc. ILIM became one of the early adopters of Indexation and Quantitative Multi-factor Investing when we introduced both investment disciplines into our business in 1996. ILIM now manage over €60 billion in index strategies, of our total assets under management of €88 billion¹. Our core investment capabilities extend across indexation, quantitative active strategies, active fixed income, property and alternative asset classes.

While some may feel that passive index based strategies can't incorporate ESG criteria, ILIM would argue strongly that this is not the case and can back that up with over €22bn of responsibly managed assets².

ILIM certainly do not adopt a passive approach in our commitment to responsible investing. This commitment goes back more than 10 years, when in 2010 we were one of the first Irish signatories to the UN supported Principles for Responsible Investing (UNPRI) and were also a founding member of the Sustainable & Responsible Investment Forum Ireland (SIF Ireland).

Across the Irish Life group we have incorporated sustainability as a core pillar of our future business strategy and brand proposition and we pride ourselves on being at the forefront of industry discussions on ESG themes.

How does a Responsible Investing approach work?

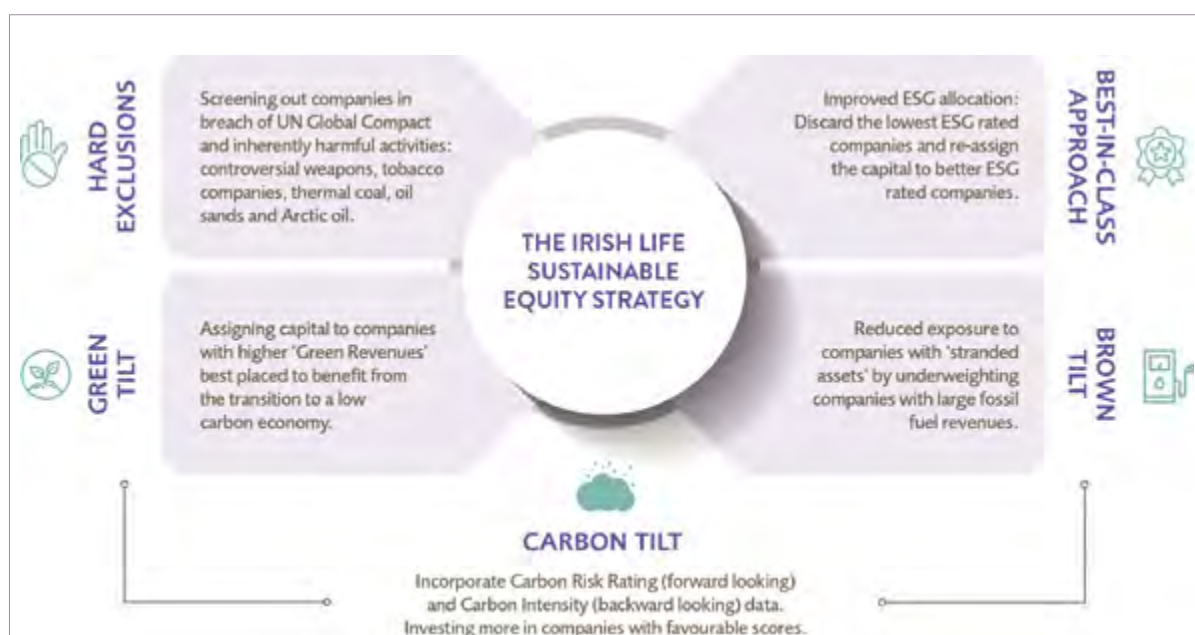
ILIM's approach is to materially improve the sustainability characteristics of our investment strategies while maintaining the same risk/return profiles. We have underpinned this approach with rigorous analysis and research.

There are many ways for asset managers to account for ESG risks. Some managers opt for exclusion; some will actively target companies with a high ESG rating. ILIM's investment team conducted two years of proprietary research before crystallising our three-pillar approach, which involves exclusion, integration and active ownership. Each pillar deepens the ESG safeguarding afforded to our clients.

ILIM now manage over €60 billion in index strategies, of our total assets under management of €88 billion¹.

Pillar one: Exclusion

This is the stage at which ILIM identify companies that we'd like to exclude based on criteria that we have set. Exclusions are an effective way to avoid specific areas, but they can impact financial returns if you don't get them right. That's why we've targeted some very specific criteria, covering three key areas: conduct, controversies and risks.



Pillar two: Integration

Having cleaned up the investment universe, we then consider the individual companies as prospective investments. When selecting stocks for our portfolios, we measure them against ESG criteria. ILIM seek companies with strong ESG credentials that generate revenues from sustainable activities.

Pillar three: Responsible Ownership

In the third stage of our approach, we strive to effect positive change by being responsible owners. This is done via informed shareholding voting on ESG matters, constructive engagement, and advocacy of the importance of ESG issues in industry and regulatory forums.

Sustainable Equity Strategy

An example of putting our three pillar approach into action is our new Sustainable Equity strategy, which underpins Irish Life's flagship Multi Asset Portfolios (MAPS). MAPs are a range of funds available on savings, investment and pension plans from Irish Life Assurance. The strategy is designed to increase clients' exposure to sustainable companies, and is better aligned with the vital goal of transitioning to a low-carbon economy.

When building our Sustainable Equity strategy ILIM begin with a Global Equity Index and then apply a number of set criteria to develop our own proprietary index strategy. The Sustainable Equity strategy aims to deliver returns that are within 1% of global equity market returns but with a significantly reduced carbon intensity score that is 31% lower than the global equity index.

This Sustainable Equity Index strategy is outlined below and blends our expertise and experience in indexation alongside our active three pillar Responsible Investing approach.



What are the benefits of this approach?

- Similar returns to the wider global equity market
- A similar level of volatility as the global equity market
- Enhanced sustainability characteristics
- Lower exposure to ESG controversies and certain industry-specific risks
- More exposure to companies with better ESG ratings.

If you would like any more details on our ESG investment approach or new Sustainable Equity strategy please contact me or your account manager.

1, 2 Sources: Irish Life Investment Managers 2021.

Warning: If you invest in this fund you may lose some or all of the money you invest.
Warning: The value of your investment may go down as well as up
Warning: This fund may be affected by changes in currency exchange rates.

Irish Life Investment Managers (ILIM) is an appointed investment manager to Irish Life Assurance plc. Irish Life Investment Managers Ltd is regulated by the Central Bank of Ireland. Irish Life Assurance is regulated by the Central Bank of Ireland.

Amundi Ireland forges business relationship with Irish Life

AMUNDI, the largest European asset manager, recently announced that Amundi Ireland Limited has entered into a new business relationship with the country's largest life assurance company, Irish Life, to provide investors access to a range of Amundi Funds.

The move provides both pension and savings clients access to seven sub-funds of Amundi Funds across a number of asset classes through their Financial Brokers, alongside Irish Life's existing fund options.

Amundi Ireland has also pledged to plant 10 trees for every Irish Life policy sold with Amundi Funds, up to a maximum of 12,000 trees, as part of its commitment to reforest 4.7 hectares of native woodland, near Kilmacanogue in County Wicklow.

Graham Fox, Head of Retail Distribution, Amundi Ireland Limited, said: "I am excited to announce this new relationship with Irish Life and look forward to working with all our new clients in the years ahead. Amundi Ireland has made significant inroads since launching its retail division last year, largely as a result of providing clients with what we believe are the best of both worlds – the benefits of a global asset manager combined with a local team of experts."

Richard Lavelle, Head of Broker Proposition, Irish Life, said: "We are delighted to expand our offering to the Irish

broker market with the addition of a select range of Amundi Funds and look forward to building a successful relationship with Amundi going forward. At Irish Life Brokerage we believe it is important for Financial Brokers to have access to a choice of quality investment managers for their clients and this relationship with Amundi further enhances the options available from us."

Amundi is Europe's leading asset manager and in the top 10 globally with more than €1.7 trillion in assets servicing 100 million clients around the world. Amundi Ireland Limited is Amundi's main investment hub for equities and home to a wide range of investment expertise from portfolio managers to research analysts and investment specialists and the Group's cross-border marketing team. Dublin, alongside Paris, is also a key technology hub for the Group.

The Impact of Bond Yields on the Equity Market



Philip Byrne,
Deputy CIO &
Head of Equity
Investments,
Merrion
Investment
Managers

WITHIN our proven three pillar investment process, at Merrion Investment Managers we are always actively reviewing the various factors that affect the different asset classes we invest in through our core multi-asset funds. In this respect one of the more common questions we are currently being asked is in relation to the likely impact of rising bond yields on equity markets.

Whilst equities gyrate, market watchers appear to either credit or blame rising or falling bond yields at an alarmingly contradictory rate. It is forgivable to be slightly confused when trying to understand whether bond market moves are good or bad for your portfolio of equities. Unfortunately, at Merrion Investment Managers we do not have the definitive answer (there isn't one!) but we thought it would be helpful if we shared our investment framework with you on this.

In general, there is a historic positive relationship between periods of rising yields and equity performance. Yields tend to rise when economic growth is good, so

It is forgivable to be slightly confused when trying to understand whether bond market moves are good or bad for your portfolio of equities.

it is understandable to see equities rise alongside a growing economy. The difficulty arises when we start to differentiate between what we mean by yields, and over what time frame are we talking about. If yields are rising in longer dated bonds, (think of that as the market rate) it is usually against a positive economic backdrop. If, however yields are rising in shorter dated bonds (policy rates) it can weigh on equities as it can be seen as a precursor to tighter monetary policy. We then need to look at from what level these moves are occurring. Are they happening quicker or slower than the market expected, and are we talking about real or nominal yields? Hence you can see there is no definitive answer.

The speed of the move matters too. A gentle glide higher in yields is reflective of a steady economic and monetary backdrop, one in which equities can thrive. A sudden move higher however can be a signal of a shift in either the inflationary environment or a sudden change in central bank policy. A sudden drop lower can be a sign of a growth shock or a risk-off event that wasn't expected. Equity investors can look to short-term moves in the bond market to ascertain whether they should be worried or excited about the latest news flow, seeing the bond market as a purer economic forecasting tool. Hence it is the bond market's reaction to a certain event, confirming equity markets fears or hopes that is the reason for the move, not the actual bond market itself that can sometimes matter.

In theory lower yields should help the valuation of equities but historically rising yields have actually been associated with rising valuation multiples for equities.



The reaction within equity markets is not consistent either. This adds another layer of complication. Rising yields can help the earnings power of banks and insurance companies, hinder the valuation of technology companies, complement and confirm the performance of commodity stocks yet take away from the dividend appeal of staples!

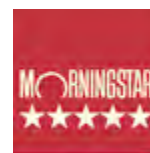
There is no definitive answer on the impact of bond yields on equities and yet it is one of the most important factors in determining asset price performance. We are constantly evaluating the potential impact of changing bond yields as part of our investment process.

The Merrion Multi-Asset 30, 50 & 70 funds are available via Aviva at standard pricing. All three funds have received a 5-star Morningstar™ Rating. Please contact either Kevin O Kelly (kevin.okelly@merrion-investments.ie) or Fearghal Lawlor (fearghal.lawlor@merrion-investments.ie) should you require any further information.

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.

*Morningstar Ratings as of 31.12.2020

© 2021 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is 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. Past performance is no guarantee of future results.



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

Merrion Capital Investment Managers Ltd (trading as Merrion Investment Managers) is regulated by the Central Bank of Ireland. Cantor Fitzgerald Ireland Ltd is regulated by the Central Bank of Ireland and is a member firm of Euronext Dublin and The London Stock Exchange.

Your
Trusted
Partner

046 948 1667
info@optis.ie



Optis Insurance are a leading supplier of both wholesale and London market placement facilities in the Irish market.

Our extensive range of packaged products are delivered via our easy to use web portal which offers end-to-end quote, referral and bind options.

As a member company of **PIB Group** we are pleased to have taken transfer of **Citynet Insurance Brokers'** Irish book of business to ensure brokers can continue to place risks into Lloyd's.

We are now a Lloyd's Broker and have opened a UK Branch to continue servicing our clients and allow placement of your EEA business without disruption.

optis
insurance



Casualty & Property

Bespoke solutions to unusual challenges and hard to place risks



Motor Fleet

Long-standing relationship with a large range of speciality insurers



Liability

Excellent service & specialist knowledge



Professional Risks

Comprehensive insurance packages available

Optis Insurances Limited t/a Optis Insurance is regulated by the Central Bank of Ireland. Unit 1, Knightsbrook Square, Knightsbrook, Trim, Co. Meath C15 AN81. (046) 948 1667 / optisweb.com / info@optis.ie

Are your clients paying too much for their motor insurance?



Family fleet policies can save hundreds of euros compared to buying several individual policies. Kate O'Connor discusses the increase in demand for multi-car policies, and how they can save your clients' money.

IT'S been a tough 12 months all round, and much of the economy is still reeling from the impact of Covid-19. Despite this challenging situation, car sales are expected to boom over the coming months. According to the EY Mobility Consumer Index, nearly a third of people without a car intend to buy one in 2021 – and 20% of people who already own a car are open to buying an additional one.

Car sales boom

This isn't necessarily as surprising as it may seem. Covid and its successive lockdowns have made us all more insular – more used to having our own space, and more nervous about mingling with strangers in public places. Especially confined spaces. Public transport, for instance.

Covid also presented many of us with the opportunity to save money. With nowhere to go and little to do, banks have seen a huge increase in household savings over the past year. As the world starts to open up again, these savings – combined with our reluctance to take public transport – could well see more people investing in their own car.

Multi-car households

A likely consequence of this will be an increase in the number of cars per household. In 2017, almost two thirds of households in Ireland already owned multiple vehicles. Since then, we have seen an increase in car ownership, and a pandemic that prompted many people to combine households – bringing their cars with them.

Which leads us on to the millennial effect. Even before the pandemic, the number of adult children living with their parents was at a record high, thanks to high house prices and challenges getting on the property ladder. Over the past year even more have moved back home, wanting to bubble with family instead of living in isolation. And according to the EY Mobility Consumer Index, 45% of those planning to purchase a car this year will be millennials. As this generation brings their new cars to their family homes, we are likely to see a significant increase in the number of cars per household across the country.

Multi-car insurance

Traditionally, the only option to insure multiple cars was to buy several individual policies. This meant paying full premiums on every car, and keeping track of different no-claims bonuses and renewal dates. However, things have changed for the better.

At DUAL, we offer a Family Fleet policy that allows your clients to insure multiple vehicles on the same policy. Family Fleet policies offer multi-vehicle discounts, in addition to the no-claims discounts available to each vehicle. And the more cars your clients add to their policy,



Despite this challenging situation, car sales are expected to boom over the coming months.

the greater the discount we offer. It's also worth noting that a claim on one car will not impact the no-claims discounts on the others.

Save time and money

Our Family Fleet policy makes it more affordable for your clients to insure all of their vehicles – whether they are family cars, electric vehicles, or part of a prized automobile collection. If their main vehicle is valued at €30,000 or more, we can help. Get in touch to find out more.

Kate O'Connor is Head of Business Development at DUAL underwriting Ireland DAC, the world's largest international MGA. DUAL specialise, 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

DUAL Underwriting Ireland DAC (trading as DUAL Private Client) is regulated by the Central Bank of Ireland. Registered No. 633531. Registered office: 11, Fitzwilliam St. Upr., Dublin 2 DO2 YV66. Directors: Barry O'Dwyer (Managing), Ralph Snedden (British), Richard Clapham (British).

Pensions commission consultation on the state pension



The Pensions Commission was established in November 2020 under a Programme for Government commitment to look at ways to ensure the sustainability of State Pensions and the Social Insurance Fund into the future. The Commission is due to report on its work - findings, options, and recommendations - to the Minister for Social Protection, Heather Humphreys, by 30 June 2021.

Rachel McGovern, Director Financial Services, Brokers Ireland

THE commission undertook a public consultation, which was open for a month up to 9th March this year.

The consultation dealt with:

- The sustainability of the State Pension and the Social Insurance Fund in terms of pension age, eligibility criteria, contribution rates, pension calculation methods and pension payment rates
- How private sector employment contracts specifying retirement ages below the State pension age may be impacting on the State's finances and pension system
- How people who have provided long-term care for incapacitated dependants can be accommodated within the State Pension system.

The consultation points out, as we well know by now, people are living longer. The CSO has predicted that by 2051 more than one in four, 26%, of the Irish population will be over age 65. This is up from 13.3%, less than one in seven in 2016. It is evident that if changes are not made to the pension system the increased spending on pensions will reduce resources available to Governments to fund income supports and other social services.

Currently Ireland operates on a pay-as-you-go basis with existing pensioners being paid from the taxes of the current workforce. The ageing of our population means that citizens are spending a lesser amount of their lives than heretofore at work and more in retirement. The obvious implication is there will be a relatively smaller proportion of working people to pay a higher pensions bill. Currently there are four people in the workforce for every person in retirement. Over the next 40 years this is due to fall to a ratio of 3:1, creating a deficit of the order of €400 billion over the next fifty years.

If the state pension system is to remain sustainable and sufficient to keep individuals out of poverty, it should be tracked at 35% of the average industrial wage.

Rate of Pension

The pension payment rate should reflect the total contributions paid by any person, including periods of low or no PRSI contributions, where credits should be awarded, for example, in cases of illness or caring and should be indexed to the cost of living.

Pension Age

The issue of the state pension age was highlighted within the Pensions Commission consultation. Brokers Ireland, among others, is concerned that political pressure may be brought to bear to halt plans to extend the State pension age to 68. We believe this could have a devastating impact on State pension provision into the

future. Over the longer term, increasing life expectancy will continue to outpace the increase in pension age. We believe State pension age should be directly related to life expectancy, which it is not at present.

From an employers' perspective on the issue of retirement age the Government needs to raise awareness that setting a mandatory retirement age needs to be objectively justified. Otherwise, employers could leave themselves open to legal challenge.

It is however possible, as the consultation suggests, that some individuals will need to retire before they can access the contributory state pension. Provision should be made to enable them retire and access State pension from age 62 if required. To insist that they must apply for job seekers allowance to bridge the gap is disingenuous from a policy perspective. This issue needs to be addressed so that they are not forced by the State into pretending they are seeking employment.

Consideration should also be given to providing access to pension credits for those who need to retire early but may, for example, move abroad, so that they can qualify for their pension at pension age. In countries like Sweden, if you stop working, start working in another country, or move abroad for another reason, you retain the pension rights you have earned.

Currently there are four people in the workforce for every person in retirement. Over the next 40 years this is due to fall to a ratio of 3:1, creating a deficit of the order of €400 billion over the next fifty years.

Auto Enrolment

In the 2018, Automatic Enrolment Strawman Proposal Consultation it is estimated that somewhere in the region of 860,000 employees are currently not setting aside personal savings for their retirement to supplement the State pension. Commencement of the automatic enrolment pension scheme may be the key to ensuring that those on lower incomes will have adequate incomes to sustain themselves in retirement. It is possible that this could be achieved instantly by using the current PRSA structure with compulsory contributions and Revenue Commissioner oversight.

Aviva sets its sights on the world's 30 largest carbon emitters



Peter Smith,
Investment
Director,
Aviva Investors

TO some it may seem extraordinary to think of a global oil and gas company or indeed a mining company becoming a Net Zero carbon emitter by 2050 but in order to address climate change this needs to become our new reality.

With many individuals now taking personal responsibility for their own carbon footprint by moving to electric cars or possibly embracing a vegan diet, the investment industry has a huge role to play in addressing the issue of climate change. It was claimed by the Make My Money Matter Campaign in 2020 that moving your investments to a more environmentally sustainable fund is 27 times more effective in reducing your carbon footprint than not flying and becoming a vegan for the rest of your life. With over \$300 trillion invested in capital markets globally, how we decide to invest in companies can truly help address the precipice we find ourselves at in relation to climate change.

Aviva Investors Global Climate Escalation Policy

At Aviva Investors we integrate climate engagement into the interactions we have with the companies that we invest in. We have a strong ESG philosophy that promotes the merits of engaging with companies rather than excluding them, preferring to work with companies to secure a more sustainable future rather than making it someone else's problem. Our preference is to stay invested, stay engaged and partner with companies as they develop a climate strategy, this allows us to influence their transition, as well as the pace of the change required. However, we do recognise that our engagement approach around climate change needs to have teeth, it must be accompanied by a robust escalation process including the ultimate sanction of divestment.

In February 2021 we announced our Global Climate Escalation Programme, a focused engagement programme, targeting the 30 largest global carbon emitters that are estimated to produce 30% of the world's carbon emission every year.

The 5 Climate Asks

As part of this focused engagement programme with these companies, we set them 5 specific climate asks to encourage them to transition to a low carbon economy, each company was asked to;

1. Set 2050 Net Zero emissions targets for entire business
2. Include climate targets into corporate strategy
3. Align management incentives to climate goals
4. Report on progress using the Task Force on Climate-related Financial Disclosures (TCFD) framework
5. Align all lobbying activities to the Paris Climate Accord

We expect the 30 companies to implement these measures

within 18 to 36 months and we will be monitoring their progress every six months. If progress is not evidenced, Aviva Investors has committed to divest all equity and credit investments from the companies that do not make progress in line with the programme's goals.

Together, we can make a difference

At Aviva Investors we have a large dedicated team of ESG analysts that allows us to continually engage with and work with companies that we invest in to help them build for a more sustainable future. A good example of how impactful engagement can be rather than outright exclusion is BP, one of the world's largest oil and gas companies. Following a period of engagement with BP, they have committed to an ambitious climate strategy targeting Net Zero by 2050. If they deliver on this ambition, it will be the equivalent of removing the entire annual emissions produced by both Ireland and the UK, and the evidence so far is very positive.



Last year BP began their plan to sell off £25 billion of high carbon projects by 2025 with the sale of their petrochemicals business for \$5 billion. They continue to target a decline in production of oil and gas of 40% by 2030, while in the past year they have invested over \$2 billion in offshore wind farms in both the US and in the Irish Sea.

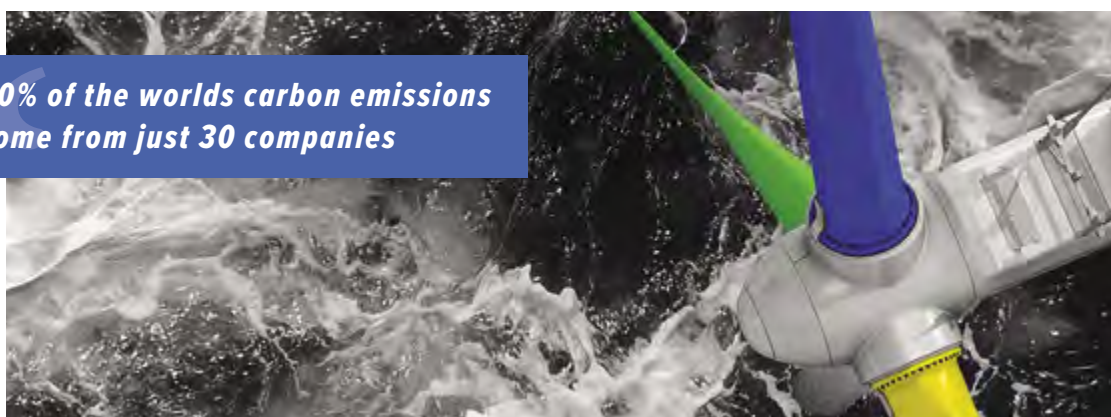
Aviva Investors' ESG philosophy promotes the relative merits of engagement over divestment as the more effective mechanism of delivering positive change and outcomes for our clients and society. Engagement provides us with the opportunity to partner with companies as they navigate the challenges of transition. However, for our engagement approach to have impact, it must be accompanied by a robust escalation process, including the ultimate sanction of divestment.

Talk to your Account Manager today.
Visit www.avivabroker.ie

Warning: If you invest in this product you may lose some or all of the money you invest.
Warning: The value of your investment may go down as well as up.
Warning: These funds may be affected by changes in currency exchange rates.

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.

30% of the world's carbon emissions come from just 30 companies





When you're making a real difference

You need a specialist insurer

We understand how much effort and passion goes into running a charity. It's why our experts are trusted by charities across the country to provide specialist insurance, support and risk management solutions.

Our specialists make us who we are.

Visit us at [ecclesiastical.ie/charity](https://www.ecclesiastical.ie/charity)

Ecclesiastical Insurance Office plc is regulated by the Central Bank of Ireland.
Ecclesiastical Insurance Office plc Reg. No. 24869. Registered in England at Benefact House, 2000 Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester, GL3 4AW, United Kingdom. Registered Branch in Dublin, Ireland, Reg No. 902180. 2nd Floor, Block F2, EastPoint, Dublin 3. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom (Firm Reference Number 113848).

Retirement Planning Courses for clients of Brokers Ireland members



BROKERS Ireland has entered into an agreement with The Retirement Planning Council of Ireland (RPCI) whereby the RPCI will run retirement planning courses for clients of Brokers Ireland members.

The workshops, which are highly interactive in nature, focus on the holistic side of retirement planning and help people to prepare for, and transition into a happy, meaningful and fulfilling next phase of their lives. They address all of the areas that change in retirement, particularly the important matters of relationships and personal identity. These are areas that affect not just the person retiring, but their partners too. That's why the RPCI strongly recommends that partners also participate in the course. Given that people can now spend nearly as much of their lives in retirement as they do at work, it is really important to plan for it well. Other important matters covered on the courses are maintaining healthy lifestyles, the requirements for which change as we grow older and legal matters relating to wills and Enduring Power of Attorney. At the end of the course, time is given to enable each participant create a life plan so that they get the most out of their retirement.

The workshops, which are highly interactive in nature, focus on the holistic side of retirement planning and help people to prepare for, and transition into a happy, meaningful and fulfilling next phase of their lives.

Whilst the courses are predominantly concerned with the human side of retirement planning, there are three short modules that address some financial aspects. The first is Social Protection - this part of the course helps people to get clarity around their own personal entitlements and benefits in this area. The second is taxation, which changes as income often does when one retires. The third module, titled "Managing your Finances", was designed by Brokers Ireland with the needs of Brokers' clients in mind. It is intended to compliment and reinforce the relationships between brokers and their clients and to equip course participants to have meaningful conversations with



Pictured at the announcement in 87 Merrion Square, by Brokers Ireland and the Retirement Planning Council of Ireland are Ray Kenny, Chairman of RPCI and Ciaran Blackall, President of Brokers Ireland.

their brokers around financial retirement planning. This module does not advise course participants and the RPCI will never give advice on financial matters; nor is it authorised to do so.

The RPCI normally run courses around the country; weekly in Dublin and regularly in Cork, Limerick, Galway, Sligo, Kilkenny and Waterford. However, in the current environment the courses are now being provided through an innovative and highly-interactive online learning platform for safe delivery to participants. In parallel with this, face-to-face courses will resume when Covid-19 protocols allow and it is safe to do so.

Brokers who wish to make bookings on behalf of their clients can do so by contacting The Retirement Planning Council of Ireland on 01 478 9471 or for more information contact Kevin Kenny on 087 2550585 or kevin.kenny@rpc.ie. Additional details on the course, including instructions on how to make a booking, can be found at www.rpc.ie

The Retirement Planning Council of Ireland was founded in 1974 by people in the financial planning sector who felt that their clients would also benefit from retirement planning from a holistic viewpoint. Through the years it has delivered around 11,000 workshops to more than 135,000 people drawn from the public and private sectors; professionals and the self-employed. It is a Registered Charity, a not-for-profit organisation and centre of excellence in providing a retirement educational programme. RPCI has a voluntary board of directors. The Retirement Planning Council of Ireland supports people to and through retirement. Everyone who completes a RPCI course is entitled to free lifetime support on all matters relating to retirement.

AIG Ireland Online Broker Academy 2021

Continuing to Stay Connected



Naomi Sabherwal, AIG Ireland

Due to the success of our online broker academy in 2020, we are delighted to announce its continuation for 2021 with even more courses available. Staying connected with our broker partners during this challenging time is of the utmost importance to us at AIG.

The AIG Ireland Online Broker Academy provides an opportunity for us to share our risk management expertise and solutions on a variety of insurance and thought leadership topics which brokers have told us are important to them and their clients.

Another great benefit to the online offering is that all courses are CPD accredited with both Insurance Institute of Ireland and LIA. We've received very positive feedback to date with over 85% of participants rating the courses as "Excellent" in post event surveys.

Our full schedule for 2021 can be found below

AIG Ireland Online Broker Academy 2021

Calendar

Date	Topic	Speaker
7th April (12pm)	Environmental	Cliona Byrne, Senior Environmental Underwriter
5th May (12pm)	Group Personal Accident & Health	Louise Gallagher, Senior A&H Underwriter
26th May (12pm)	Contaminated Products Insurance	Des O'Reilly, Head of Casualty
2nd June (12pm)	Casualty	Ken Coonan, Assistant Manager, Casualty
23rd June (12pm)	SME Solutions	Paul Winters, Commercial Combined Manager
7th July (12pm)	Cyber	Conor McGill, Senior Cyber & PI Underwriter
4th August (12pm)	Multinational	James Bohan, Head of Multinational & Global Fronting
1st September (12pm)	Marine	Niamh Hume, Senior Marine & Property Underwriter
6th October (12pm)	Directors & Officers	Daryl Bridgeman, Team Leader Management Liability & Financial Institutions
20th October (12pm)	Property	Grainne Glynn, Property Underwriter
27th October (12pm)	Property Risk Engineering	Martin Carr, Senior Account Engineer
3rd November (12pm)	Terrorism	Maeve Keenan, Assistant Manager, Property

Please note: 1 hour CPD will be applied per course. You can register your interest in the above academy sessions by emailing IrelandCommunications@aig.com

We look forward to your participation!

AIG Europe S.A. is authorised by the Luxembourg Ministère des Finances and supervised by the Commissariat aux Assurances, and is regulated by the Central Bank of Ireland for conduct of business rules.



For more information or to register your interest for future sessions, please email IrelandCommunications@aig.com

Economic & Market Outlook

Markets in Transition?



Graham O'Neill

THE post Financial Crisis period saw for the first decade a focus by policy makers on monetary policy to resuscitate the global economy. Outside of China there was very little fiscal stimulus with most governments concerned that further increasing fiscal deficits would result in upward pressure on borrowing costs and slower economic growth. Many countries in Europe which came out of the Financial Crisis with significantly higher debt to GDP ratios saw their borrowing costs soar, even though they were within the Eurozone. This was a period when governments focused on trying to repair their own balance sheets as tax revenues had collapsed following the GFC. The lack of solidarity in the Eurozone resulted in the Euro crisis only solved by Draghi's "do whatever it takes" moment in the summer of 2012. Whilst the US had delivered some level of increased fiscal spending following the election of Donald Trump, Congress at that time was opposed to significantly increasing the US deficit.

The post Crisis period has been dominated by an era of low growth and low inflation resulting in former US Treasury Secretary Lawrence Summers coining the term 'secular stagnation' for a world with an excess of savings. A decade of low, then zero, and in some cases negative interest rates, combined with QE, had failed to significantly shift the dial on growth and when Covid-19 struck and governments were forced to impose shutdowns on local economies there was rapid recognition that the austerity policies which resulted from the Financial Crisis would have disastrous consequences for the global economy if they were re-introduced. Globally, governments stepped up with the developed world far better placed than the emerging world to put in place stimulus packages well in excess of 10% of GDP. This resulted in markets being able to look through the pandemic driven slowdown and in anticipation of economic recovery stock markets ended the year on a buoyant note boosted by positive vaccine announcements.

China remains the country globally that has recovered the best from the pandemic, and arguably the same could be said in the immediate period post the Financial Crisis.

With control of the Senate President Biden has been able to put in place a further significant stimulus package of US\$ 1.9 trillion, worth approximately 8% of US national income. The global effect of this is not insignificant, which when combined with the rapid roll out of vaccinations should lift global income by 1% this year. This package, together with the vaccine announcements, has resulted in significant upgrades to global growth forecasts for 2021 and beyond. A booming US economy has implications for the rest of the world and manufacturing partners of the US, which includes much of Asia, Mexico, and Canada, should benefit from the US rebound and for other advanced economies who can borrow in their own currency faster US growth is a positive. Not only is there the potential for higher exports, but also the resurgence of animal spirits amongst corporates which could boost capex.

At the back end of 2019, investors focused on the prospects for stronger growth rather than thinking about the implications of an overheating American economy if it

were to occur. Bond markets have become concerned that with significant levels of both monetary and fiscal stimulus, which have not been tried together in the post GFC period, greater demand for goods and services could lead to capacity constraints and cause higher inflation. Market commentators have raised the prospects of once again "bond vigilantes" forcing governments to change course if longer term borrowing rates rose significantly. The post GFC period has been one where markets have benefitted from declining short and long term interest rates, together with a significant fall in real yields, resulting in a much lower discount rate being applied to the future earnings of corporates. The post Financial Crisis market recovery has not been driven by hopes of higher growth which was the driver of returns in the late 90's bull market, but rather a higher price being paid by investors for earnings at a time when cash rates and 10 year bond yields were either close to zero or negative. It is the upward pressure on government bond yields globally that has resulted in the volatility in equity markets in 2021 and why in the short term growth investment styles, especially those focused on defensive growth, have struggled versus the wider market. In fact, in the post vaccine news period from November on, growth defensives have lagged the market, whilst in the final months of last year and the first weeks of January high growth stocks continued to perform well, the more recent upward pressure on bond yields in the States has resulted in a setback in high growth equities, particularly hitting stocks in the technology and innovative healthcare related sectors.

Both the US and UK have implemented vaccine roll out programmes at a rapid pace, certainly compared to Europe, and this has resulted in strength in both their respective currencies. In a global context, US\$ strength is important as it can result in a reversal of some of the capital flows that have financed the developing world. Investors can look back to the 2013 taper tantrum when countries with current account deficit saw their currencies and bond markets come under pressure, which impacted equities as it became apparent growth forecasts in these countries would be cut. Today, the most exposed countries then are in a better position, but within the emerging world countries not reliant on external Dollar denominated finance are likely to fare best.

China remains the country globally that has recovered the best from the pandemic, and arguably the same could be said in the immediate period post the Financial Crisis. Policy makers in China have successfully managed the country through two crisis periods, which has resulted in China's standing in the world continuing to rise. Today, China as arguably the manufacturer for the world, is benefitting from a global recovery led by manufacturing, with the service sector still constrained in most countries in the developed world by the effect of non-pharmaceutical interventions to control the Coronavirus. Consumers still fortunate enough to be working in locked down economies have diverted service sector spending towards manufactured goods. This year investors have also seen rising commodity prices in oil, hard, and soft commodities, and whilst this will help some developing world exporters, oil importing current account deficit countries could find 2021 more difficult to navigate.

The United States with its successful vaccine roll out has seen upgrades to economic growth forecasts with some private commentators forecasting growth in the 7-8-9% range. Markets are concerned that with the strength



Both the US and UK have implemented vaccine roll out programmes at a rapid pace, certainly compared to Europe, and this has resulted in strength in both their respective currencies.

in growth and some supply side disruption there will be a comeback in inflation despite its absence for the past 30 years. The US Federal Reserve has indicated it will tolerate an overshoot of its 2% target to compensate for persistently low inflation. Market volatility is occurring as some bond investors worry that when the anticipated rise in inflation occurs in the middle of the year, the Fed will be less comfortable than it is now. In the autumn of 2020 investors grappled with the effects of economic scarring the pandemic would leave and it now seems clear the United States and North Asia will return to normality quicker than other regions. Covid-19 was an exogenous shock and the strong policy response has allowed risk appetite for those consumers remaining in work and some corporates to recover quickly. Forecasts now suggest the US economy will recoup its lost output by the third quarter of this year.

There have been periods before, such as in the second half of 2016, when there was a two way pull on inflation between structural disinflationary forces which we have termed the 3Ds: disruption, debt, and demographics versus cyclical forces. The difference this time round in the short term is the extent to which expansionary fiscal policy is occurring at a time of loose monetary policy. Morgan Stanley estimate to date US households have lost \$49bn in income but have received \$1.3tn in transfers. This will increase further with the passing of the Biden fiscal package. This is combined with a US administration where there is a belief that the unemployment rate is understated due to US workers leaving the labour force and US Treasury Secretary Janet Yellen believes that there should be a broad based recovery benefitting Main Street more than Wall Street. Policy makers are more focused on income inequality than financial markets. Yellen has stated it is right for every American to have a job as fast as possible. The Biden administration does not believe a sustained pickup in inflation is likely, but are prepared to take risks to achieve its political objectives. The most recent meeting at the Federal Reserve reiterated its intent to keep accommodative monetary policy in place despite raising its own growth forecasts. Fed Chair Jay Powell also stated that further substantial economic progress was still needed before the central bank would begin contemplating curtailing its QE bond buying programme.

There have been a number of market regimes or equilibriums since the start of 2020. The first was when growth was disrupted by Covid. The second was when significant monetary easing

and fiscal support allows markets to rally. At this stage markets priced in a lower for ever interest rate regime. What investors are now seeing is a shift to a lower but not forever mentality on interest rates. Whilst politicians want to see growth come back this period is often a more dangerous one for financial assets. The post GFC period was bad for the economy but good for financial assets. Some commentators labelled QE as welfare for the wealthy. Since 2008 asset price reflation has been a stated policy objective. Today in the States the Biden administration wants to see wage growth and the administration is likely to pursue this policy despite a risk of higher inflation.

Markets are still pricing in the low rate environment until 2023. Bond markets in the face of such a strong fiscal response and economic recovery are testing markets to see if the Fed will be forced to alter its position. An increase in real rates may be cheered by policymakers but feared by markets. Stocks priced off long term interest rates have seen volatility and those with stable but less than stellar growth prospects could continue to struggle. As yet there is no firm evidence inflation will see anything more than a cyclical pick-up in inflationary pressures, with over the medium term long-term secular influences continuing to constrain inflationary pressures. It will take most of 2021 to be certain this view will prevail and as a result markets this year may continue to see elevated levels of volatility as the 'bond vigilantes' do battle with the Fed and other central banks. At worst high quality growth stocks may see a reset to their levels of valuation before their earnings growth returns their share prices to a sustained upward trend. Some value stocks can continue to perform in an environment of rising expectations for growth while these persist, but avoiding business in structural decline rather than buying stocks purely on low valuation metrics will be vitally important. As was seen in 2018 even a modest increase in rates impacts heavily in an indebted and low growth world so both inflation and the outperformance of the value style may prove to be cyclical in nature.

Graham O'Neill can be contacted at: 086 8122484.



Royal London welcome Karen Gallagher

ROYAL LONDON is delighted to welcome Karen Gallagher to the business as Interim Head of Proposition.

Karen joins Royal London to cover for Joe Charles for 12 months. Joe is being seconded to act as Business Owner for a major strategic programme for Royal London.

Royal London's proposition department includes the Pricing, Marketing and Product Development specialists and is focused on providing a truly market-leading proposition to the Irish market.

Commenting on Karen's appointment, CEO of Royal London in Ireland Noel Freeley said, "I'm excited to welcome Karen to Royal London. Her passion for protection and advocacy of brokers' needs will further enhance our great propositions in the market."

Karen, who is well known within the protection industry, brings with her a wealth of industry knowledge having previously been Product Director for Friends First. More recently, she has been managing the integration of the Friends First individual protection product suite into Aviva. Karen's appointment will further strengthen Royal London's proposition team as it continues to enhance and deliver valuable and customer-focused products for Financial Brokers and their clients.

New Ireland Pension Product Launch

NEW IRELAND are delighted to launch our promotions on single premium pension and ARF/AMRF products which run until 30th June 2021.

[Click here to find out more.](#)

Save the date - Insurance Charities Awareness Week!



INSURANCE Charities Awareness Week will take place between 21-25 June.

Please put this in your diary, and look out for further updates on our social media channels, website and special ebulletins as more details become available.

During the week we'll be calling on you and your colleagues to:

- Retweet and share our social media posts throughout the week.

- Send your own posts from your personal accounts and company accounts (where possible)
- Circulate the resources we'll be sharing with you in advance. Perhaps consider team meetings, intranets, and 'lunch and learn' sessions for example.
- Watch our webinar we'll be launching at the start of the week.
- Think about those in your professional networks who may be struggling, and signpost them to the Charity.

We hope that you and your employer will get involved, and help us raise awareness throughout the industry. If you have any questions or would like to find out more, please visit www.theinsurancecharities.ie



Brokers Ireland Spring Members Meetings

BROKERS IRELAND remain focused in driving Brokers narrative to ensure that members interests are consistently represented to key influencers and national decision makers. With this in mind, we are again hosting two virtual Members Meetings in April, one for Financial Brokers and a separate session for Insurance Brokers, which will update members on developments across our strategic priorities for 2021.

The meeting will provide Insurance Broker Directors and Principals with updates on actions taken so far in Q1 2021 on key Brokers Ireland strategic objectives. The forum will also provide an opportunity for you, our members, to give us feedback, which will help to shape Brokers Ireland roadmap and strategy going forward and we strongly urge all members to get involved in this participative process.

The Insurance Broker Members' Meeting will take place on Tuesday 13 April 2021 at 1100 hrs and will outline:

- Differential pricing
- Agency agreements
- Key legislative changes impacting Insurance Brokers
- Brokers Ireland new Insurance Broker brand and website
- Overregulation of your businesses

The Financial Broker Members' Meeting will take place on Tuesday 20 April 2021 at 1100 hrs and discuss:

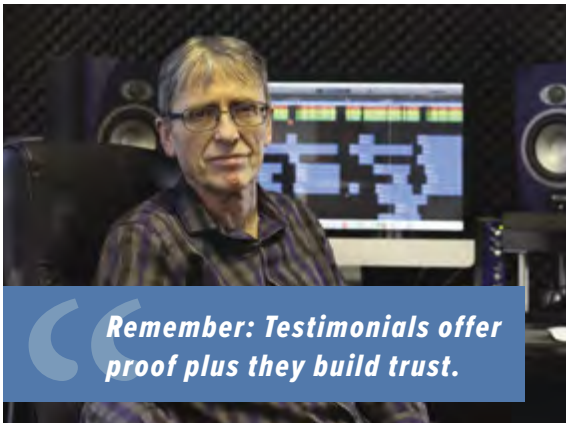
- Pensions Reform
- Lobbying – Budget submission 2022
- Financial Broker brand
- Life office engagement
- Agency agreement Updates
- Market Evolution – Future proofing the Financial Broker Brand

We look forward to welcoming as many of you as possible to these meetings in April.

Don't sell: Educate and differentiate

Dermot McConkey, Dermot McConkey Development & Training Limited

HERE'S the understatement of the year. Selling as an art has changed so much over the years. In days gone by, "**Show up and throw up**" was often a very crude, but probably accurate, description of the sales process. In other words, people turned up, armed with a product and told people why they needed it and why they should purchase from them. They spoke at them. And it regularly worked for many as prospects frequently did not have an educated opinion on the subject matter or access to information like there is today. If the presenter was impressive and convincing enough in their delivery and the prospect could afford it, they bought. The irony is that I still come across people who present and sell the old way. It can still work for them because of their persistence and determination but it would be so much easier for them if they adjusted their approach to incorporate the modern way, ie helping people to buy via consultative selling and digital communication. In this article I'd like to outline my take on consultative selling and why digital communication, in partnership, is now also a must.



Consultative Selling

Let's start by reviewing consultative selling. Today in sales, specific, focused, open emotional questions are the way forward, accompanied by great active listening skills. Active listening means you occasionally, tactfully repeat what the prospect says, reflecting your understanding of what they said in your words. You regularly summarise on key points of interest and then check in with them for agreement on your interpretation of their viewpoints. Sounds easy, right? Its not as easy as it sounds as many people find it hard to depart from their original training and learning. Today my sales skills advice is to **educate your prospects and then to differentiate** i.e. why you offer more than others. To educate someone you need to start with what they already know. This means questioning them on the subject matter and their understanding and feelings on same. By doing this the prospect outlines to you (and themselves in the process) what they know and don't know. This is important as **a man convinced against his will is of the same opinion still.**

Salespeople have traditionally been taught to probe, listen and offer solutions. In today's world listening has become the most important skill because this is where you learn what motivates or worries your prospect. Salespeople must probe to identify the prospect's value system. They need to do this in order to mine for opportunities, frustrations and buying signals. This is so important at the start of any sales interaction. They must also be adept at constructing ways to present information in a way and language that opens the prospect's mindset and stimulates interest. The issue of price should always be left to the end. If pushed on price my advice

is to say: "I could give you a price (prospect's name) but it could be misleading. Let me learn a bit more about what you are looking for exactly and then we can see what options and choices you have".

Insight over information

Many salespeople today face the scenario that their prospect may actually know as much if not more, about the product, service or solution they are offering. So today's salesperson must provide context and meaning – educating in the process. They must aggregate and filter information and must become a resource of insight for today's information-overloaded buyer. Case studies and examples (stories) of real life experiences help salespeople to do this impressively. Therefore my advice is to think through what case studies or examples you and your staff could outline. These need to be well prepared and presented at the appropriate time in the sale process.

Proof over promise

While price is, more often than not, a factor for most people who buy, its not always the key issue in the decision making step. If that was the case everyone would buy the cheapest everything – shoes, clothes, cars, holidays, nights out etc. They don't. They buy what they value. Therefore any salesperson needs to find out through consultation, where value can be found for their prospect. I have found there are four psychological areas of concern for most purchasers and they are the issues of time (T), money (M), quality (Q) and quantity (Q). The value lies in one or more of these four areas. If M is the challenge, T, Q and Q are usually the answer. The salesperson's job is to find which is of primary interest, of secondary interest and so on. Another critical issue is validation. Testimonials from happy clients help here. These can be written examples that you have with you on the day or they could be available on your website in audio or video format or on your mobile phone. They could be visible on your social media platforms. Remember: Testimonials offer proof plus they build trust.

Digital communication – the difference!

My other suggestion to you is to look at being different by developing your digital communication offerings. This is crucial for one reason. Most people today are connected via a mobile device. Research points to people looking at their device 50 to 80 times per day. They do so on the move, 24/7/365 through LinkedIn, Facebook, You Tube, Twitter, Instagram, your Website or others on their smart phone, iPad, laptop or desktop computer. **You need to be there when they browse for information.** Relevant content is a factor that will offer you maximum exposure so consider what type of content you put up. You need to educate them. It has to be captivating, informative and challenging. Podcasts are now considered a powerful digital vehicle to use. Why? Podcasts are convenient and easy to listen to. Once someone subscribes to a podcast feed, new podcasts can be automatically downloaded to their device as soon as they become available. People can listen to them at their convenience. They can listen to podcasts while doing other things at work or at home, exercising or when commuting. Explainer videos are also relevant content and well worth the investment. We live in digital times. I've heard it said re the digital insurance world - "insurance now needs to be old wine in new bottles". Brokers need to embrace the digital platforms now at play. Brokers need to turn up more often! Join the broker group, this shows you are different. You'll click with them for sure.

Oireachtas Digest



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

MORTGAGE ISSUES

IRISH banks substantially fund their mortgages and other loans by way of deposits raised from Irish households and firms, and eurosystem funding forms only a relatively small share of their overall liabilities. Therefore, if a greater proportion of existing and new bank loans are to be funded by way of eurosystem funding, this would reduce the need and demand for deposits as a source of bank funding – **Minister for Finance**.

THE COVID-19 Credit Guarantee Scheme has €2 billion in lending available for Irish businesses and is the largest guarantee scheme in the history of the State. Its function is to add certainty to businesses that funding is available for working capital and investment purposes. Loans of up to €1 million are available for up to five and a half years at reduced interest rates. Loans under €250,000 do not require collateral or personal guarantees. The Scheme is available to SMEs, small Mid-Caps and primary producers – **Tánaiste**.

REGARDING the particular issue of extending the period of a mortgage approval in principle, CBI advised that there are no specific regulatory requirements relating to the duration of an Approval in Principle. That is a commercial and business matter for a particular lender – **Minister for Finance**.

THE development of a third banking force that is able to compete with BOI and AIB would be welcome – **Tánaiste**.

WITH regard to the moral question of high interest rates, we know that what is permitted at this point in time is 187%. Indeed, that could increase if CBI wishes because there is no restriction on it in terms of the allowing of additional costs. However, when the collection charges are included, it can increase to 288% for moneylenders that are currently operating in the Irish market – **Pearse Doherty TD (SF, Donegal)**.

A borrower could take out two 6-month loans of €500 each from a moneylender, which would cost €300 in interest. That is €300 to have €500 made available to the borrower over 12 months. The equivalent interest cost from a credit union would be €30 – **Brendan Whelan, Social Science Foundation at the Oireachtas Finance Committee**.

IF a person falls into difficulty with repayments, regardless of the borrowing source, the resolution should not entail recapitalisation of the loan. That always leads to increased repayments. If a person gets into difficulty in the first place with a certain level of repayments, he or she will not be in a much better position with an increased level of repayment. They will be in a worse position. When interest rates were higher, it was not possible to get out of that level of debt and there was no solution. It is important to have structures, repayments and levels of interest determined by an outside body rather than lenders – **Bernard J. Durkan TD (FG, Kildare North)**.

PENSIONS

THE Report of the Interdepartmental Pensions Reform and Taxation Group was recently published and recommends a range of reforms to the ARF, including abolishing the AMRF requirement. The conclusions in the report represent a building block for a significant piece of long-term structural reform in the area of supplementary pension provision. In relation to the overall Report, an implementation plan is currently being considered by the Group – **Minister for Social Protection**.

GENERAL ISSUES

THE Action Plan on Insurance Reform contains 66 actions, 95% of which are due to be completed by the end of 2021. The focus is clearly on completing these actions in the short to medium term – **Minister for Finance**.

CURRENT government policy in relation to increasing flood insurance coverage is focused on the development of a sustainable, planned and risk-based approach to managing flooding problems underpinned by a MOU between OPW and Insurance Ireland, who meet on a quarterly basis to help implement the initiative – **Minister for Finance**.

I welcome the fact that the Consumers' Association of Ireland and Brokers Ireland have supported the Insurance (Restriction on Differential Pricing and Profiling) Bill. I also welcome the Government not opposing the legislation, but I am disappointed that it is putting a stay on it for 9 months – **Pearse Doherty TD (SF, Donegal)**.

THERE is a consensus that insurance affordability and availability is a key issue for society and that such insurance reform is a priority issue for this Government. It is widely recognised that there is no single policy or legislative fix to remedy the costs and availability of insurance – **Sean Fleming TD, Minister of State, Department of Finance**.

AS part of the Action Plan on Insurance Reform, an Office to Promote Competition in the Insurance Market was established in my Department to develop a strategic approach to the promotion of insurance competition; encourage transparency and champion the provision of information in relation to the insurance market and available products; tailor its approach reflecting the particular circumstances pertaining in the business sector and that of the wider consumer market which may have different priorities; and importantly provide for more joined-up policy thinking and communications – **Minister for Finance**.

THE inclusion of maternity benefit in all health insurance products is a statutory requirement, as part of a legal obligation on health insurers to provide a specific minimum level of benefit in all health insurance products sold. Minimum benefit is one of the 4 key principles on which the Irish private health insurance regulatory system is based – **Minister for Health**.

INSURANCE Ireland stated it is aware of cases where a final decision on applications for Mortgage Protection Insurance is being deferred in instances where applicants have displayed symptoms of COVID-19, been referred for, or undergoing COVID-19 testing, or had a positive COVID-19 diagnosis. It also stated that it is normal practice to defer a decision on any condition in these cases. However, it also stated that is unlikely that once the applicant has fully recovered from an illness that it would have any impact on the policy they are seeking to take out, although this does depend on the individual case and the severity of the impact of the infection – **Minister for Finance**.

THE Personal Micro Credit Scheme (PMC) provides for small scale loans, known as "It Makes Sense" loans, ranging from €100 to €2,000, by Credit Unions to borrowers in receipt of social welfare payments who may have difficulty accessing low-cost credit. Currently, 107 credit unions at some 281 locations are participating in the Scheme – **Minister for Social Protection**.

66% of Irish businesses believe the move to a digital and more flexible work environment has resulted in better working options for women

66% of Irish businesses believe that working practices accelerated by the COVID-19 pandemic, such as an increased digital and flexible work environment, have had a positive impact on women's careers globally in the past eleven months. This is according to research included in the Women in Business 2021 Report published by Grant Thornton.

42% of those surveyed in Ireland agreed that new working practices have enabled women in business to play greater leadership roles within their organizations. With 48% of those surveyed in Ireland expecting the new working practices to benefit women's career trajectories long-term - this is mirrored globally with 69% of those surveyed globally agreeing.



Commenting on the findings, **Dan Holland, Partner and Head of Diversity and Inclusion at Grant Thornton Ireland says:** "It is encouraging to see an improvement on the number of women holding senior leadership roles in Irish businesses, growing from 31% in 2020 to 33% in 2021. Globally this figure sits at 30%, an important milestone for businesses internationally, but not the end goal. In order to reap the

benefits of a better gender balance, businesses must continue to take action to enable women to realise their ambitions."

While we are making encouraging strides, 48% of those surveyed believe that no action is currently being taken to improve gender balance in their organisation and 42% are not aware if their business has a formal gender diversity policy or holds records on this. It is imperative that businesses continue to implement policies that improve gender diversity and increase opportunities for women in management."

Another encouraging finding in the report is the types of leadership roles women are occupying. Grant Thornton's research reveals higher numbers of women across operational C-suite roles, with the proportion of female CFO's at 30% and 19% occupying CEO roles. Globally 26% of businesses now have a female CEO, an increase of 6% on 2020. The proportion of women in more traditional senior HR roles in Ireland was down slightly at 33% and has trended downwards since 2019.

As a result of the new working environment brought about by Covid-19, 63% of Irish organisations state that they are

promoting improved work/life balance and flexibility for employees, and 53% are adapting existing learning and development programs to the changing environment, i.e., by making them virtual.

Encouragingly, the majority of those surveyed believe that these practices will continue or increase after the pandemic. On average, across the action areas, 46% expect the emphasis to remain the same and 44% expect the emphasis to increase once the pandemic is over.



Shona O'Hea, Partner in Financial Services at Grant Thornton Ireland states:

"My experience this year has mostly been positive in terms of being a woman at work. Within the last twelve months I have moved to working from home full time, had a baby, been on maternity leave and been made partner within my firm."

So, while my personal example demonstrates working from home wasn't a limiting factor in progression I am conscious that we were all in the same boat this year and I wonder as restrictions lift if someone working from home full time will ever get the same opportunities and visibility as the person who's sitting next to the boss every day?"

While increased flexibility has proven to be welcomed by most women and men in traditional office set ups, a robust framework around this will need to be created for businesses to ensure staff who take up flexible working options are not disadvantaged or unconsciously excluded."

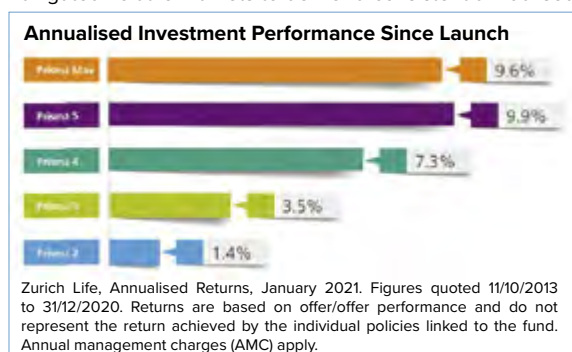
When asked what top three traits they felt will be most important going into 2021, the respondents choose being adaptive to change at number one (66%), innovative at number two (36%) and, being commercial and profit focused as the third most important trait (34%).

The Women in Business 2021 Report will be published by Grant Thornton International, ahead of International Women's Day. The data for this report is abstracted from The Grant Thornton International Business Report (IBR) which seeks to provide insight into the views and expectations of around 10,000 businesses across 29 economies.

Zurich's Prisma fund range reaches €5bn in assets under management

ZURICH'S Prisma multi-asset funds recently reached an impressive new milestone of €5bn in assets under management.* The Prisma range which targets 5 different risk profiles is highly popular amongst investors and now has over 60,000 policyholders since launching in 2013.

We believe that the funds your client is invested in should form the bedrock of your client's pension, savings plan or investment bond. The Prisma range has successfully navigated volatile markets to deliver a consistent annualised



positive return in each and every year since their launch. By investing in the Prisma range your clients can benefit from strong investment performance, great active management and competitive pricing, all backed by the local expertise of Zurich Investments and the global strength and security of the Zurich Insurance Group.

Zurich Life, Annualised Returns, January 2021. Figures quoted 11/10/2013 to 31/12/2020. Returns are based on offer/offer performance and do not represent the return achieved by the individual policies linked to the fund. Annual management charges (AMC) apply.

The Prisma fund range from Zurich is available across Zurich Pensions, Regular Savings and Investment Bonds. **To learn more, speak to your Zurich Broker Consultant or visit zurichbroker.ie**

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

*Source: Zurich Life, March 2021
Zurich Life Assurance plc is regulated by the Central Bank of Ireland.

Global insurers unite to tackle climate risk with launch of Geneva Association Task Force

THE Geneva Association's new report, Climate Risk Assessment for the Insurance Industry, finds that, for both P&C and life re/insurers, climate change poses different levels of physical and transition risks to both sides of the balance sheet, liabilities and assets. Climate risk assessment requires qualitative and quantitative approaches over short and long-term time horizons and must account for uncertainties associated with transitioning. Knowledge sharing across companies and with other stakeholders is critical to raising risk awareness and leveraging all available expertise.

Jad Ariss, Geneva Association Managing Director, said: "In 2020 alone, the world witnessed massive wildfires in California and Australia, historic floods in China and a record hurricane season in the Atlantic. The societal impacts of climate change have become ubiquitous, and individuals and institutions must fully commit now to confronting the climate crisis. Insurers are obvious, strong leaders on global climate action, given their core functions – managing risk and investing – and our industry-led initiative demonstrates that they are proactively rising to the occasion."

Maryam Golnaraghi, Director Climate Change and Emerging Environmental Topics and project leader, said: "This initiative is taking the insurance industry's climate action and collaboration to the next level. Building on lessons learned from previous pilots and initiatives, our task force is focused on advancing climate risk assessment and scenario analysis anchored in companies' decision-making, in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Our first report lays the foundation for us to design and test methodologies and tools – in collaboration with regulators and the scientific

- The Geneva Association has mobilised experts from 17 of the world's largest P&C and life insurers*, representing the companies of its CEO members, to develop and hone climate risk assessment methodologies and tools for the insurance industry.
- The first report of the task force presents an integrated decision-making framework for climate risk assessment that considers four dimensions: 1) business line (P&C versus life); 2) side of the balance sheet (assets versus liabilities); 3) time horizon (short-medium versus long-term); and 4) type of risk (physical and transition). The report sets the stage for the task force to drive innovations in this space.
- The task force will be engaging with regulators, supervisors, rating agencies and the scientific community to identify the most appropriate approaches.

community – to converge on robust solutions for P&C and life insurers."

The task force will continue its work analysing the insurance regulatory landscape related to climate risk and conduct a technical 'deep dive' to develop scenario analysis and qualitative and quantitative tools.

*Global re/insurance companies represented on the task force: Achmea, Aegon, AIG, Allianz, Aviva, AXA, Chubb, Daichi Life, Hannover Re, Intact Financial, Manulife, MetLife, Munich Re, Prudential Financial, SCOR, Swiss Re, Tokio Marine.



Glenn Goggin joins McLarens to head up Republic of Ireland business

MCLARENS, the global loss adjuster specialising in complex, commercial and niche markets, has appointed Glenn Goggin to head up its operation in the Republic of Ireland. As Managing Director of McLarens Ireland, Glenn will work with the existing in-country senior management team, taking the lead on strategic growth, client services and business development, and reporting into UK & Ireland MD, Steven Wallace.

The newly formed role will strengthen operations at a regional level and reflects the growth of McLarens' business in the Republic of Ireland, which now comprises a team of 20 working across offices in Cork, Dublin and Galway. The team will continue to work in tandem with McLarens' Northern Ireland team, offering comprehensive technical adjusting expertise and a seamless cross-border service.

Glenn is a well-respected industry insider and a Fellow of the Chartered Insurance Institute, with over 30 years' experience working within the Irish market, at a senior level within regional, national and international adjusting firms, most recently as Head of Casualty at Sedgwick Ireland. With expertise drawn from across the property, liability and commercial claims spectrum, he holds a specific interest in psychiatric injury claims. His appointment forms part of McLarens' ongoing investment in the Republic of Ireland,

laying the groundwork for continued expansion, whilst also supporting the business' Brexit proofing strategy, with McLarens establishing a separate Irish entity in line with these developments.

Steven Wallace, UK & Ireland Managing Director, McLarens: "We've made excellent progress across the UK and Ireland, and as we evolve it is important that we continue to adapt and shape the business to ensure that we are operationally aligned to maintain this momentum and continue delivering the highest standard for our clients. Glenn's appointment will further consolidate McLarens' footprint in the Republic of Ireland and provide a strong platform for future growth as we enter into the next phase of our development. We're delighted to have him on board!"

Glenn Goggin, Managing Director, McLarens Ireland: "McLarens' Irish business has grown from strength to strength, both in terms of its geographical footprint and service offering. I'm delighted to take on this role and greatly honoured to lead this team. We look forward to increasing our service offering in Ireland whilst maintaining our key principles of high quality and top-class technical ability. Exciting times ahead for the adjusting profession in Ireland."