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Ignite 2024

Set your plan for the year ahead

January 2024
Zurich

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Welcome

Ignite 2024

Jonathan Daly
Head of Retail

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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

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2024: The year ahead

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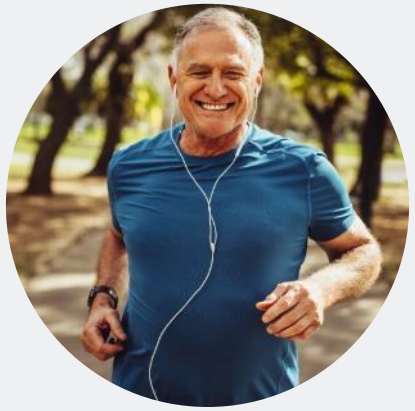

Market Opportunities

- 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

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Making Protection an *everyday conversation*

Ignite 2024

Michelle Leacy
Regional Sales Director

Michael Vesey
Head of Protection

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Financial Protection

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

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2024 – What's trending in Protection?

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Medical Advances

Demographics

Cost of Living

© Zurich

Medical Advances – Good news

A decade of change expected

Diagnosis
Multi-Cancer early detection
Liquid Biopsy

Treatment
Precision Oncology

Treatment
Immunotherapy

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2024 – What's trending in Protection?

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Medical Advances

Demographics

Cost of Living

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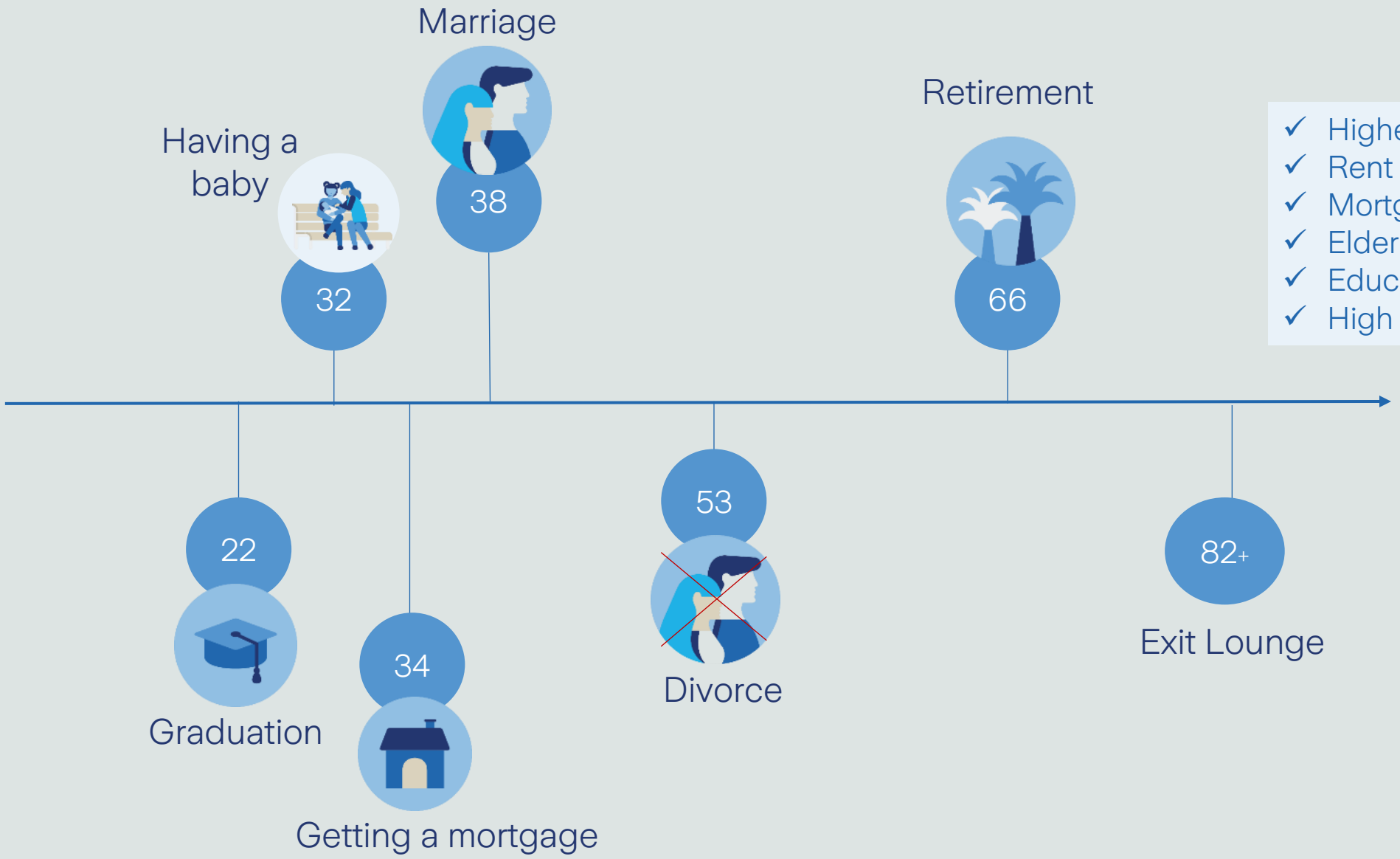
One in four will face a protection gap in their lives



- ✓ Higher childcare costs
- ✓ Rent
- ✓ Mortgage later in life
- ✓ Elderly parents
- ✓ Education bills for the kids
- ✓ High expectations of retirement

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2024 – What's trending in Protection?

ZURICH

Medical Advances

Demographics

Cost of Living

© Zurich

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?

© Zurich

‘Don’t worry, it won’t happen to me’

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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%

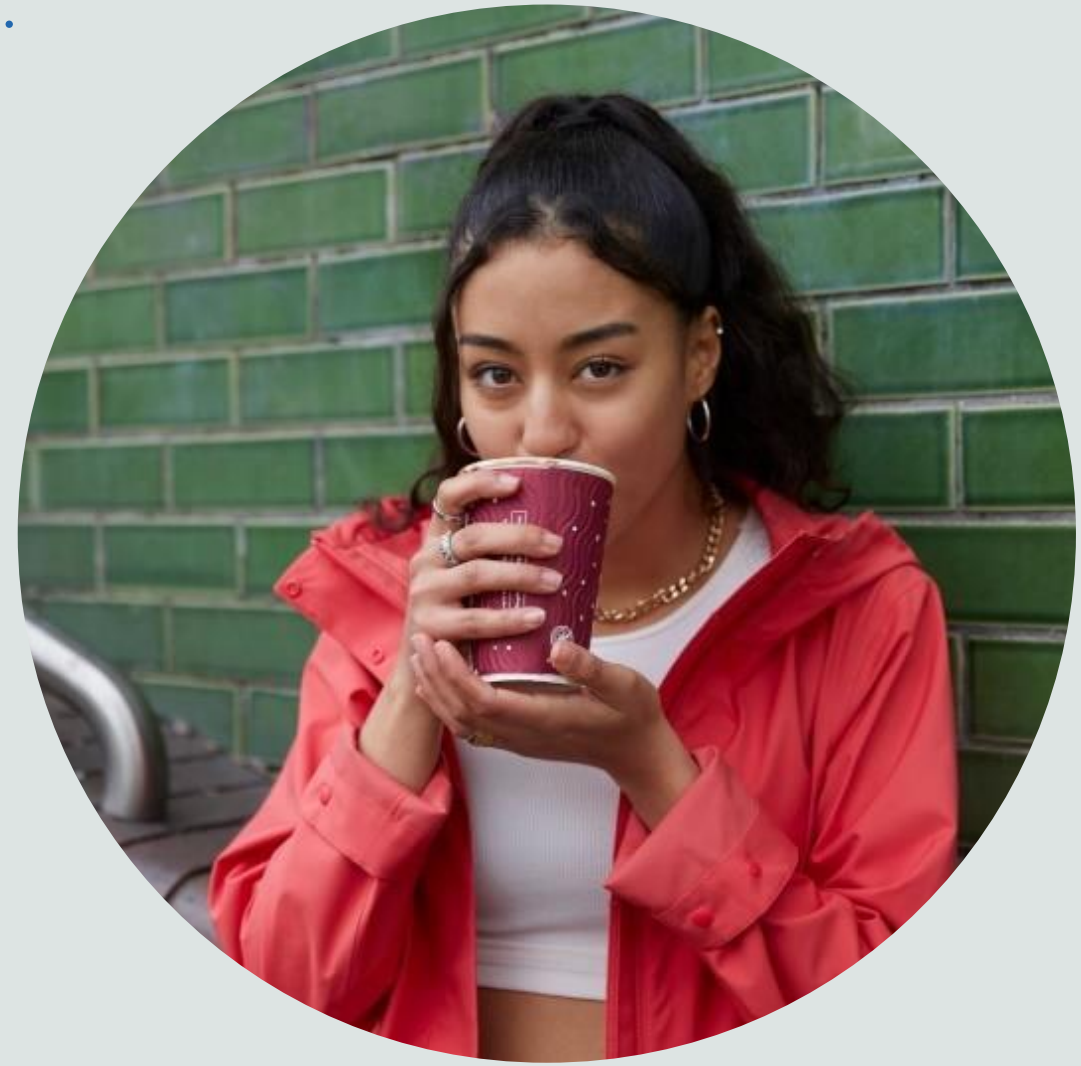
Chance of **suffering a serious (or critical) illness or death**

8%

Chance of **dying**

66%

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



Source: Association of British Insurers

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Selling Income Protection

What should we focus on?

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

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‘Don’t worry, the state will look after me’

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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.

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‘Don’t worry, I have savings’

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Emergency 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 long-standing health problems are living in consistent poverty

Source: Central Bank of Ireland, Quarterly Bulletin 04 / October 2022.

© Zurich

Income Protection - the Backbone of Every Financial Plan

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Expenses

- Living basics
- Rent
- Kids
- Joyful Experiences

Accumulation

- Paying off a mortgage
- Saving for retirement
- Saving for kids' education

Your income

© Zurich

Income Protection – Facts & Figures

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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)

€ 60
per month

- 50-year-old GP
- Yearly income: €150,000
- Replacement rate: 50%

(deferred 26w, policy duration 35y)

€ 160
per month

Market growth

+12.5 %

(APE)

Premiums calculated net of tax
Rates for non-smoker at 01/01/2024

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Zurich - paying Income Protection claims since 1981

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1981 — 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

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Our Strongest Offer Ever

ZURICH

New & Enhanced Benefits

Online Journey

Underwriting

Claims & Early Intervention

Marketing

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New and improved benefits for your clients!

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Early Notification Benefits

Maximum Income Benefit

Essential Activity Benefit

Guaranteed Insurability Option

Hospital Cash Benefit

Continuation Option

© Zurich

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.

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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…

7 days → 3 days

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Continuation Option

without having to supply further medical evidence…

Employer	→	Self Employed
Self Employed	→	Employer
Employer	→	Employer

© Zurich

Increased Benefits

Maximum Income Benefit

€ 250,000 → € 270,000

Essential Activities Benefit

cover up to…

Up to € 15,000 → Up to € 20,000

© Zurich

Guaranteed Insurability Option

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Marriage

Birth / Adoption

Purchase of new main residence

Increase in gross earnings after promotion +10%

Increase in gross earnings +20% (one off)

NEW Divorce / Legal Separation

NEW Becoming Widowed

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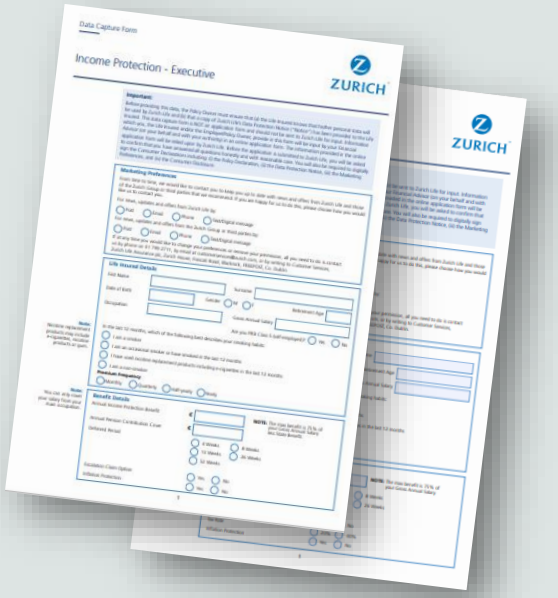
Signature Free

No ‘wet signature’
or digital signature provider

Data Capture Forms



Client Flyer
& Financial Broker Flyer

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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.

© Zurich

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.

HCB GROUP

74%

Return to work (full/part time)

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

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Support along the way

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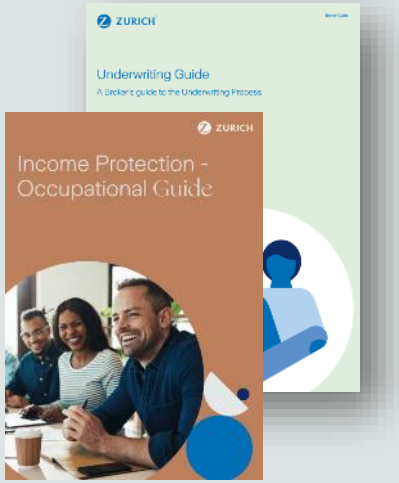
Income Protection All Benefits

Income Protection New Benefits

Selling income protection

Underwriting & Occupational Guide



Building Blocks for Suitability Statements

Commissions

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Income Protection is *much more* than a monthly income…

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Corporate Master Trusts and Financial Brokers

Ignite 2024

Rose Leonard
Head of Corporate Pensions

Lenny Tobin
Zurich Corporate Consultant

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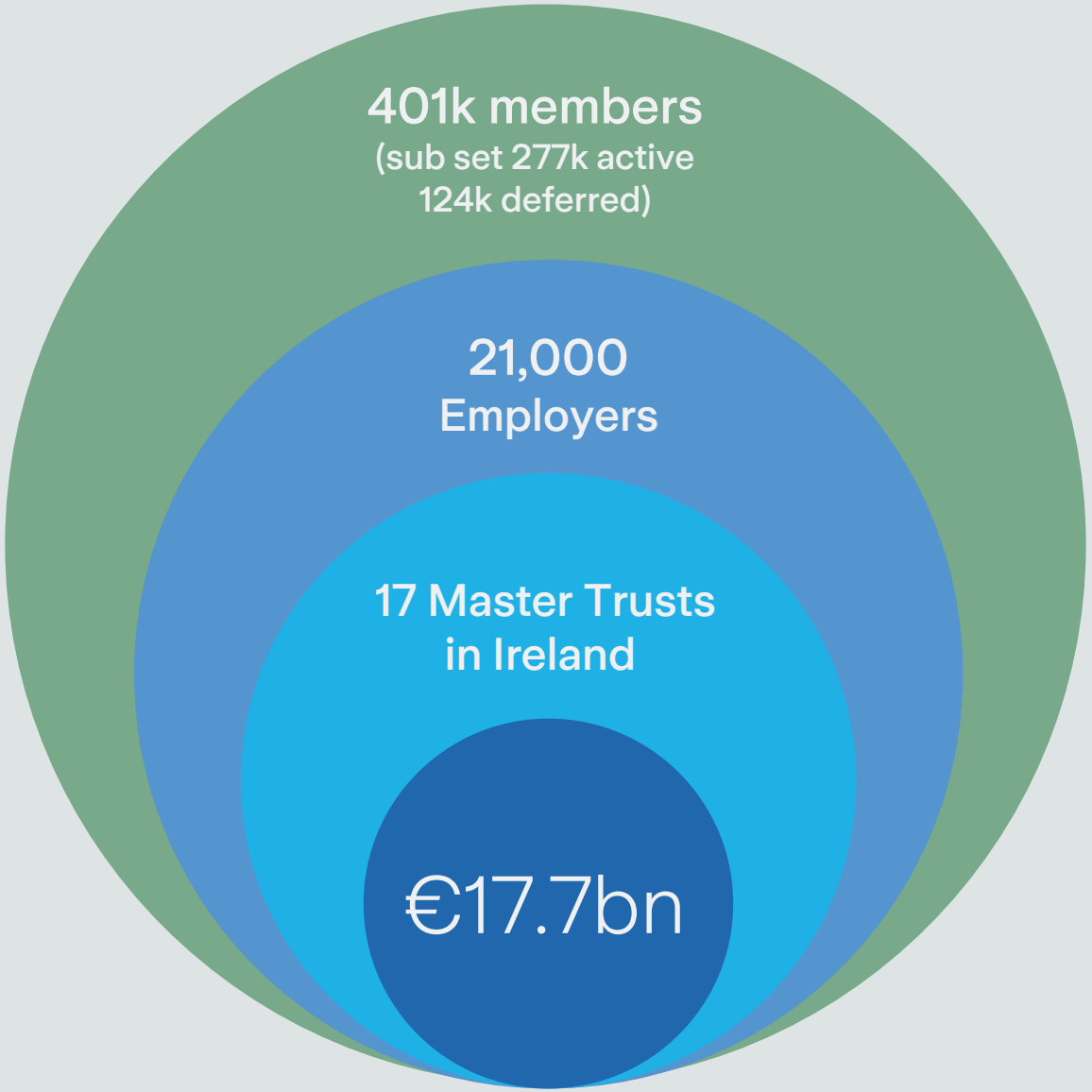
Master Trusts...
a risk or
an opportunity

Master Trust



Source : Pensions Authority's Engagement & Audit Findings Report 2023 – published 18th December 2023.

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The Future

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Uncertain future
PRB, ARFs, Single trusts

Future certainties
Digitalisation / AI

Choices
Advice & People

Time brings change

401,000 members

Estimated Impartial Broker Advice share

Estimated Non-Impartial Broker Advice share

Thousands of employers need impartial advice

© Zurich

Drivers of Change

Regulation

Master Trusts
(Compliance)

Auto enrolment
(Advice)

© Zurich

Factors driving good member outcomes

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

 © Zurich

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

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The Investment Journey for your clients

Ignite 2024

Alan Dineen
Regional Sales Director

© Zurich

Investment Outlook 2024

 © Zurich

Stick with your financial plan

20/02/2022
12.54%

12/04/2022
8.42%

26/08/2022
8.99%

17/11/2022
14.18%

10/03/2023
16.97%

19/03/2023
16.51%

20/09/2023
5.13%

Next 12 Months?

Source: Financial Times , Bloomberg, CNBC, Yahoo Finance (Data from date of news story to 31/12/2023)

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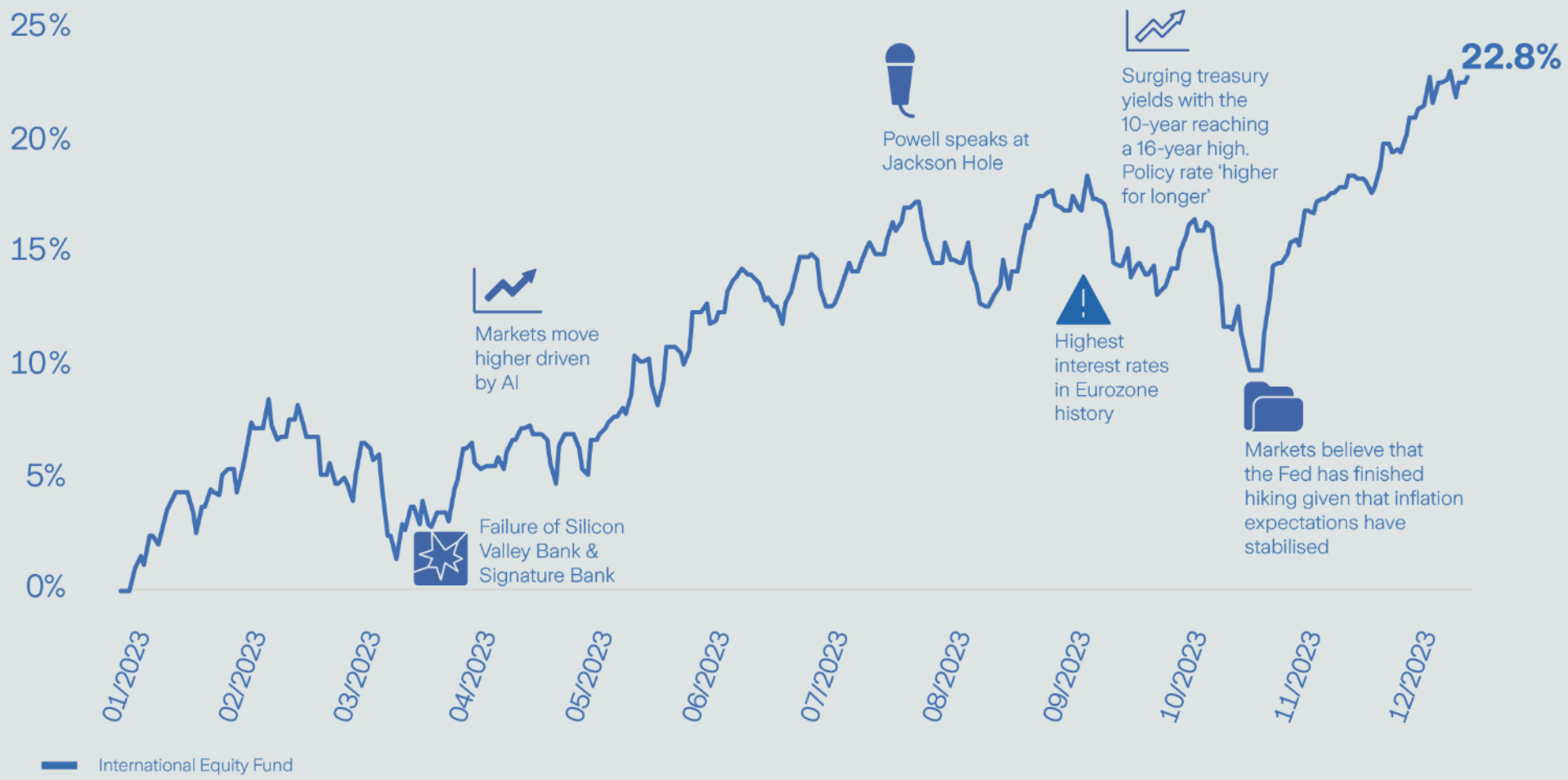
World review of 2023



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.

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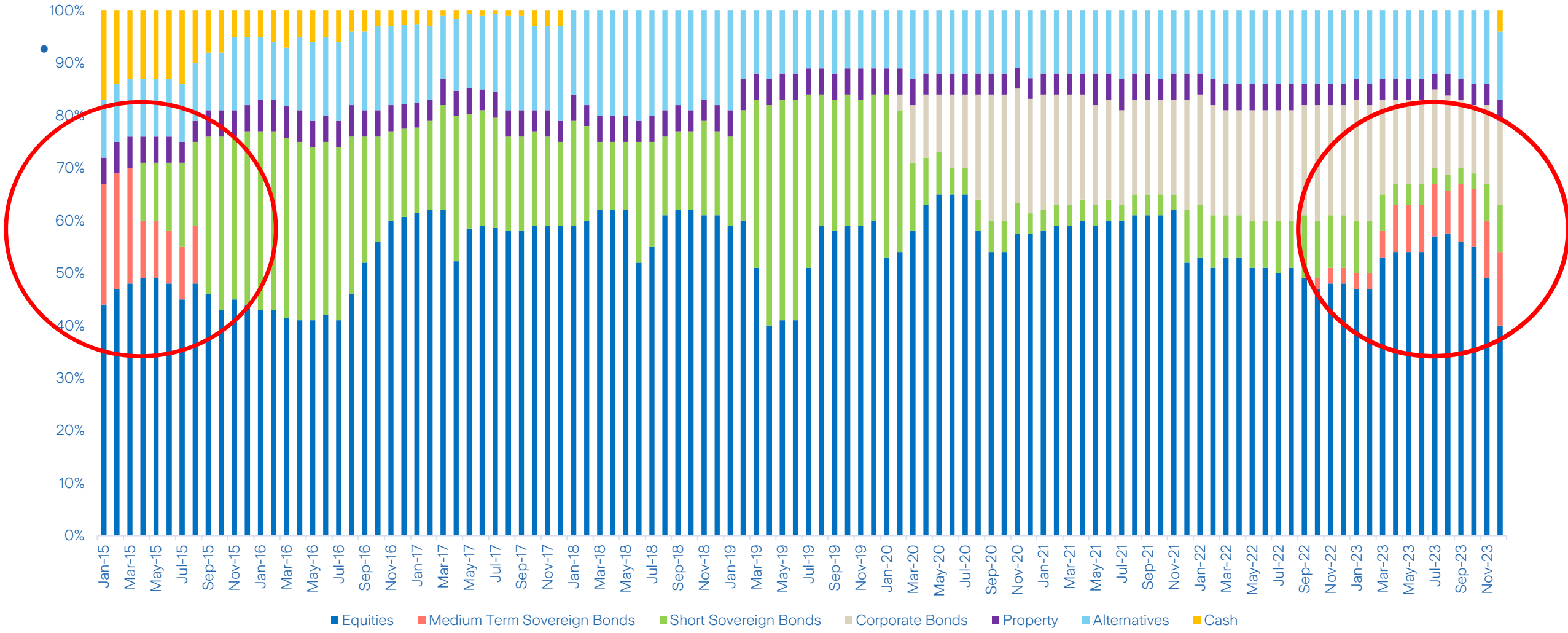
Asset Allocation for Active Asset Allocation Fund



Source: Zurich, December 2023.

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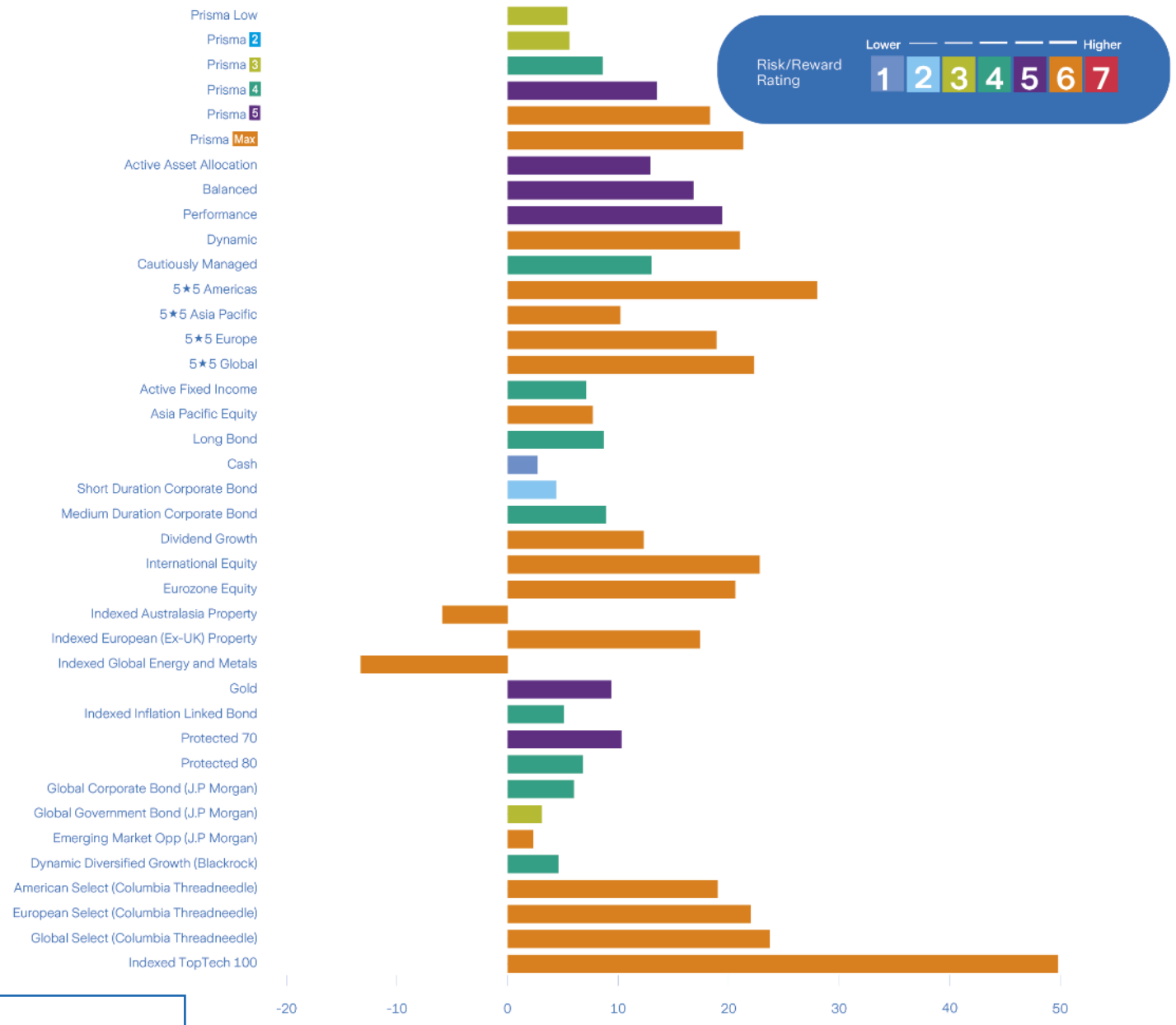
2023 was good – but do your clients know how good?



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.

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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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Investment opportunity knocks for your clients

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The Issues facing the Irish people
Can our money work harder?

Inflation

Standard of living vs demands of work

Helping our children get on the property ladder

How to have a comfortable or “earlier retirement”

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The Interest rate debate

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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

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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

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Options for Wealth Transfer – giving people a helping hand

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Child Savings plan – tax efficient

Savings plan – 3rd party payor for adult beneficiary

Lump sum gift or payment – CAT issues

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

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Child Savings plan

Using the Gift Tax Allowance

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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

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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.

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Traditional Savings plan

3rd party payor for adult beneficiary

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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
6. Adult beneficiary retains control of the funds, switches & encashments

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

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What about an Investment Bond?

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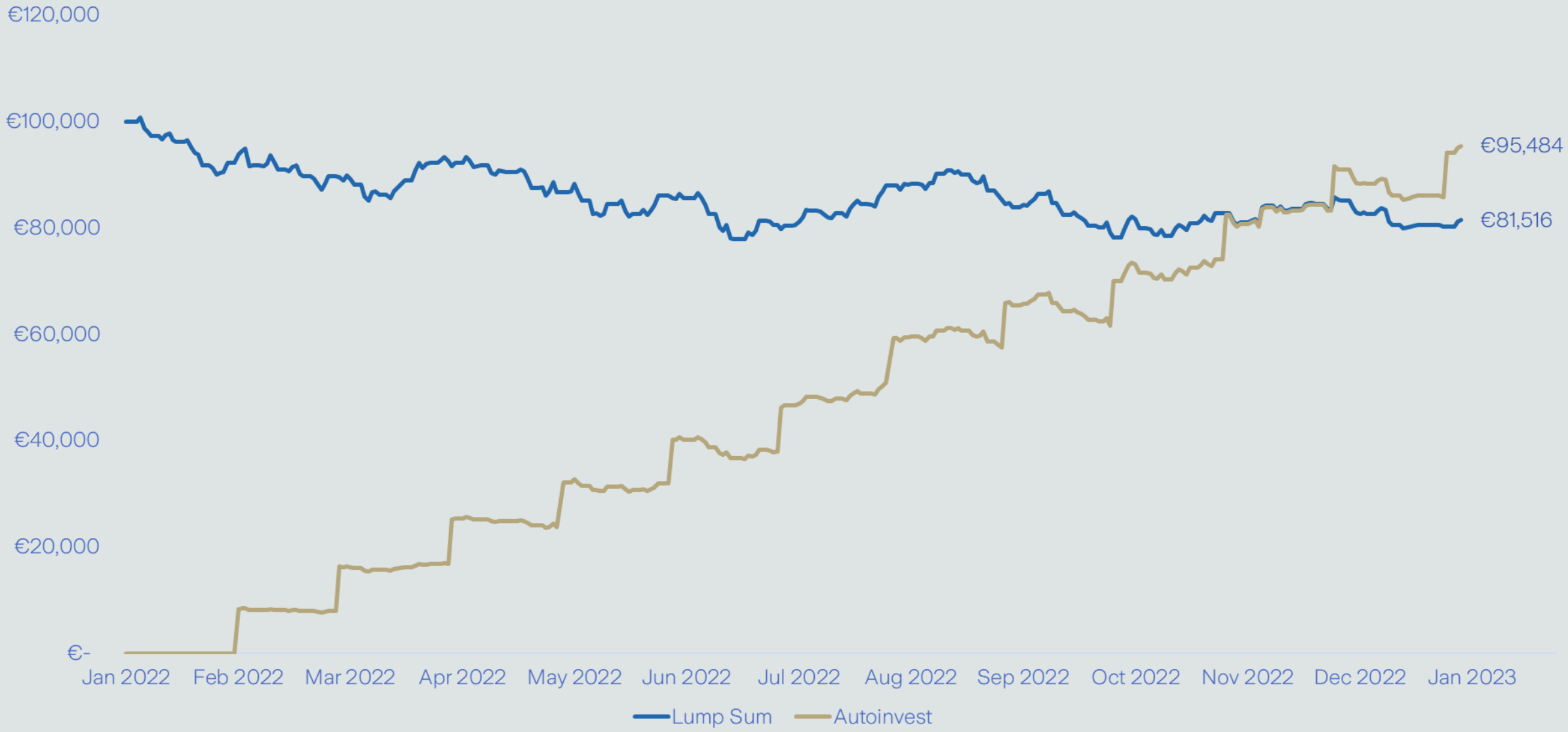
Autoinvest v Lump Sum

The 2022 experience



Source: FundFocus 01/01/2022 – 05/01/2024, Zurich Life International Equity Fund. The graph is for illustrative purposes only and is not linked to any policy return. It assumes 0% return from the 'non-risky' asset.

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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

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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 2nd 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

Source: Zurich, Jan 2024.

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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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Source: Zurich, Jan 2024.

Your Portfolio Information

Portfolio Risk Rating	5
Portfolio Volatility	**10.80%**
Asset Split:	
Cash	**5.00%**
Bonds	**35.70%**
Equity	**55.10%**
Property	**1.20%**
Alternatives	**3.00%**
Total	**100.00%**

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The performance

12/12/2019 to 11/01/2024

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Section 72

- Total premiums paid - €27,302

Investment Bond

- Value as at 23rd Jan 2024 - €85,635

Good active advice meant the client has had a fantastic outcome

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.

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Source: Zurich, Jan 2024.

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Closing thoughts – some final ideas!

Ignite 2024

Martin Goggin
Head of Broker Sales

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2024 – so many positive opportunities

Can we make them all work?

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Pensions & PRSAs

Under insurance and the Protection Gap

So many reasons to talk to clients about saving & investments

Don’t miss out on the Master Trust need

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Pension areas for Advice in 2024

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Employers

Employees

Business owners

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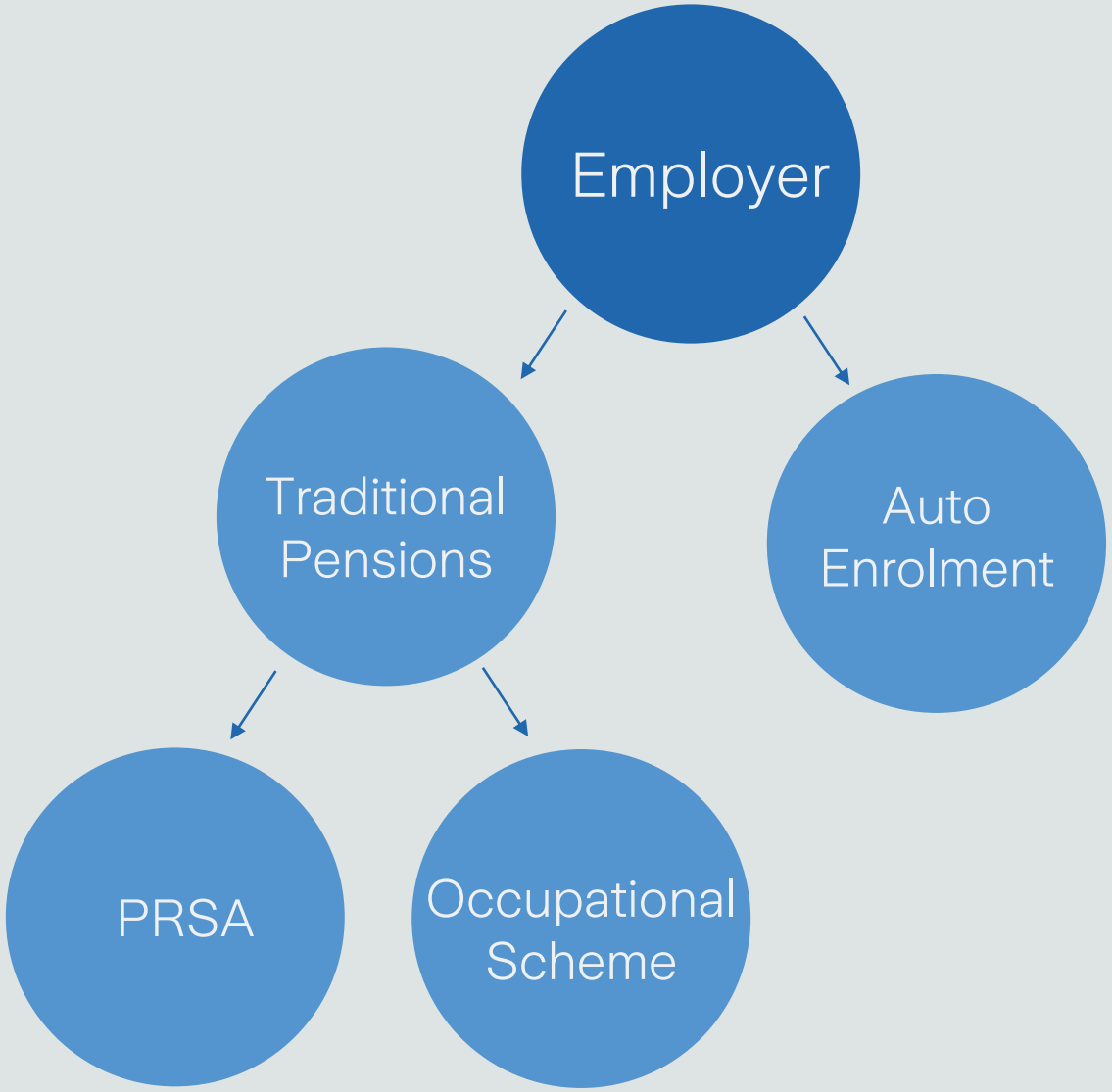
Employer Decision



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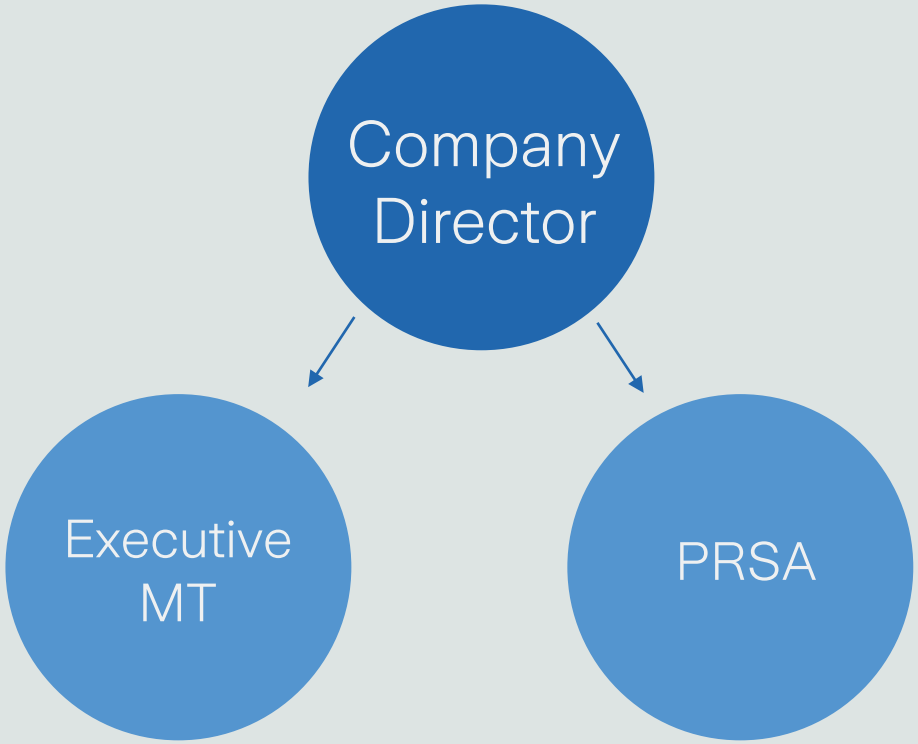
Choice – Retirement Planning for Business Owner



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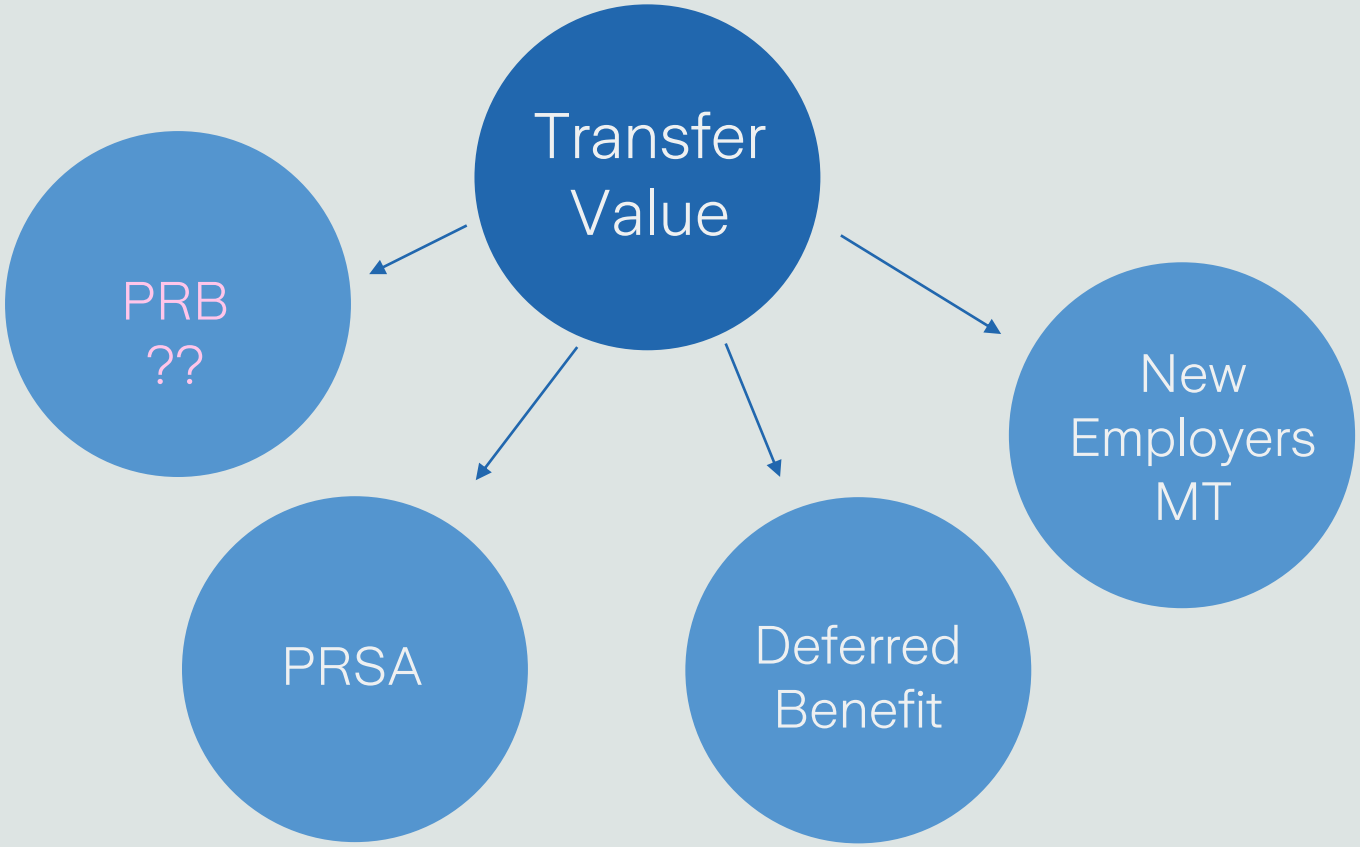
Former Employees



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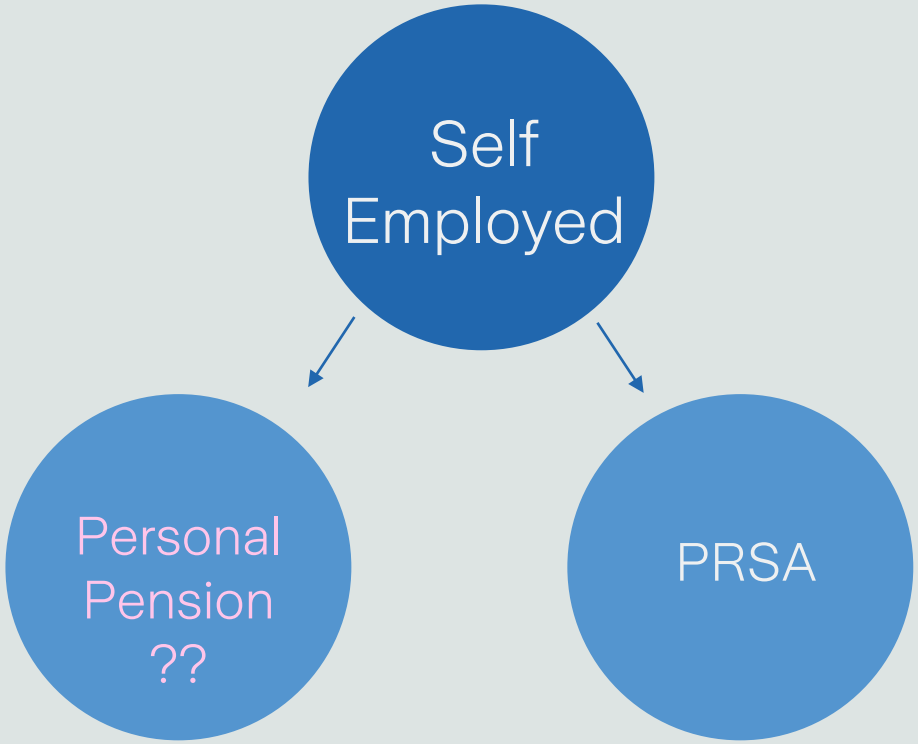
Self Employed Clients



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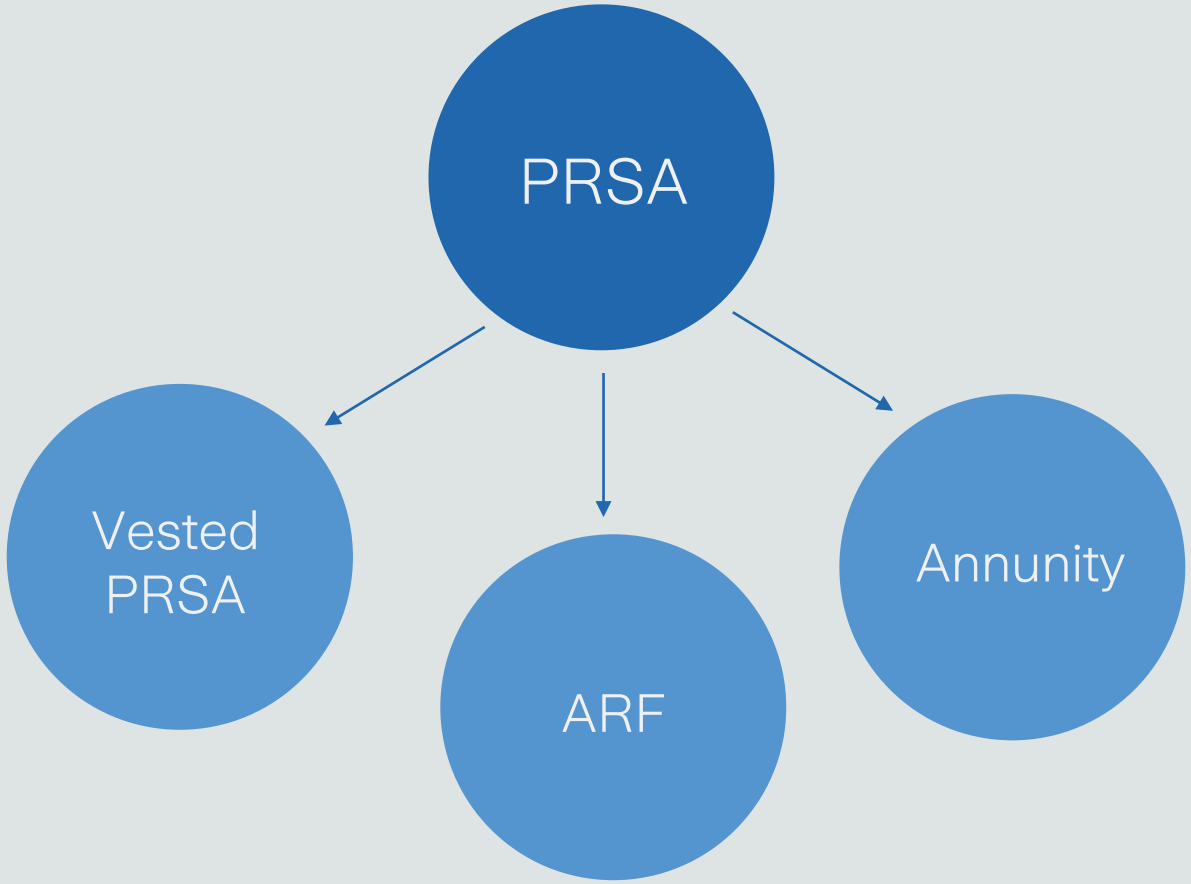
PRSA's – Post Retirement



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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

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Over 30 years of multi-asset fund performance

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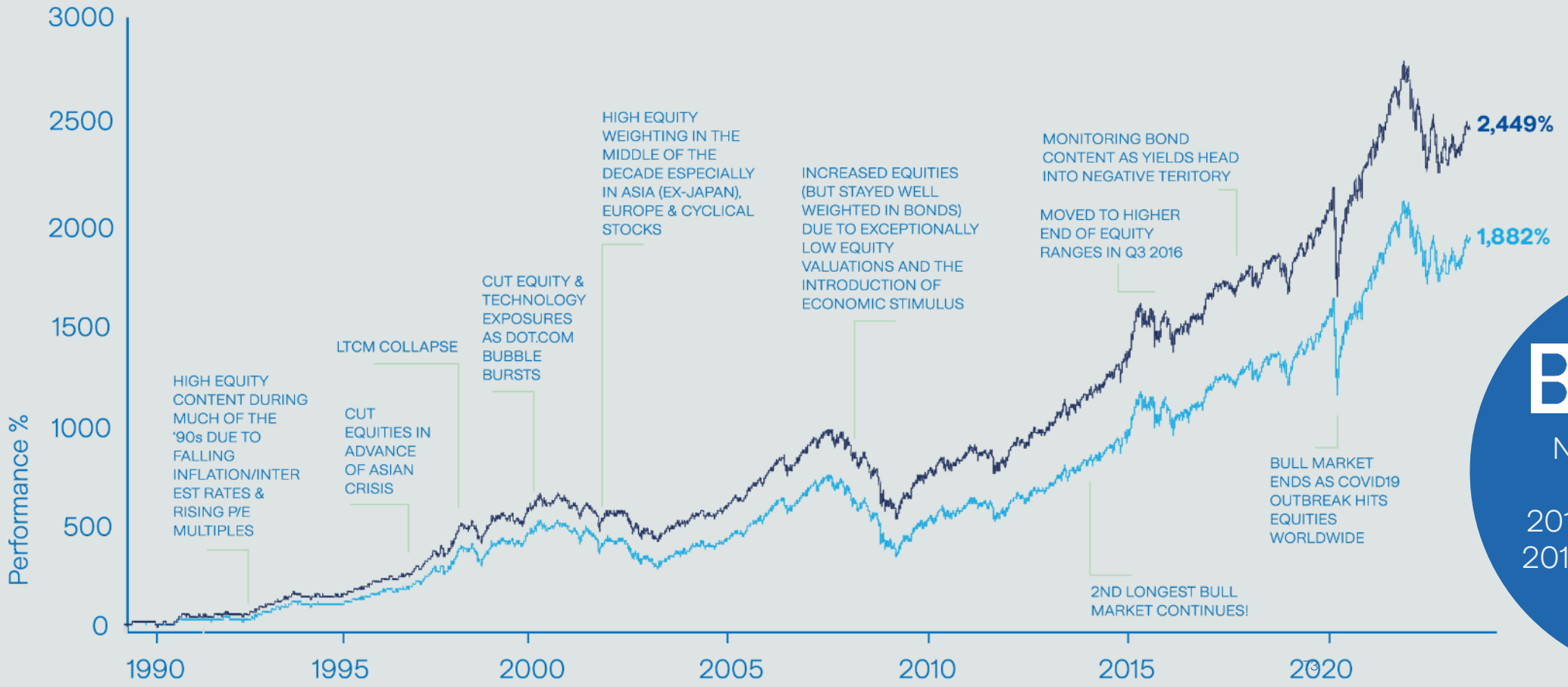

BROKERS IRELAND

No.1 for Investment Excellence
2014, 2015, 2016, 2017, 2018, 2019, 2021, 2022, 2023

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.

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 this product you may lose some or all of the money you invest.

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Thank You

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