

## Remuneration

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I, John Greene t/a Leinster Financial Services act as intermediary between you, the consumer, and the product provider with whom I place 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, if commission based, is generally directly related to the value of the products transacted. The firm calculates remuneration/fees based on the time it takes to complete a single transaction or service. Subsequent transactions/services will be charged separately unless otherwise agreed. Commissions can be more than the minimum fees stated in the firm's terms of business.

### What is Commission?

Commission is a percentage of the premium and/or fund value of a product as 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:

**Single commission model:** 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/amount borrowed.

**Trail/Renewal commission model:** Further payments at intervals are paid throughout the life span of the product.

**Indemnity Commission:** Indemnity commission is 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 and/or 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.

**Fees**

The firm may also be remunerated by fee by the product producer such as policy fee, admin fee, etc. The firm has no special or individual arrangement with any product provider at this time but may be paid as part of a general offering or promotion.

**Preferred Provider Rate**

The firm has no special or individual arrangement with any product provider at this time.

**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:

- The firm is regularly invited to product providers' seminars which are educational and promotional. Food and/or stationery are often provided at the seminars.
- Webinars are provided for educational purposes.
- From time to time the firm receives items such as office stationery from product providers which are usually promotional and do provide free office resources.
- Automated calculators/Systems for quotations etc. are available from product providers for use on my computer system and/or my website.
- Assistance with Advertising/Branding/promotion of my business, in the form of templates and advertising/promotional tips or ideas, from product providers.

These benefits are not part of any arrangement (other than permission & terms of use for systems) with any product provider and are not in any way part of any remuneration for business transacted and/or for business volumes.

**Product Provider Agencies held by the Firm:**

- Aviva Life & Pensions Ireland  
t/a Aviva Life & Pensions and Friends First
- Irish Life Assurance
- New Ireland Assurance
- Royal London Insurance
- Standard Life
- Zurich Life Assurance