BROKERS IRELAND

ZURICH

Brokers Ireland and Zurich

DC Pensions – Seize the opportunity



DC Pensions – Seize the opportunity

The government has signalled major changes in pensions with a proposal to introduce auto-enrolment. Why wait for the government to phase in the AE scheme over the next eight years – you can bring real value now to clients in an advice based solution today.



Diarmuid Kelly
CEO
Brokers Ireland

There are very good reasons why an advice-based solution will be far superior for pension clients. We know from the Cirano econometric study in Canada that regular advice from a Financial Broker will have a substantial impact on the net wealth of clients. Specifically, this study stated that advised clients were 2.7 times more wealthy than non-advised clients over a 15-year period.

We also know that the customer experience of financial products is greatly improved with Financial Broker advice – clients are better informed, are more engaged with their retirement planning, and have greater confidence about the future. They are also less likely to lapse or opt out of pension arrangements.



The purpose of this new addition to the Brokers Ireland and Zurich Online Scheme is to make it easier for you to get involved and compete in the DC space. As with the other existing Brokers Ireland Zurich Online initiatives, there is extra remuneration for efficiencies in processing. Crucially, Zurich will provide supports on the administration and processing elements of the DC arrangement, thus freeing up the Financial Brokers time to focus on advice to the company and the pension scheme members.

The benefits for Financial Brokers getting involved in the DC arena are numerous, including:

- Income from the scheme itself.
- Transfers in and other related business (PRBs, etc).
- More clients and cross sale opportunities.

We hope this new initiative will prompt all Financial Brokers to take a fresh look at the opportunities in this space.



Jonathan Daly
Head of Retail Distribution & Propositions
Zurich

Dear Brokers Ireland member,

Over the coming months and years, we expect to see significant changes in the pensions market in Ireland – the IORPS II directive, the reform of existing pension provision and the introduction of auto-enrolment will all mean that the pensions market will look quite different to the world we know today.

At Zurich, we believe that this period of change will bring great opportunities to Financial Brokers. There will be an increased focus on pension planning, more pension customers and an ever increasing need for advice in a complex pensions world. Customers will, no doubt, demand more from us in terms of service and technology but we believe that Financial Brokers will always be at the heart of pension provision in Ireland. The deep and trusting relationships which Financial Brokers develop with their clients give brokers a unique advantage – trust is not something which can be replicated with an online robo-adviser, or a call centre. So, while there will be plenty of change, brokers should be confident that they will continue to lead the pensions market.

Zurich supporting Financial Brokers in the group DC pensions market

Zurich has a 40 year track record of supporting brokers – our consistent commitment to brokers is something we are very proud of, and something which is unique to us. Right now, we see huge opportunities for Financial Brokers in the group DC pensions market. Pension coverage in Ireland is low – only 35% of private sector workers have any form of pension provision.* But the outlook is very positive – employment is growing strongly and employers are increasingly putting pension schemes in place for their employees. Many small, medium and even large employers are in great need of advice and assistance as they seek to set-up or improve their pension schemes. Financial Brokers are uniquely positioned to provide impartial advice to employers and to their employees.

The group DC pensions market can sometimes be seen as difficult – a typical Financial Broker may see themselves as not having the resources to deal with member meetings, deal with the HR department of the employer or deal with the ongoing administration involved.

At Zurich we have worked together with Brokers Ireland to develop a compelling proposition which provides Financial Brokers with a range of supports, technology, employee engagement tools and remuneration to enable all Financial Brokers to compete and win in the group DC market.



* Source: CSO, 2018.

The opportunity for Financial Brokers – don't wait till 2022



Over

60%

of private sector workers have no **private pension**.*

The proposed strawman for auto-enrolment (AE) in Ireland is still being discussed and negotiated, but the proposals have certainly shone a much needed light on the area of pension provision in this country and will create opportunities for Financial Brokers to demonstrate their expertise in this arena.

Financial Brokers will be only too aware that AE will not be a quick, immediate solution to the problems of pension coverage and adequacy. Today, over 60% of private sector workers have no additional pension other than the State pension. Also, there is a concern that those that do have a pension, simply aren't paying enough into it to ensure they'll have an adequate income in retirement.

Under the current proposals, it will be almost a decade away before workers will see appropiate contribution levels going into a pension. This should be a concern for those workers as it could result in a lost decade of savings opportunity at an important time in their lives.

* Source: CSO, 2018.

Recent research shows that workers who get advice were

2.7x

better off than those that hadn't!*

Get ahead of the curve – **act today!**

With heightened awareness and increased press coverage of the pension's gap in Ireland, now is the ideal time for Financial Brokers to be demonstrating their pension expertise.

At Zurich, we believe that employers and employees should not wait till 2022 (or beyond) but instead should take action today. By working closely with their Financial Broker, employers should look to structure a retirement solution that's properly crafted towards their company. They should look to provide a first class advice based retirement solution rather than wait for the future.

Zurich with Brokers Ireland have championed the need for advice to be part of the final framework for AE. The role of advice in ensuring workers get the most from their pension scheme is essential – research highlighted that workers who received advice were 2.7 times better off than those that hadn't.*

In fact, the impact of advice can be surmised into three keys points known as the 'Advice Wealth Effect':



Save more

people will save more per month when after receiving advice



Save better

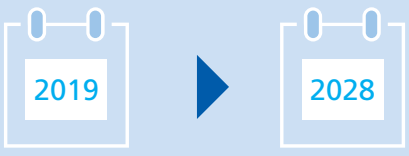
people will invest their money in more suitable funds



Save appropriately

people will make fuller use of tax planning such as pensions

Don't let your customers suffer



a lost decade?

* Source: Cirano, June 2012. 'Econometric Models on the Value of Advice of a Financial Advisor'.



Zurich and Brokers Ireland
– working together to support advice

Zurich and Brokers Ireland have teamed up to provide Financial Brokers with a game changing proposition to help unlock the potential that exists within the DC market.

By combining the independent advice that you can provide with the logistical support from your team at Zurich, you will be able to provide a compelling proposition for any SME company in Ireland.

A proposition based on partnership



You, as the advisor, can focus on the relationship and providing advice. We, as the pension provider, will operate in the background, providing logistical support as and when you or the scheme needs it.

By partnering with Zurich, you'll benefit from the experience that we can provide, experience that has been gained over many years of dealing in the DC market.



The support that we can provide takes many forms depending on what you need.

1 On-boarding of schemes

We can:

- Provide you with support in preparing scheme tenders and sales pitches
- Project manage the on-boarding process from inception to completion while keeping you informed every step of the way

2 Day-to-day management

We can:

- Help you prepare for and support you at annual Trustee and Employer meetings
- Support you at (or undertake on your behalf) member presentations and workshops
- Support you with regular member communications and engagement tools
- Provide you with a bespoke member website

3 Financial support

We can:

- Support you with an exclusive Brokers Ireland proposition that encourages efficiencies through adoption of technology
- Help you maximise the advice potential of the members

The Zurich proposition based on technology and support

Technology and other supports can make servicing a DC scheme very efficient for Financial Brokers – especially when it comes to on-boarding schemes and the historically onerous task of remitting contributions.

The Zurich Brokers Ireland proposition includes an exclusive online bonus of €100 per active member (at the scheme on-boarding stage) for qualifying Group DC business – where the employer agrees to use Zurich's online contribution remittance portal 'GPMS'. There are five elements to the proposition Zurich is offering:

1

Payroll management

– Group Payroll Management System (GPMS)



This facility allows the client company to submit payroll details directly onto our system via a secure portal making the process very efficient for the client.

2

CRM supports from the Zurich experts



These include but are not limited to:

- Support in preparing scheme tenders and attendance at sales pitch presentations.
- On-boarding project management including support with data, payroll set up, legal and other requirements.
- Preparation and attendance at trustee meetings.
- Technical and regulatory knowledge
- Member presentations.

3

Access to Zurich Connect



Zurich Connect is a unique interactive employee website that can be personalised with the employer logo, contact details and more.

With helpful videos, interactive tools and calculators, as well as a library of documentation, the Zurich Connect site will transform how employees see their company pension.



4 Option of free trusteeship

Available from Zurich Trustee Services Limited (ZTSL). Zurich Life reserves the right to introduce a charge in the future.

5 Technology bonus: €100 per active member

The bonus is only available for Financial Brokers who introduce the GPMS payroll system to their client as part of the sales process. This bonus is only available to members of Brokers Ireland.

- Applies for schemes with over 25 active members, with a maximum payment up to 250 members per scheme.
- Active members are counted up three months after the date the scheme is set up, where set up date is defined as the effective date of the first contribution. There is no payment for deferred members or new active members that join after 3 months.
- The GPMS system must be used for contribution payments.
- The schemes need to be on-boarded by 31 March 2020.
- Group PRSAs and Group Fusion plans are excluded.
- Conversions or partial conversions of existing Zurich schemes excluded. To be eligible, schemes must be new to Zurich.
- Average per member contribution of at least €2,500 per annum.
- Brokers Ireland Online Agent code must be used.
- Pipeline business – defined as schemes first quoted on by Zurich prior to 01/01/2019 are excluded.
- Personalised GuidePath (PGP) must be selected as the scheme investment default.

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.



Why partner with Zurich?

Our expertise

Zurich has been managing DC pensions in Ireland for almost 40 years, with over **1,000 Irish businesses** trusting us with their retirement needs.

It's **our people** that drive us forward and they are key to delivering the professional service proposition that our customers expect. We have experts across all strands of DC, from on-boarding to administration to governance; so you can rest assured that you're in good hands with Zurich.

Investment innovation

Zurich's **award-winning* Personalised GuidePath** is leading the way in DC solutions. It can be customised online by the employees enabling them to personalise their investment strategy in three different ways: adjusting the risk setting of their investment to reflect their personal risk preference; customising their mix of retirement benefits; and selecting their own strategy end date.

Find out more

Speak with your Zurich Broker consultant.

Visit our website at zurichbroker.ie

* Awarded the Longboat Analytics Financial Services Award for Best Innovation by a Life Assurance Company, 2017.

Zurich Life Assurance plc
Zurich House, Frascati Road, Blackrock, Co. Dublin, Ireland.
Telephone: 01 283 1301 Fax: 01 283 1578 Website: www.zurich.ie

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