

# Ignite 2024

Set your plan for the year ahead

January 2024 Zurich

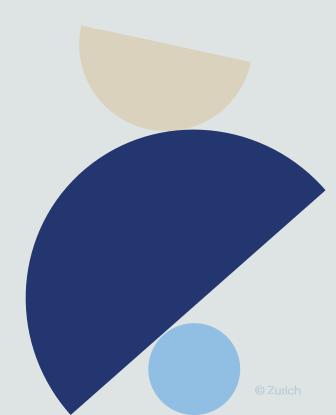




# Welcome

Ignite 2024

Jonathan Daly Head of Retail



#### Agenda

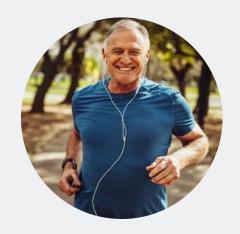


- Making protection an everyday conversation
  - Michelle Leacy & Michael Vesey
- Broker Interview
  - Ronan O'Neill & Paul Earley
- Corporate Master Trusts & Financial Brokers
  - Rose Leonard
- Saving & Investing why the time is right
  - Alan Dineen
- Wrap up and Close
  - Martin Goggin



#### 2024: The year ahead





**Market Opportunities** 

- Pension funding opportunities remain stronger than ever.
- Increased focus on employer pension provision
- "Soft landing" for the Global economy?
- Vibrant income protection market



Regulatory changes

- SFT increased?
- Exit Tax changes
- PRBs and ARFs



**Zurich Life** 

- Leader in the financial broker market
- Investing to delivering service for financial brokers
- Delivering consistent investment outperformance for you and your customers

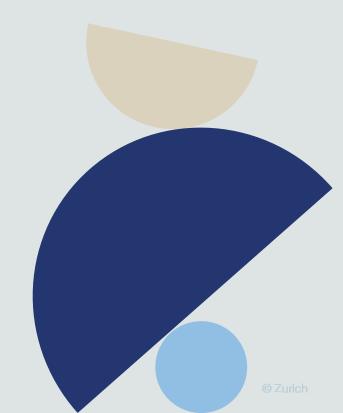


# Making Protection an everyday conversation

Ignite 2024

Michelle Leacy
Regional Sales Director

Michael Vesey
Head of Protection



### Financial Protection

**Z**URICH<sup>®</sup>

An integral part of financial planning

- Provides peace of mind
- Acts as a safety net when things do not go to plan
- Provides time to get back on your feet
- Protect what is most important to you



# 2024 – What's trending in Protection?





Medical Advances



Demographics



Cost of Living

## Medical Advances – Good news



A decade of change expected



Diagnosis

Multi-Cancer early detection

Liquid Biopsy



Treatment
Precision Oncology



Treatment Immunotherapy

# 2024 - What's trending in Protection?





Medical Advances



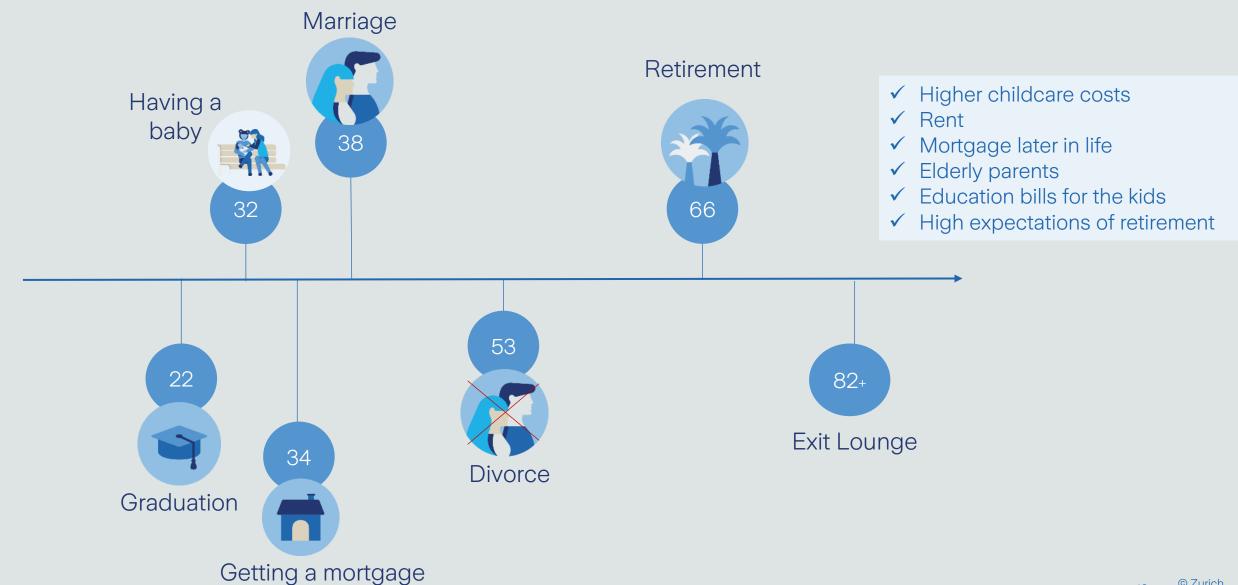
Demographics



Cost of Living

## One in four will face a protection gap in their lives





# 2024 – What's trending in Protection?





Medical Advances



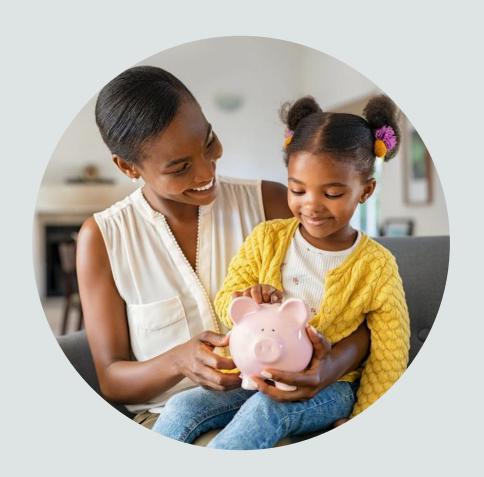
Demographics



Cost of Living

# Cost of Living – rising day-to day expenses





- Costs are rising meaning choices must be made
- Savings, retirement what happens?
- Threat or opportunity
- Where does the mind go in crisis?

# 'Don't worry, it won't happen to me'



Risk in numbers for a 30-year-old couple:

Of these events happening before retirement at the age of 65

61%

Chances of being unable to work for 1

month or more

25%

Chance of suffering a serious (or critical) illness or death

8%

Chance of dying

66%

Chance of at least one of the following three events happening to either one or both partners



## Selling Income Protection





#### What should we focus on?

- Focus on Outcomes
- Protect the Income first
- Make it relatable

# 'Don't worry, the state will look after me'



#### Maximum Rates Illness Benefits 2024:

Average weekly earnings	Personal rate	Increase for an adult dependant
€300 or more	€232.00	€154.00
€220 - €299.99	€181.70	€99.70
€150 - €219.99	€149.60	€99.70
Less than €150	€104.10	€99.70

Living on public health benefits can be extremely challenging.

# 'Don't worry, I have savings'



funds or 'rainy day' savings pots that Irish households hold vary substantially:

- Economically precarious households have less than a week's worth of spending on essentials in liquid savings
- 1 in 6 households have no savings at all
- More affluent households only have somewhere between 7- and 10-months' worth at their disposal
- One in five persons in Ireland that are unable to work due to longstanding health problems are living in consistent poverty

## Income Protection - the Backbone of Every Financial Plan





Living basics

Accumulation

Rent

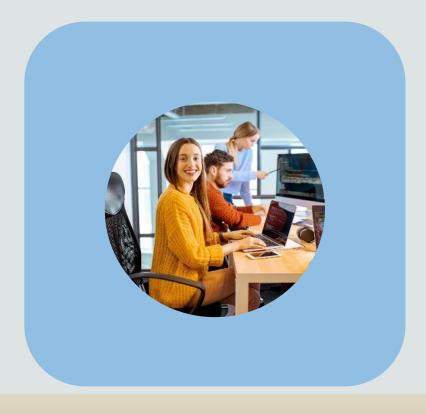
Paying off a mortgage

Kids

Saving for retirement

Joyful Experiences Saving for kids' education

#### Your income



## Income Protection – Facts & Figures



#### Who do we protect?



- 30-year-old web designer
- Yearly income: €60,000
- Replacement rate: 50% (deferred 26w, policy duration 35y)

€ 26 per month

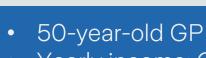


- 40-year-old accountant
- Yearly income: €100,000
- Replacement rate: 50%

(deferred 26w, policy duration 35y)



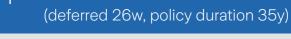
€ 160 per month



Yearly income: €150,000

Replacement rate: 50%





#### Zurich - paying Income Protection claims since 1981



198	1
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#### Launch Income Protection

An established track record in paying and managing income protection claims for over 40 years

1990

Longest running active claim - 27 years

2000

Total Income Protection Claims paid in 2023 - €10 million

2010

Largest Active Claim - €117K per annum

Nov 2021

Relaunch Income Protection for individuals

Jan 2024

Income Protection Refresh



## Our Strongest Offer Ever



New & Enhanced Benefits

Online Journey

Underwriting

Claims & Early Intervention

Marketing



#### New and improved benefits for your clients!





Early Notification Benefits

Maximum Income Benefit

Essential Activity Benefit

Guaranteed Insurability Option

Hospital Cash Benefit

Continuation Option

## Early Notification Benefit

Now automatically included.....





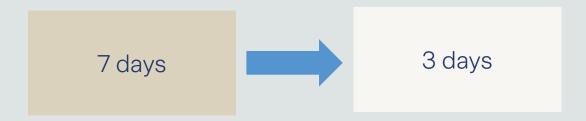
If your client notifies us of a potential claim during the deferred period and agrees on the next steps, we may waive their premium during the deferred period from the notification date of the potential claim.

## Hospital Cash Benefit





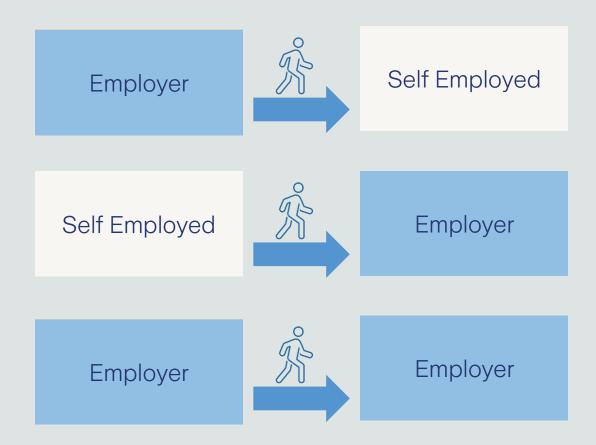
If your client has to spend time in hospital during the deferred period, they may be eligible for a daily income if they stay in hospital for more than...



#### Continuation Option

**ZURICH**°

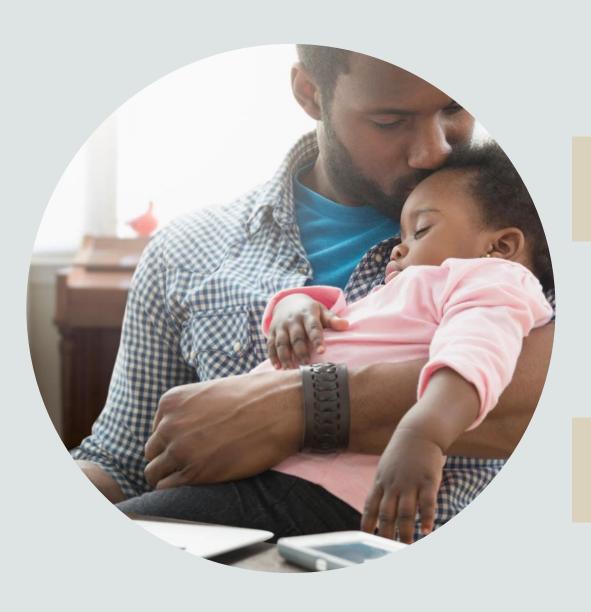
without having to supply further medical evidence...





#### **Increased Benefits**





#### **Maximum Income Benefit**

€ 250,000



€ 270,000

#### **Essential Activities Benefit**

cover up to...

Up to € 15,000



Up to € 20,000

## Guaranteed Insurability Option











Marriage

Birth / Adoption

Purchase of new main residence

Increase in gross earnings after promotion +10%

Increase in gross earnings +20% (one off)







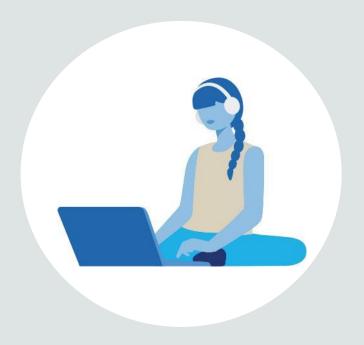
NEW

Becoming Widowed

#### Signature Free



No 'wet signature' or digital signature provider



Data Capture Forms



Client Flyer & Financial Broker Flyer



# Underwriting- working with you to protect clients



Underwriting Technical Help Line 01 799 2825/2826 Underwriting Technical
Queries email
underwritingsupport@zurich.ie

Urgent mortgage case procedure

Large case underwriting service.



### Claims & Early Intervention

As important as continuing to pay a claim





When an absence becomes long term, the chances of returning to work diminish rapidly.





within **85** days of entering the programme.

## Support along the way



#### **Income Protection All Benefits**



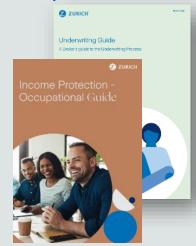
#### **Building Blocks for** Suitability **Statements**



#### Selling income protection



#### **Underwriting & Occupational Guide**



#### Commissions



#### **Income Protection New Benefits**





# Income Protection is much more than a monthly income...



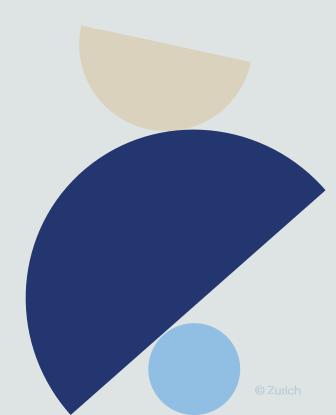


# Corporate Master Trusts and Financial Brokers

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Rose Leonard
Head of Corporate Pensions

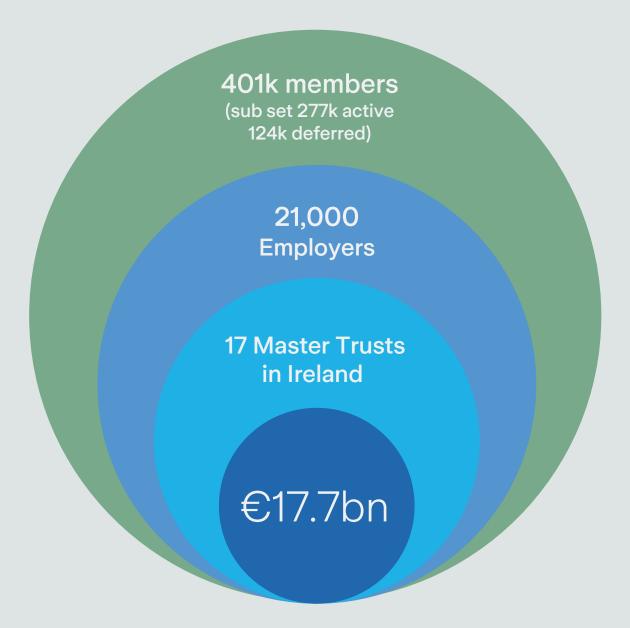
**Lenny Tobin**Zurich Corporate Consultant





#### **Master Trust**







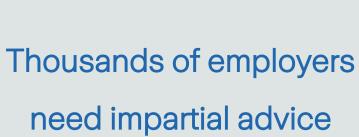
#### Time brings change







401,000 members







#### **Drivers of Change**



#### Regulation

Master Trusts (Compliance)

Auto enrolment (Advice)



#### Factors driving good member outcomes





- Contribution rate employer and employee
- Length of time invested
- Cost AMC
- Good governance
- Investment returns
- Impartial advice





#### Opportunity for you...advice on Auto Enrolment (AE)





- Examine your high net worth clients
- Companies in your area
- Suggest a review because of auto enrolment
- Engage your BC early
- Use our AE brochure



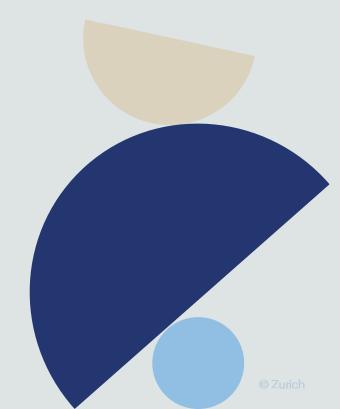




# The Investment Journey for your clients

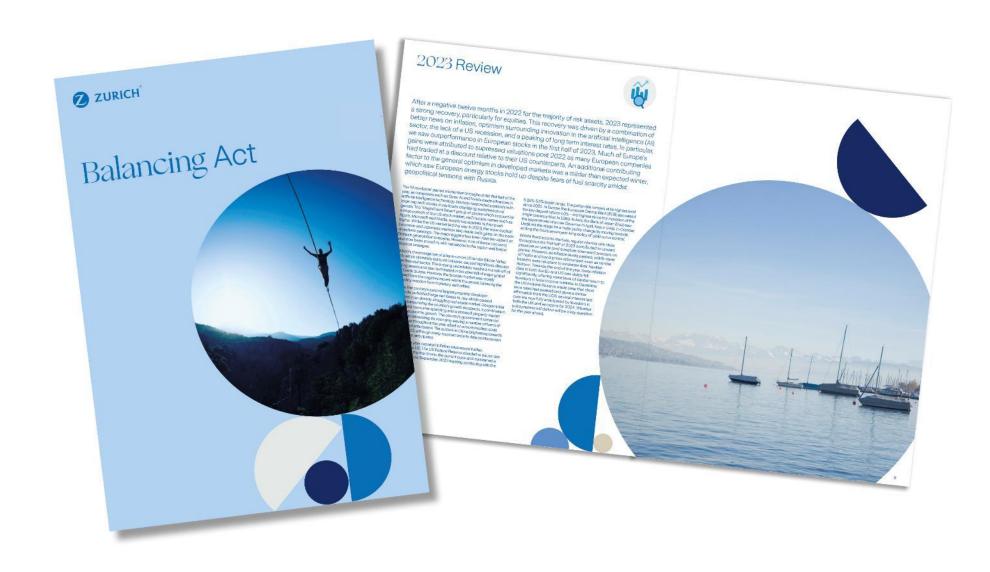
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**Alan Dineen**Regional Sales Director



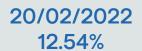
#### **Investment Outlook 2024**





#### Stick with your financial plan







US INFLATION HIT 9.1% HIGHEST RATE IN 4 DECADES

8.42%

26/08/2022 8.99%





12/04/2022

17/11/2022 14.18%

10/03/2023 16.97%



FINANCIAL TIMES



19/03/2023 16.51%

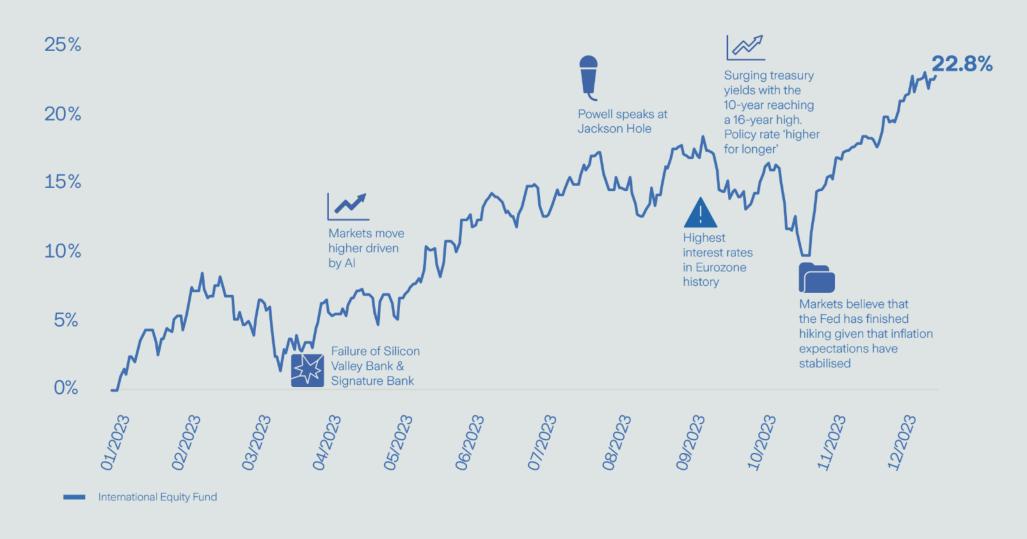
20/09/2023 5.13%



**Next 12 Months?** 

#### World review of 2023





Source: Zurich International Equity Fund inclusive of 0.4% AMC. Returns are based on offer/offer performance and do not represent the return achieved by individual policies linked to the fund. Performance to 2nd January 2024.

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

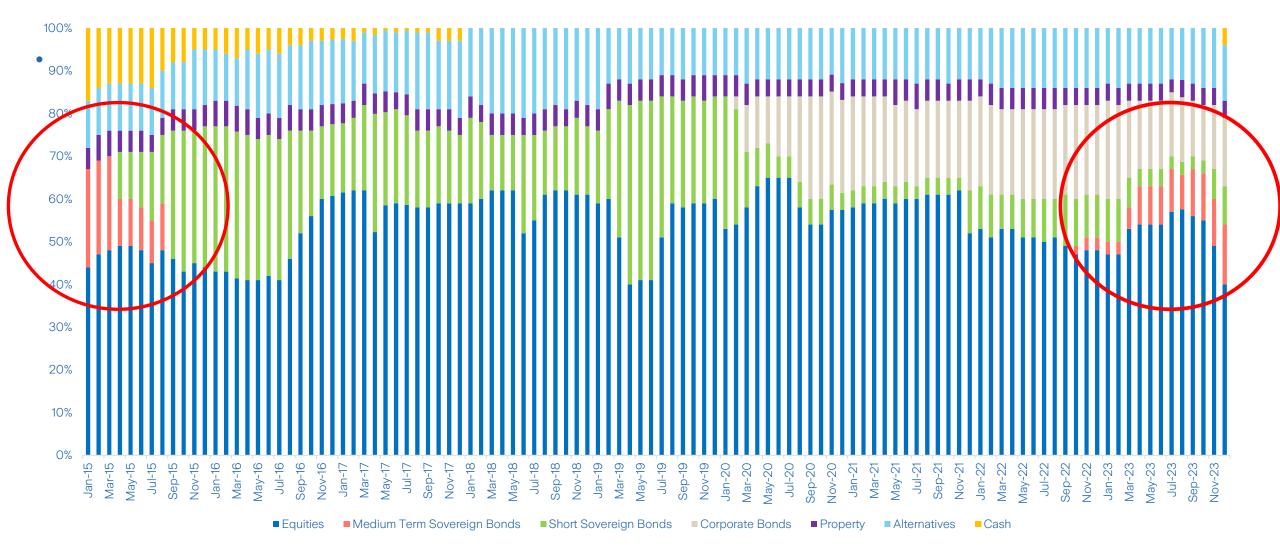
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#### **Asset Allocation for Active Asset Allocation Fund**





Source: Zurich, December 2023.



# 2023 was good – but do your clients know how good?

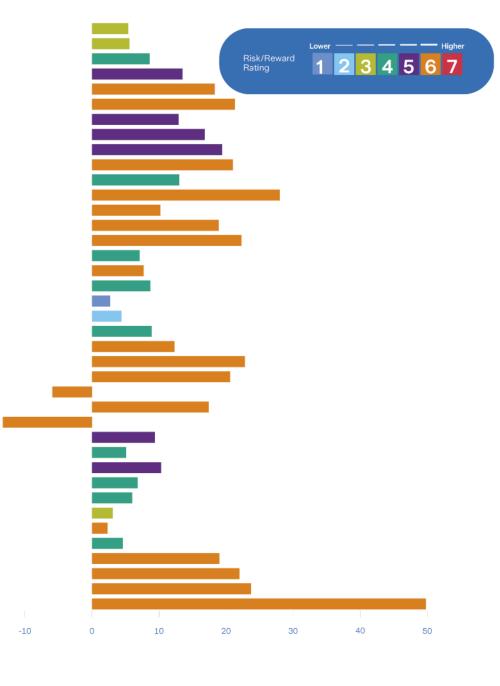
**Notes:** Annual management charges (AMC) apply. The fund performance shown is before the full AMC is applied on your policy. Returns are based on offer/offer performance and do not represent the return achieved by individual policies linked to the fund. ESMA Ratings as at 30/09/23.

Source: Zurich Life as at 02/01/24.

Prisma 4 Prisma 5 Prisma Max Active Asset Allocation Balanced Performance Dynamic Cautiously Managed 5 \* 5 Americas 5 ★ 5 Asia Pacific 5 \* 5 Europe 5 ★ 5 Global Active Fixed Income Asia Pacific Equity Long Bond Short Duration Corporate Bond Medium Duration Corporate Bond Dividend Growth International Equity Eurozone Equity Indexed Australasia Property Indexed European (Ex-UK) Property Indexed Global Energy and Metals Indexed Inflation Linked Bond Protected 70 Protected 80 Global Corporate Bond (J.P Morgan) Global Government Bond (J.P Morgan) Emerging Market Opp (J.P Morgan) Dynamic Diversified Growth (Blackrock) American Select (Columbia Threadneedle) European Select (Columbia Threadneedle) Global Select (Columbia Threadneedle) Indexed TopTech 100

Prisma Low Prisma 2

Prisma 3



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#### **Prisma Funds Comparison**

Performance (\*annualised%) to end December 2023



	1 Year
Prisma 5	18.8%
Average	13.7%
Prisma 4	14.0%
Average	10.7%
Prisma 3	9.0%
Average	7.2%

Source: Performance figures are provided gross of AMC by Moneymate. Performance figures for all fund managers are based on close of markets prices 31/12/2023, based on best available information.

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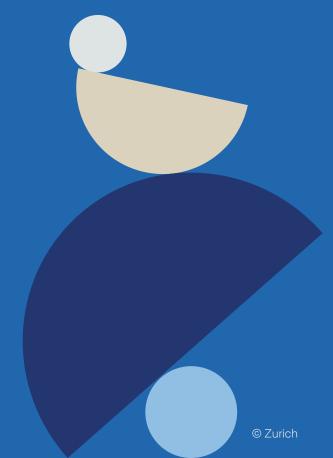
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# Investment opportunity knocks for your clients



### The Issues facing the Irish people

Can our money work harder?



Inflation

Helping our children get on the property ladder Standard of living vs demands of work

How to have a comfortable or "earlier retirement"

#### The Interest rate debate



#### Irish household savings increase by €8bn over the last year

Central Bank figures show total household savings has reached €152bn — up €7.9bn from April 2022



#### Are Irish savers getting a raw deal on interest rates?

Updated / Tuesday, 12 Dec 2023 16:28







Recent Central Bank report predicting an overall slowdown in the levels of deposits - Cost of Living bites, aging population, etc

#### The future generation



#### Half of first-time buyers getting help from parents to step on property ladder

This 'inheritocracy' risks increasing divisions in society and raising house prices further



#### The money advice we wish we'd listened to from parents and grandparents

More than a third of adults wish they had listened more about saving for the future, new research suggests.

Vicky Shaw • Friday 20 October 2023 08:00 BST









#### Options for Wealth Transfer - giving people a helping hand





Child Savings plan – tax efficient



Savings plan –
3<sup>rd</sup> party payor for adult
beneficiary



Lump sum gift or payment – CAT issues



Lump sum in trust, gifted down the line – CAT issues



# Child Savings plan

Using the Gift Tax Allowance



#### An introduction to the Child Savings plan



- A Regular premium savings plan policy with a view to building up a fund for children
- For whatever purpose, future needs of those children.
- Available to parents, grandparents, godparents, aunts, uncles, or any adult relation or friend of a child

For use of **Small Gift Exemption** annually to a maximum of €3,000 per person (e.g. €6,000 from a married couple to a child)

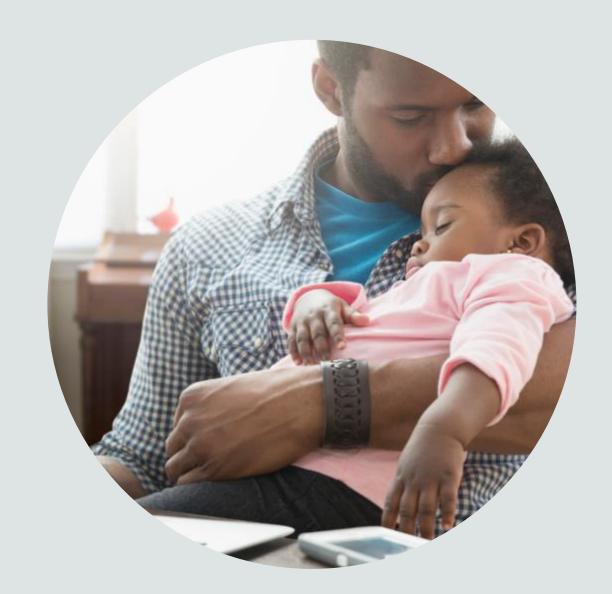
- By use of an Assignment Form, the child is the absolute owner of the monies invested in the policy
  - There is a beneficial entitlement
  - It is in possession of the child



#### Child Savings Plan – some details



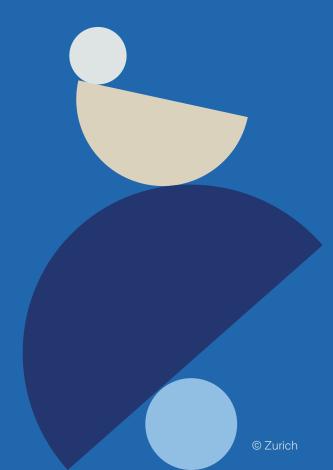
- A 'child' under the age of 18 is deemed a minor
- A policy of life insurance cannot be sold to a minor
  - Savings Policies
  - Investment Policies.
- The savings policy can be sold to the parents of that child
  - Initially the owners and throughout the lives insured
- The "ownership" of the policy can be passed to the child via the Assignment Form.





# Traditional Savings plan

3rd party payor for adult beneficiary



#### How is the policy set up?



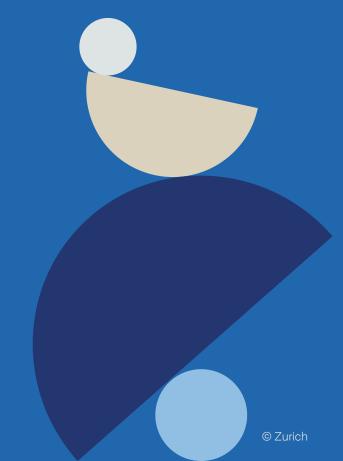
- 1. The savings plan is set up in the name of the adult beneficiary
- 2. DD is set up from the parents' account
- 3. Money is immediately owned by the adult beneficiary
- 4. AML required from all parties involved
- 5. Keyed online signature free
- Adult beneficiary retains control of the funds, switches & encashments

The Child Savings plan and the above are fantastic ways to facilitate wealth transfer.





What about an Investment Bond?

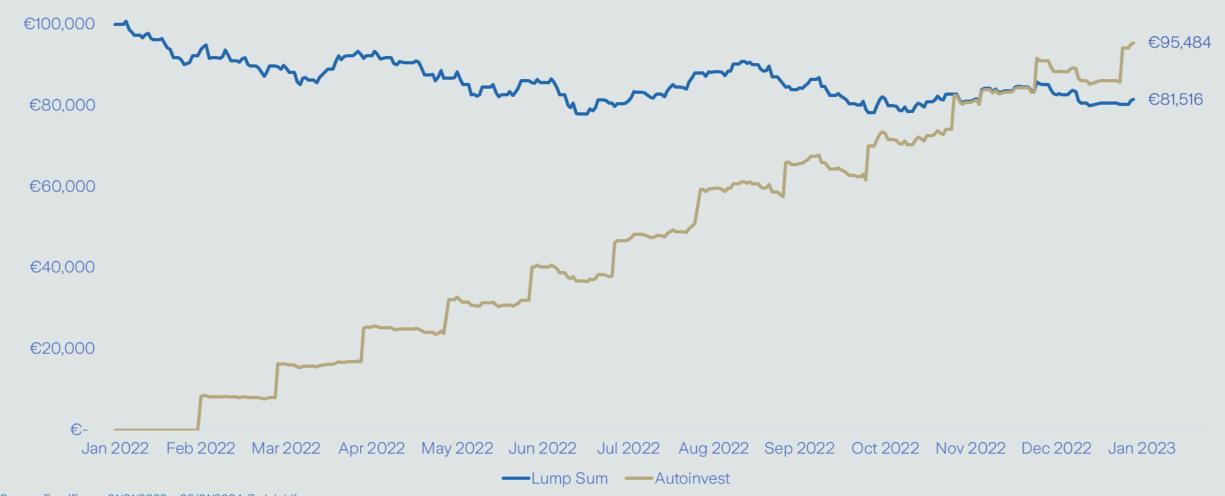


#### **Autoinvest v Lump Sum**

**ZURICH** 

The 2022 experience

€120,000



#### Investing and using the profits



- The Zurich life investment bond has a facility to take a regular income of up to 7.5% per annum
- Paid monthly, quarterly, half yearly or annually
- Can be used to supplement pension income
- Can be used for a specific purpose, money for kids education
- Used as part of overall financial planning



#### Case study



Clients' estate was leaving a €300,000 CAT liability for adult children

#### Section 72 plan

- €300,000 section 72 plan taken out to cover CAT liability
- €599.46 per month joint life 2<sup>nd</sup> death

#### Investment Bond with regular income to fund Section 72

- Clients invested €100,000 and took a regular income from the bond to pay for the Section 72 plan
- Issued December 2019



#### The portfolio & performance



3 Funds selected	Splits	Performance
Balanced fund	(40%)	29.38%
Cautiously managed	(30%)	18.23%
Prisma 4	(30%)	23.61%

#### Some context

All 3 funds had double digit minus figures in 2022.

The balanced fund was (-17%) for the year!

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Your Portfolio Information

Portfolio Risk Rating



Portfolio Volatility 10.80%

Asset Split:

Cash **5.00**%

Bonds **35.70**%

Equity 55.10%

Property 1.20%

Alternatives 3.00%

Total 100.00%

#### The performance

12/12/2019 to 11/01/2024



#### Section 72

• Total premiums paid - €27,302

#### Investment Bond

• Value as at 23rd Jan 2024 - €85,635

#### Alterative option – leave money on deposit

• If the €100,000 remained on deposit it would now be worth closer to €70,000 after low growth and paying for the section 72 plan.

Good active advice meant the client has had a fantastic outcome

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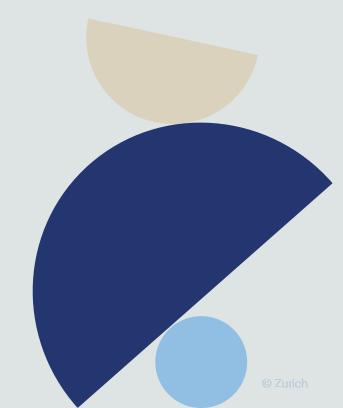




# Closing thoughts – some final ideas!

Ignite 2024

Martin Goggin
Head of Broker Sales



#### 2024 – so many positive opportunities

Can we make them all work?



Pensions & PRSAs

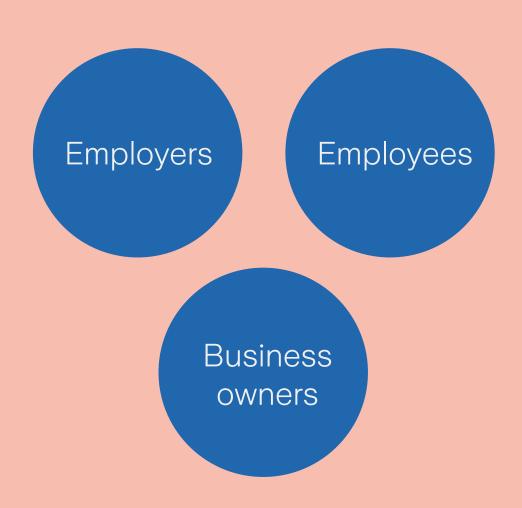
So many reasons to talk to clients about saving & investments

Under insurance and the Protection Gap

Don't miss out on the Master Trust need

#### Pension areas for Advice in 2024

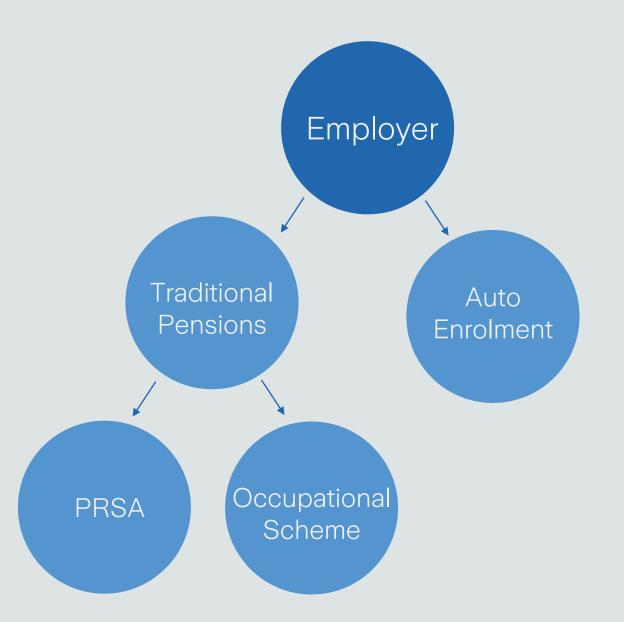






#### **Employer Decision**

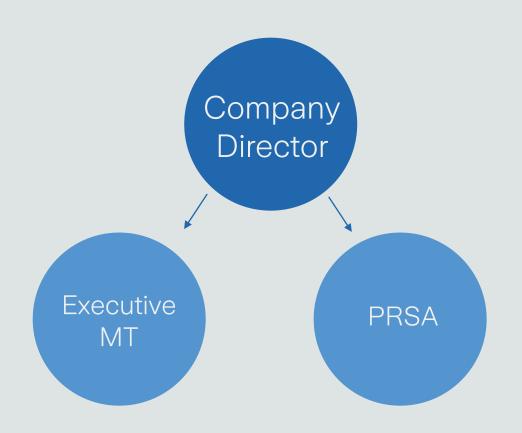


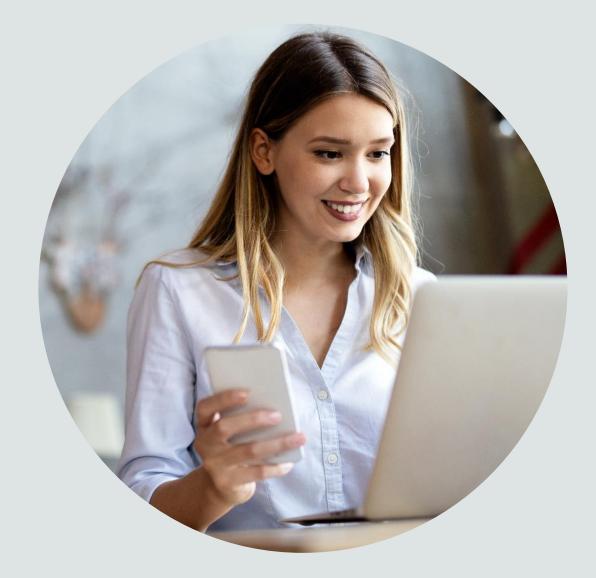




#### Choice – Retirement Planning for Business Owner

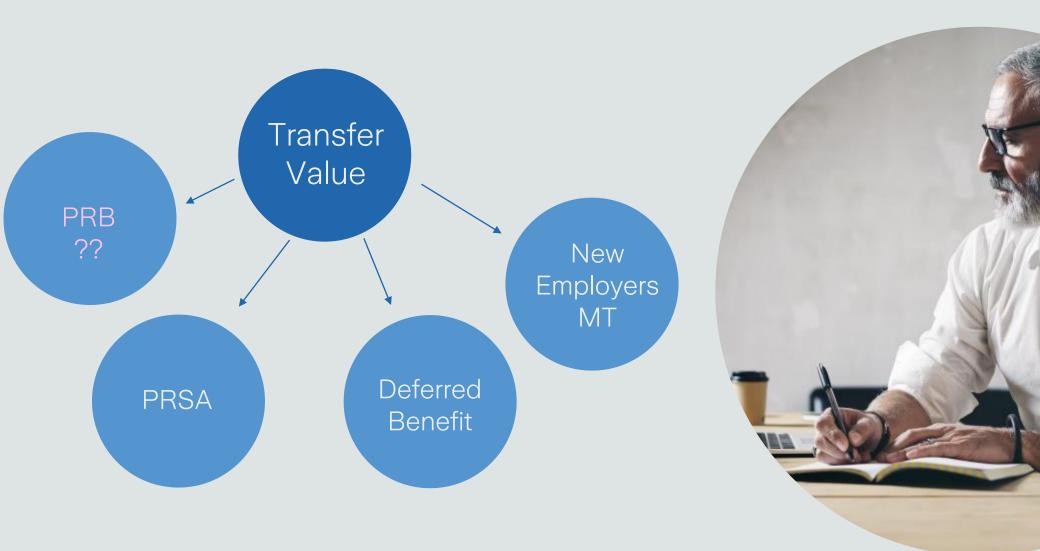






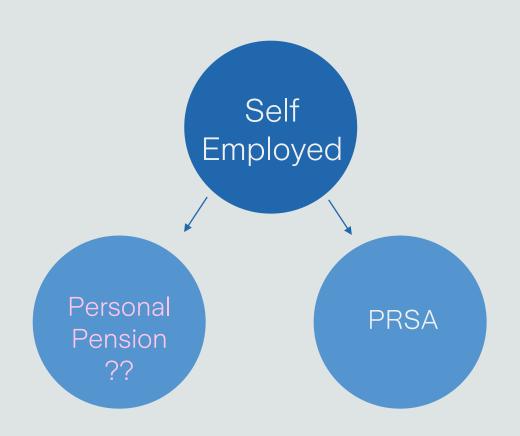
#### **Former Employees**





#### **Self Employed Clients**

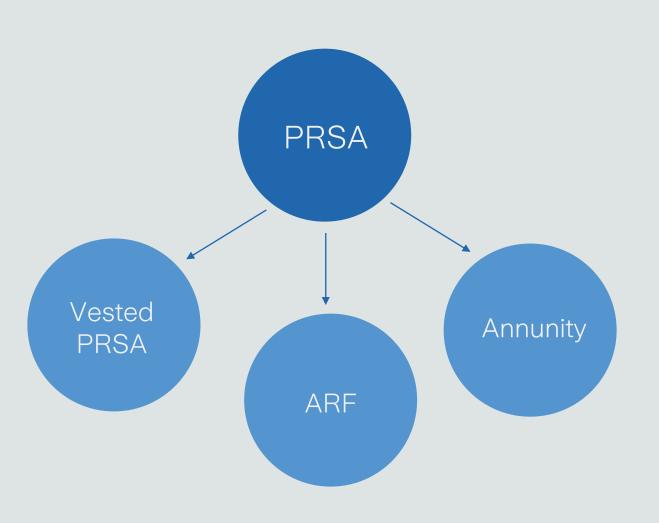






#### PRSA's - Post Retirement







#### What can we do to help you?



#### Business partnering with Zurich

- Make an appointment and set a plan for 2024
  - We will work in partnership with you
  - Business analysis & insight reports
- Supports across the year from Zurich through your Broker Account Manager



#### Over 30 years of multi-asset fund performance





01/11/1989

Zurich Life Balanced Fund

Managed Aggressive Sector Average

02/10/2023

Source: Zurich and MoneyMate, December 2023. Performance figures quoted are from fund inception date of 1/11/1989 until 02/10/2023. Annual management fees apply; the fund growth shown above is gross of any annual management charge. Returns are based on offer to offer performance and do not represent the return achieved by individual policies linked to the fund.

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## Thank You

