

Compliance with CP116







PwC Financial Consulting DAC acts as an intermediary between you, the consumer, and the product provider with whom we arrange your business.

The Background

Pursuant to provision 4.58A of the Central Bank of Ireland's September 2019 Addendum to the Consumer Protection Code, all intermediaries, must make available in their public offices, or on their website if they have one, a summary of the details of all arrangements for any fee, commission, other reward or remuneration provided to the intermediary which it has agreed with its product producers.

What is Remuneration?

Remuneration is the payment earned by the intermediary for work undertaken on behalf of both the provider and the consumer. The amount of remuneration is generally directly related to the value of the products sold.

What is Commission?

Commission is payment that may be earned by an intermediary for work undertaken for both provider and consumer. There are different types of remuneration and different commission models:

- **Initial commission:** where payment is made to the intermediary shortly after the sale is completed and is based on a percentage of the premium paid/amount invested, and any future increases to the premium paid/amount invested.
- **Trail/Renewal commission:** where payments are made to the intermediary at intervals throughout the lifespan of the product.

- **Indemnity Commission:** the term used to describe a commission payment made before the commission is deemed to be 'earned'. Indemnity commission may be subject to a clawback (see below) if the consumer lapses or cancels the product before the commission is deemed to be earned. Other forms of indemnity commission are advances of commission for future sales granted to intermediaries in order to assist with set up costs or business development.

Life Assurance/Investments/Pension Products

For Life Assurance products commission is divided into initial commission and renewal commission (related to premium), fund based or trail (relating to accumulated fund). Trail commission, bullet commission, fund based, flat commission or renewal commission are all terms used for ongoing payments.

Where an investment fund is being built up through an insurance-based investment product or a pension product, the increments may be based on a percentage of the value of the fund or the annual premium. For a single premium/lump sum product, the increment is generally based on the value of the fund.

Life Assurance products fall into either individual or group protection policies and Investment/Pension products would be either single or regular contribution policies. Examples of products include



Life Protection, Regular Premium Life Assurance Investments, Single Premium (lump sum) Insurance-based Investments, and Single Premium Pensions.

Clawback

Clawback is an obligation on the intermediary to repay unearned commission. Commission can be paid directly after a contract is concluded but is not deemed to be 'earned' until after a specified period of time. If the consumer cancels or withdraws from the financial product within the specified time, the intermediary must return commission to the product producer.

Other Fees, Administrative Costs/Non-Monetary Benefits

The firm may also be in receipt of other fees, administrative costs, or non-monetary benefits such as attendance at product provider seminars.

Set out below are the product providers with whom we hold an agency. Maximum remuneration arrangements are shown for each provider and product type.

Please note that the commission terms applicable to your policy may be lower than outlined, as part of our agreed engagement with you. The specific details of the commission payable for your policy will be provided to you in advance of the commencement of your policy.

Sustainable Finance Disclosure Regulation ('SFDR')

This EU Regulation is effective from 10 March 2021. The key product providers we work with have developed responsible investment as part of their investment philosophies, and sustainability policies. However, detailed information on specific fund recommendations we recommend is not always available.

As the area of the SFDR is new and evolving, without sufficient information being currently available from providers, we do not currently assess the adverse impact of investment decisions on suitability, when providing investment or insurance advice.

We will continue to monitor the approach being taken by product providers, and their internal/external fund managers, as further information becomes available to us.

Sustainability Remuneration Policies

We are remunerated by commission and other remuneration from product providers. The key product providers with which we engage, and receive remuneration from, have developed responsible investment as part of their investment philosophies and sustainability risk policies.

New Ireland Assurance Company plc

Single Contribution Products

	Initial commission	Clawback period	Trail commission per annum (p.a.)
Single contribution pension			
Max	5%	5 years	1%
Single contribution PRSA			
Max	7%	5 years	0.5%
Approved (minimum) retirement funds			
Max	5%	n/a	1%
Annuities			
Max	3%	n/a	n/a
Single premium investment policies			
Max	4%	3 years	1%

Regular Contribution Products

	Initial commission	Clawback period	Renewal/Flat commission	Trail commission per annum (p.a.)
Regular contribution pension				
Max	25%	5 years	8%	1%
Regular contribution PRSA				
Max	25%	5 years	6%	0.5% p.a
Regular Premium Investment Policies				
Max	10%	5 years	2.5%	0.5%

Individual Protection

Year	1	2	3	4	5	6	7	8	9+
Max	225%	50%	20%	20%	20%	12.5%	12.5%	12.5%	12.5%
Clawback period	5 years								

Group Protection

	Death in Service	Permanent Health Insurance
Year	1+	1+
Max	15%	20%
Clawback period	1 year	1 year

Irish Life Assurance

Product

			Initial Commission (Year 1)	Trail Commission (p.a.)	Renewal Commission p.a.	Other Commission
Unit Linked pension products pre-retirement (PP, PRSA, CP & PRB)	Annual premium	Max range	17.5%	0.5%	5% 17.5% (Bullets x3)	n/a
	Single	Max range	5%	0.75%	n/a	n/a
Unit linked pension products post-retirement (ARF/AMRF)	Single premium	Max range	5%	0.75%	n/a	n/a
Guaranteed annuity	Single premium	Max range	3%			
Investment bonds	Single premium	Max range	3%	0.5%	n/a	n/a
Investment only	Single premium	Max range	5%	0.5%	n/a	n/a
Savings products	Annual premium	Max range	5.5% (1st Bullet)	0.25% trail to year 8, 0.5% trail from year 9	5.5% (Bullet x3)	n/a

Protection

	Year 1	Additional (annual)	Renewal (annual)
Option 1	100%	From Year 2 – 5: 20%	From Year 6: 3% level From Year 6: 6% indexed
Option 2	25% 28% indexed	From Year 2 – 10: 25% From year 2 – 10: 28%	From Year 11: 10% level From Year 11: 13% indexed
Option 3	20% level 23% indexed		From Year 2: 20% level From Year 2: 23% indexed
Option 4	80% level 80% indexed		From Year 2: 12% level From Year 2: 15% indexed

Default Profile

		Year 1	Additional	Renewal (Annual)	Group Protection	Renewal (Annual)
Income Protection	Max	120%	Year 3 & Year 6: 30%	From Year 7: 3% level From Year 7: 6% indexed	Life Max Income protection Max Serious illness cover Max	6% 12.5% 12.5%

Aviva Life & Pensions Ireland DAC

Standard commission terms

Flexible protection, mortgage protection plan, personal and executive pension term assurance.

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7+
22% - 150%	3% - 22%	3% - 22%	3% - 22%	3% - 22%	3% - 22%	3% - 22%

Standard commission terms

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7+
30% - 200%	15% - 30%	15% - 30%	15% - 30%	3% - 30%	3% - 30%	3% - 30%

Unit linked products

	Initial	Trail	Bullet
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Single contribution pension

Max	5%	1%	n/a
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Single contribution PRSA

Max	4%	0.5%	n/a
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Approved (minimum) retirement funds

Max	5%	1%	n/a
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Annuities

Max	3%	n/a	n/a
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Investment Bonds

Max	5%	1%	n/a
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Regular contribution pension

Max	15%	1%	n/a
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Regular contribution PRSA

Max	22.5%	0.5%	n/a
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Savings plan

Max	15%	1%	n/a
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Group life

	Year 1	Year 2+
Default	Flat commission of either 0% or 6%	0% or 6% each year thereafter
Max	6%	6%

Group income protection

	Year 1	Year 2+
Default	Flat commission of either 0% or 12.5%	0% or 12.5 each year thereafter
Max	12.5%	12.5%

Zurich Life Assurance plc

Single contribution products (pension, investments)

	Up front commission	Trail commission (p.a.)
Single contribution pension		
Max	5.5%	0.5%
Single contribution PRSA (standard)		
Max	5.5%	n/a
Single contribution PRSA (non-standard)		
Max	5%	0.5%
Approved (minimum) retirement funds		
Max	5%	0.5%
Annuities		
Max	3%	n/a
Investment bonds		
Max	5%	0.5%
Trustee investment plans		
Max	5%	0.5%

Commission clawback typically does not apply on single contribution products.

Regular contribution products (pensions, savings)

	Initial commission	Renewal/bullet commission	Trail commission (p.a.)
Regular contribution pension			
Max	20%	3% renewal	0.5%
Regular contribution PRSA (standard)			
Max	5%	5% renewal	n/a
Regular contribution PRSA (non-standard)			
Max	5%	5% renewal	0.5%
Savings plan			
Max	10%	1% renewal	0.5%

Commission clawback applies over a 4 year period for all initial commission.

Commission clawback also applies over a 4 year period for any bullet commission noted.

Zurich Life Assurance plc

Individual protection

Guaranteed term protection & guaranteed mortgage protection

	Year 1	Years 2-10	Years 11+
Max	3% - 22%	3% - 22%	3% - 22%

Guaranteed whole of life

	Year 1	Years 2-10	Years 11+
Max	90%	18%	3%

Commission paid in Year 1 is earned over a 12 month period.

Group protection

Group permanent health insurance & group serious illness cover

	Year 1	Years 2-10	Years 11+
Max	12.5%	12.5%	12.5%

Group life cover

	Year 1	Years 2-10	Years 11+
Max	6%	6%	6%

Commission clawback does not apply. Commission is paid as premiums are received.



Standard Life

Single contribution products

	Initial commission	Clawback period	Trail commission (p.a.)
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Single contribution pension

Max	5%	n/a	0.1%
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Single contribution PRSA

Max	5%	n/a	0.5%
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Approved (minimum) retirement funds

Max	4%	n/a	1%
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Annuities

Max	2%	n/a	n/a
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Single premium investment policies

Max	4%	n/a	1%
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Clawback period is the timeframe where Standard Life can take a proportion of the commission paid back from an advisor if the premium/contribution ceases, reduces, or the product is closed.

Regular Contribution Products

	Initial commission	Clawback period	Renewal commission (p.a.)	Trail commission (p.a.)
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Regular contribution pension

Max (front loaded)	1.25% X term (max 25%)	5 years	8%	1%
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Regular contribution pension

Max (level)	5%	n/a	5%	1%
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Regular contribution PRSA

Max	5%	n/a	5%	0.5%
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Savings plan (funded initial commission)

Max	0-15%**	5 years*	n/a	1%
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Savings plan (premium based)

Max	0-15%	n/a	n/a	1%
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* If the initial contributions are not maintained for 5 years, a proportion of the initial commission paid will be claimed back from the intermediary.

** Percentage payable as a lump sum after the first premium is paid.

*** For every 1% taken there is a corresponding plan charge of 0.04% per annum. Commission is paid after the first premium is paid. FIC is subject to commission clawback.

Royal London

Income Protection

	Year 1	Year 2	Years 3-5	Years 6+
Maximum commission rate available	100%	40% (60% with indexation)	20%	3%

Whole of Life

	Year 1	Year 2	Years 3-5	Years 6+
Maximum commission rate available	100%	20% (40% with indexation)	20%	3%

Term Life Cover

	Year 1	Years 2-5	Years 6-8	Years 9+
Maximum commission rate available	100%	20% (40% with indexation)	20%	3%

Specified Serious Illness

	Year 1	Years 2-5	Years 6-8	Years 9+
Maximum commission rate available	100%	20% (40% with indexation)	20%	3%

Effective date: Oct 2021

PwC Financial Consulting DAC is regulated to provide insurance intermediary services by the Central Bank of Ireland, under the European Communities (Insurance Distribution) Regulations 2018 (IDR) (insurance intermediaries, reinsurance intermediaries, and ancillary insurance intermediaries).



www.pwc.ie

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