

# The Professional Insurance Broker

The official magazine of the professional Insurance Brokers Association

Issue No.3 - Autumn 2003



Interview with  
**Mary Harney**



# Editorial

Welcome to the third edition of the PIBA magazine, The Professional Insurance Broker. If you would like to contribute an article, or you would like us to cover a particular topic, please contact us.

PIBA continues to provide services to its members, some of which are outlined in this issue. We also continue to represent our members on various bodies and institutions.

A current issue relates to the Investor Compensation Company Ltd. (ICCL). We feel that all Brokers or Intermediaries should pay proportionately according to their size. In other words, one set of Intermediaries should not subsidise another set.

At present, PIBA members, other intermediaries and small Brokers are, in effect, subsidising larger Brokers when it comes to contributing to the compensation fund.

We are arguing once again that fairness should prevail.

## Management Consultant Appointed

A Management Consultant has been appointed to review the operations of PIBA. E-mail questionnaires are being sent out to all members seeking their views. PIBA is hoping for the maximum response from members to ensure the review is as thorough and comprehensive as possible.

If you have not received a questionnaire by e-mail within the next week please contact PIBA at [info@piba.ie](mailto:info@piba.ie) or telephone 01 - 4020250.

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## The Professional Insurance Broker

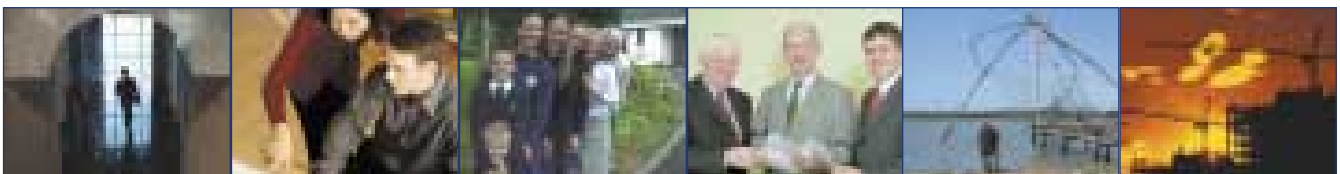
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# PIBA - adding to your bottom line



By Diarmuid Kelly

If you are a PIBA member, scan this page to ensure that you are taking full advantage of the support and services available to you. If you are not a PIBA member, the following information introduces you to the benefits that would be available to your business should you join.

## Benefits at a glance

- \* Six comprehensive agency agreements
- \* Representation with government and IFSRA
- \* Representation with insurance companies and lenders
- \* Advice, bulletins and information to assist you in continually improving your business
- \* Paladin software
- \* PIBA Online/Technology bonuses
- \* Access to PIBA website and group email system
- \* Access to PIBA Group Professional Indemnity (PI) Scheme
- \* Affiliation with Small Firms Association (SFA) and access to their information and schemes
- \* 10% discount for VHI and BUPA
- \* PIBA/FAS Financial Advisors Assistant Course

PIBA assists its members in running efficient, profitable Brokerages by continuously raising the profile of Independent Insurance Brokers. PIBA now has 750 members and our collective goals as members are more achievable with one strong united front than the former fragmented and unrepresented Broker market. PIBA lobby the government and relevant institutions on an ongoing basis to ensure that the views of the Independent Broker are put forward in a professional manner.

As a PIBA member, you will receive regular updates on legislation and compliance issues that affect your business. With the increasingly complex regulatory requirements placed on Independent Brokers, our members find a coherent interpretation of regulations on an ongoing basis invaluable. PIBA also answer thousands of phone calls and emails every year offering individual guidance on specific compliance cases. All our members are provided with updates on IFSRA (formerly Central Bank) compliance and, PIBA will keep you up to date with Euro Directives on Insurance Intermediation and Single Regulator Legislation. Our advanced PIBA website is an invaluable information tool and is supported by our group email system for regular updates including advice, bulletins and information to assist you in your day to day business.

PIBA supports development of industry-specific technology in a Broker friendly direction. Paladin is a new software package designed to help you manage your business more efficiently and increase sales. This software is distributed free of charge, exclusively to PIBA members.

A recent initiative with Eagle Star called 'PIBA Online' gives

technology bonuses on certain products completed through the internet. This initiative benefits both the Insurance Company and the Broker by cutting down on administration time and offers added value to the Broker by sharing the savings made. Eagle Star also offers members the One Stop PRSA that once again entitles members to technology bonuses.

One of the great advantages of PIBA membership is access to our Group Professional Indemnity Scheme which offers very competitive rates in the current market. PI will become compulsory for Brokers next year under the Euro Directive. An extra bonus for members is the 10% discount for VHI and BUPA available to all subscribers.

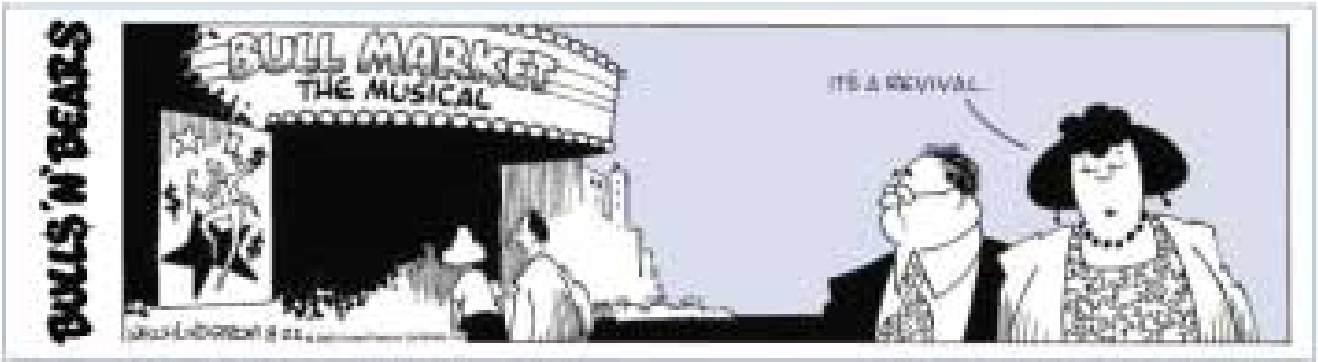
PIBA has many affiliations that are advantageous to our members. PIBA's affiliation with the Small Firms Association is beneficial in the form of employment documentation that will help in the day to day running of your business. SFA also offers PIBA members access to their information and schemes. You can contact the PIBA office for the password to the SFA website.

The FAS Financial Advisors Assistant Course is run in conjunction with PIBA and brings quality skilled staff to PIBA Brokers. This new course has recently been rolled out in Navan and Cork and is due to launch in Dublin shortly. The course involves twenty five weeks intensive in-house training in secretarial and administration skills and provides training in the areas of life, pension and mortgages. Participants are expected to pass the FPD 1 course at the end of their term, which is the 'Foundation Course' requirement for people to advise the public on life assurance. This intensive training provides the employer with well rounded staff from the outset of their career and provides intensive training you may not have time to give. Trainees are also briefed on the latest regulatory requirements and how to maintain client files.

Free subscription to Professional Insurance Broker magazine is included in your membership. This quarterly magazine provides the Broker with a fountain of knowledge and general updates and comments on the issues that are important to your business. Also, the use of PIBA name and logo is complimentary for members.

Securing proper formal agency agreements was the founding aim of PIBA and the first priority of the early Committees of PIBA. A four-year campaign commenced in 1995 leading to the launch of the first modern style PIBA endorsed agreement in 1999. Agreements are now in place with:

- \* Irish Life
- \* Canada Life



- \* New Ireland
- \* Eagle Star
- \* Caledonian Life
- \* Friends First

Agency agreements secure the Brokers business in a number of ways:

- \* Non-Cancellation on the Grounds of Production of Business - the Insurer cannot cancel you on any grounds other than for lack of compliance or breach of contract.
- \* Agency Buy-Out - a put option against the Insurer to sell your agency back at death, retirement or serious illness.
- \* Client Information Security - protective features that define your rights over your clients
- \* Dispute Resolution – An agreement that the Broker and Life Office will attempt to settle disputes amicably and, in default of this, put matters to an Independent Arbitrator.

The value of a Brokerage is calculated as a multiple of annual renewals and indexations. The increased security the agreements offer to a Broker's business have led to an increase in market value of a Life & Pensions Brokerage. Since the installation of agency agreements, there has been an accelerated upward trend from 1.5 to approximately 5 times renewals and indexations. Even for a small Broker with €30K renewals and indexations, this has led to an increase in value e.g.

Year	Income Multiplied by Annual Renewals and Indexations	Value of Business
1999	30K x 1.5	= 45K
2003	30K x 5	= 150K

At the time of going to print, Hibernian Life & Pensions, Standard Life and Scottish Provident are the only Broker Life Offices without the new style PIBA agreements. We would hope to have definitive answers from these offices in the not too distant future and would hope to finalise these agreements this year. The same need for security in agency appointments applies to General Insurance and Mortgage Broking and PIBA are working to ensure that this area is protected in the future.

One of the key benefits of PIBA membership is the individual support offered to all subscribers. Every PIBA member is not operating alone but is part of a sizeable co-operative group. If a Broker member runs into difficulty PIBA are instrumental in assisting the Broker in every possible way. As a PIBA member you have the extra peace of mind knowing that should you have a problem, you have the support of a larger collective organisation that can efficiently and knowledgably act on your behalf.

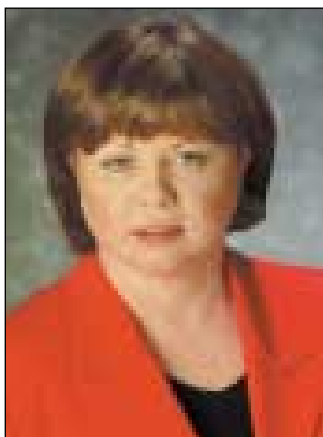
Finally, PIBA provides members with networking opportunities. No business thrives in isolation. Information sharing and common strategy building, even the occasional client referral are the valuable results of networking. The majority of PIBA's members regularly share notes with colleagues at a variety of events including the Annual General Meeting. But, most importantly, PIBA provides for our members a united approach. An organised united front strengthens everyone's position and benefits all, providing insurance for the future of the Independent Broker.



### NEW MEMBER ON PIBA STAFF

Emer Norton has joined PIBA as Research and Administration Officer. Emer has a B.A. in Journalism and Media Communications from Griffith College. She worked in Australia for two years for Marketing Orientations in a marketing and support role and for Global Digital Technologies in Ireland as a Company Researcher and Marketing Support Executive.

# Brokers Fulfill A Vital Role In Providing Competition - Tanaiste



An Tanaiste, Mary Harney TD, has overall responsibility for the insurance reform programme. She spoke to Tim Ryan about progress to date and her future plans for the industry.

**Do you use a Broker yourself and what role do you see for Brokers in the future?**

Yes, Colm Tyndall of Marine and General. In the future, I see Brokers fulfilling a vital role in ensuring that consumers and business get the cheapest and best deals in relation to insurance products. Furthermore, I see a role for Brokers in attracting new players into the market. As more players are attracted into the market Brokers will have a significant role in sourcing the most competitive quotes for clients.

**Glad to see you are using a PIBA Broker! There have been a lot of changes and regulations introduced recently, e.g the arrival of IFSRA. What role will your Department continue to play in the insurance area into the future?**

Since 1st May 2003, I no longer have responsibility for insurance undertakings. The Irish Financial Services Regulatory Authority is now responsible for practically all of the financial services industry, including insurance and the services provided by it. IFSRA has a wide regulatory remit, covering consumer protection and prudential supervision.

As regards the future, I plan to retain overall responsibility for the insurance reform programme until such a time as I

am satisfied the new measures now being put in place are shown to be effective.

I will also retain responsibility for workplace health and safety initiatives – a safer workplace will have positive repercussions in terms of insurance premia.

Furthermore, the Competition Authority will continue to monitor competition in the industry and identify any barriers to entry or anti-competitive practices.

**Are you satisfied with the level of take-up of PRSAs or do you believe further changes need to be made to encourage a greater take-up?**

The PRSAs are a new product and the compulsory access date for employers of September 15th has just passed. A large number of employers have provided PRSAs and sales are very brisk at present. It's too early to say how the take-up is progressing just yet but the sale of PRSAs will be monitored by the Pensions Board and also by a CSO survey in the first quarter of next year.

**Do you have plans to introduce legislation to protect Irish consumers who deal with non-Irish companies who get into financial difficulties such as happened with the Independent Insurance Company?**

A Directive, which aims to compensate policy-holders in situations where an insurance undertaking gets into financial difficulties, is currently being considered by the European Commission. The intention is to have a compensation scheme, somewhat akin to the present schemes for deposit guarantees and investor protection. This initiative follows an Irish submission in the wake of the failure of the Independent Insurance Company.

**Will the Government direct IFSRA to ensure a level playing pitch between accountants to whom insurance regulations do not apply provided their insurance business is less than 20% of their turnover, which of course, could be far in excess of the turnover of a small Broker?**

[As more players are attracted into the market Brokers will have a significant role in sourcing the most competitive quotes for clients. ]

This matter is being examined in the context of the transposition of the Insurance Mediation Directive into Irish law. This transposition has to take place before January 2005. The Department of Finance will be consulting with interested parties in the intervening period.

**How many of the recommendations of the MIAB Report have been implemented to date and what is the timeframe for the implementation of the remainder?**

23 of the recommendations have been implemented to date, with a significant number of others either partly implemented or progressing. The more significant recommendations are expected to be implemented over the coming months. For example, the establishment of the PIAB on a statutory footing is expected by year-end. This is the final recommendation to be addressed by my Department. The Minister for Justice, Equality & Law Reform is preparing legislation to deal with

[I hope to see more and bigger cuts in the future given the recently announced profits by the industry and given the Government's commitment to tackle the issues affecting the numbers and cost of claims]

fraudulent and exaggerated claims and reform the law in relation to personal injury claims. This new legislation will implement a number of the MIAB recommendations. The legislation (Civil Liability and Courts Bill) will be published this year and enacted without delay. Meanwhile, the Minister for Transport will produce a new road safety strategy shortly and extend the penalty points system. The Competition Authority's report on the insurance industry is expected early in 2004 and IFSRA are addressing the recommendations they are charged with. I would, therefore, expect the outstanding recommendations to be implemented in the coming months.

**Do you agree or disagree that future pain and suffering should form part of a court compensation award in personal injury cases?**

The existing law is that a person who is the victim of the negligence of another can recover in respect of pain and suffering, past, present and future, in addition to any pecuniary losses s/he has suffered. There is no proposal to change this as a person is entitled to fair compensation for the injury s/he has sustained through the negligence of the defendant.

**Are you disappointed with progress to date on your hopes to reduce insurance premiums by 31% over a period of 18 months from October 2002?**

Given the reductions in the number of accidents this year and, given the Government's commitment to

progressing the reform programme, I am disappointed at the level of response by the insurance industry to date. I do acknowledge that over the past few months a number of insurers have reduced premia – particularly in the motor area. I hope to see more and bigger cuts in the future given the recently announced profits by the industry and given the Government's commitment to tackle the issues affecting the numbers and cost of claims. In addition, the introduction of new players to the insurance market should result in greater competition, leading to further reductions. Furthermore, I hope to see significant reductions in liability premia.

**The Joint Oireachtas Committee on Enterprise reviewing the insurance industry recommended that the 2% levy be abolished. Do you agree and will you be pressing to have this provision included in the December Budget?**

The 2% stamp duty, levied on non-life insurance premiums, is part of the normal taxation system and applies to most categories of non-life insurance business. The exceptions are re-insurance, voluntary health insurance, marine, aviation and transit insurance and export credit insurance. Most EU Member States have such a tax, and in most of these, it is levied at a significantly higher rate than in Ireland, typically between 9% and 15%.

This levy is a significant source of revenue to the Exchequer. As confirmed in recent PQs by the Minister for Finance, he has no plans to reduce it.

**Have you spoken to any outside insurance companies to encourage them to open for business in Ireland and what plans do you have in this regard?**

There are increasing signs of interest in the Irish market by players who are currently not operating here. Over the coming months, it is my intention to meet with insurers and representatives of foreign underwriters who have seen the potential benefits of underwriting business in Ireland as a result of the measures we are taking. I believe these measures will attract new competitors into the market and thus drive down prices. Furthermore, the Government will act on recommendations that the Competition Authority make when their report into the industry concludes.

[Over the coming months, it is my intention to meet with insurers and representatives of foreign underwriters who have seen the potential benefits of underwriting business in Ireland as a result of the measures we are taking]

# Young Male Drivers - No Thanks!



By Derek Fitzgerald

Have you noticed the number of young men being 'chauffeured' around in cars by their partners or girlfriends, whereas it used to be the other way round? Are young men lazy and tired of driving?

No. Far from it. The reasons these young men (aged 18 – 25) are being driven about is because they cannot get insurance cover. In most cases, they cannot even get a quotation. The situation is extremely serious and needs immediate attention.

For any young man to get insurance at 18, he has to go on his parents' car policy and his parents will have to pay anything up to 200% of an increase on their premium. And certain companies won't even take them at all as additions

Generally, a father has to have his car insured with a company such as Allianz or Hibernian, who will quote a young driver. At the end of three years, the young driver can then apply for a policy in his own name to that company and they will generally insure him. However, for the first three years if he wants to own a car, he cannot. He can only gain experience in his father's car.

## Full licence

However, if the young man has somehow managed to pass a driving test and obtain a full licence, he can go ahead and get a quote from an insurance company. But, Hibernian is the only company currently quoting Brokers for young men, even with a full licence. And, nobody will quote without it! Some of the companies who deal directly with customers may quote for young men with a provisional licence, but the rate would be enormous. I have heard where premiums for young drivers with a provisional licence, who have been able to get insurance in their own name, have been as high as €6000.

Also, in adding on a 24-year-old named driver onto a car, the company is likely to demand an additional €2,500, and that is for a father who has a full No Claims bonus. In reality, the full loading is actually €5,000!

In my experience as an insurance Broker, young male drivers are not as bad as they're made out to be in terms of claims. However, when they do tend to have an accident it tends to be a very bad one. But, as a section of society, young males are not that horrendous. There is a view among insurance companies that they are a bad risk and that the risk is better avoided.

## Young females

The situation facing young ladies in the same age group is far different. A female can get insurance at 18 and with a provisional licence, without any difficulty. The premium is

usually from one of two companies, Eagle Star or AXA. But, if she adds on her boyfriend or partner, the premium is changed into male rates.

Here's an example. A young female aged 21 with a provisional licence will be quoted approximately €2000 by AXA at present. If she has a full licence for two years and driving a Ford Fiesta, Hibernian quote approximately €1176, which is a very favourable quote for the first time. However, the boyfriend must be content to sit in the passenger's seat! What the insurance companies are saying is that the female is such a good driver at 21 that they will insure her and for much less. This, to me is a clear case of discrimination. An 18 year old male would currently pay up to €6000 per annum to drive a small car while his corresponding female would pay approximately €1200.

What the insurance companies are saying is that "we're not open for that business" and, at present, it appears that is allowable. They have the authority to say they do not quote for certain classes of business. I remember some years ago, I went to a particular insurance company looking for a quote for a Pakistani and the company replied: "Oh we have fulfilled our quota for non-nationals!" To which I retorted: "This man is a doctor from the Mater Hospital. What would happen if you were taken in injured and you said: "I want a national doctor to look at me not a non-national?" Of course there was a deadly silence. Eventually I got it, but I had to go to the top!

## Different system

I would like to propose a different system. I would like to see a situation whereby there would be the same basic premium for all young male and female drivers – but with the No Claims bonus going in the reverse direction. In other words, if the basic premium was €1500 and, if the man or woman had a crash, it would go to €3,000 and so on in hefty loadings. The insurance companies would put the bad driver off the road by the level of premium but everyone starts on a level playing pitch. There would be a loading for a provisional licence which would disappear after one year. At the age of 25, the premium would start to reduce in stages.

The problem at present is that we now have a nation with a huge number of young female drivers. We have males who literally can't drive and this is resulting in uninsured drivers and, in many instances, they can't get a job if they can't drive. The additional premium to add a 24 year old with a full licence onto an employer's policy is currently around €5000. Consequently, the employer will end up hiring a 30-year old instead of a younger person because they can't afford to pay the insurance.

The current situation is unacceptable and we should strongly lobby for change.

# National Pensions Awareness Campaign 2003



Won't it be great when you reach retirement age? Think of all that free time with nothing to do.

And, unless you start planning for your future now.....that will be you ...nothing to do, and all the time in the world to do it.

Talk to your bank, insurance company or financial advisor about how starting a pension today can reduce your tax payments as you save for your future.

For further information visit the Pensions Board website on [www.pensionsboard.ie](http://www.pensionsboard.ie) or Low Call 1890 65 65 65

## The National Pensions Awareness Campaign

**Think about tomorrow. Today**



*No time like the present Glenda Gilson pictured with her mother Aileen and her goddaughter Kenya Dempsey at the announcement of National Pensions Awareness Week.*

## Broker Call to Action

Now is the time for Insurance Brokers and Financial Advisors to play their part in helping to deliver greater Pensions coverage in Ireland.

Since the launch of the National Pensions Awareness Campaign, the general level of public awareness in relation to pensions is growing steadily. There is a significant market out there, particularly in the self employed or SME sectors for Pensions.

## Consumer Awareness

The Pensions Board has recorded a very high level of queries from the public across a range of general pension and PRSA issues. The volume of helpful and impartial information, which has been made available to the public, has been key to developing an informed awareness of pension provision in Ireland. This has resulted in a 233% increase in weekly telephone enquiries to the Board and their website receiving over 8,000 visits in the week ending the 12th September.

To date over **350,000** information booklets have been produced and are being distributed to increase understanding among the general public and employers.

The formal commencement of the awareness campaign was heralded by the presentation of the Pensions Boards' Information Booklet on **"PRSAs and Employers' Obligations"** to the Minister for Social and Family Affairs, Mary Coughlan - on 2 July 2003. Every employer in Ireland (over 173,000) on the Revenue's PRSI database received a copy of the 20 page booklet to help them understand their obligations.

Two further information booklets have been published by the Pensions Board as part of the National Pensions Awareness Campaign. The first booklet "What are my Pension Options", sets out details of the types of pension plans people can use to save for retirement.

The second booklet "Personal Retirement Savings Accounts (PRSAs) A Consumer Guide" is a joint production between the Consumers Association of Ireland and the Pensions Board. It shows consumers how to approach, search and apply for and monitor their Personal Retirement Savings Accounts (PRSAs).

All of the booklets continue to be distributed by the Pensions Board through the Department of Social and Family Affairs local offices, Citizens Information Centres, Employer Groups, Trade Unions, representative organisations and national libraries.

The booklets can be viewed online on the Boards' website [www.pensionsboard.ie](http://www.pensionsboard.ie) . and copies are available free of charge from the Boards' Information Unit on 01 6131900 or [info@pensionsboard.ie](mailto:info@pensionsboard.ie) .

The Board has also installed a Lo-Call number for people looking for pension information – 1890 65 65 65. The Board has deployed more staff to its information team operating the lines to cater for the added queries and information requests.

Following on from the September 15th mandatory access deadline, the Pensions Board continues to remind all employers to ensure they have met their statutory obligations to provide access to a Standard PRSA for all "excluded employees".

The Board also announced the date for National Pensions Awareness Week, which was held on Monday October 13th and continued through to Sunday October 19th.

The National Pensions Awareness Campaign took a strategic decision to focus its attention and budgets around the cut – off date for PRSA's and beyond for four key reasons:

1. We have a specific budget and we want to maximise its effectiveness.
2. In relation to PRSA's, the Board are information providers, whereas the Banks, Insurance Companies and Financial Advisors are the actual providers of PRSA's and we were fully conscious of the fact that they, from a commercial perspective would be actively and competitively out in the marketplace, advertising and promoting their respective PRSA products.
3. Our overall task within the Pensions Awareness Campaign is to promote and encourage those who currently do not have a pension to consider committing to funding a pension for their future.
4. This process of increasing the general level of pensions uptake is going to take time and PRSA's are just one product element of the overall process.

The Campaign will focus primarily on the general public and, in particular, those sectors of the population as identified in the **CSO Survey, 2002** as having consistently low pensions coverage.

Campaign activity will inform the general public of the need for supplementary pension provision in order to provide for replacement income in retirement. This will include all aspects of pension provision, including PRSAs.

Support has been provided for employers, in terms of preparing them for PRSA mandatory access requirements, by working in conjunction with employer and social representative groups through joint communication initiatives.

These groups include:

- \* ICTU
- \* IBEC
- \* SFA
- \* CCI
- \* ISME

Other organisations involved in Campaign activity include:

- \* Citizen Information Centres
- \* IFA
- \* ICA
- \* Rural Leader Groups
- \* Area Partnership Companies
- \* The National Library Network

We will continue to distribute all relevant publications through our support agents and any organisations who have agreed to help in delivering the NPAC messages to their constituent clients and members.

## General Awareness & Media Activities

Some of the key activities of the Awareness Campaign to date are:

Presentations and promotions:

The Pensions Board had Information Stands at:

- \* SFA Annual Conference - 28 May
- \* Woman' s World Show RDS- 30 May- 1 June
- \* Chambers of Commerce of Ireland - Annual Conference 6/7 June
- \* SIPTU National Conference - NUI Galway - 26/27 August
- \* National Ploughing Championships - 23- 25 September
- \* Comhairle Annual Conference – 17th and 18th October

The Pensions Board delivered presentations to:

- \* Irish Payroll Association
- \* Network Ireland - Women & Pensions Issues - 18 June
- \* IBEC Roadshow - Waterford - 20 June
- \* IBEC Roadshow - 23 June - Dublin
- \* IBEC Roadshow - 26 June - Cork
- \* IBEC Roadshow - 27 June - Limerick
- \* Revenue/DSFA Business Users Panel
- \* Electronics Industry Personnel Group - 4 July -Galway
- \* Letterkenny Chamber of Commerce - PRSAs
- \* IBEC - PRSAs and Employers Obligations - 29 July
- \* Ballina Chamber of Commerce on Thursday 4th September

## Media Supplements, Press Releases and Photo-calls

As part of the overall Awareness Campaign we are receiving extensive ongoing National and Local press coverage. We have commissioned special media supplements in key target media while also contributing to major information supplements on Pensions in all of the National press.

Press Releases are sent to the National and Local media on a regular basis to keep them fully informed of our National Pensions Awareness Activities.

In tandem with the issuing of Press Release, we have held a number of Press photo calls with the Minister, Mary Coughlan TD and the Chief Executive of the Pensions Board, Anne Maher and other key influencers within the Pensions industry and key supporters from social, business and community organisations.



L-R, Anne Maher, CEO, the Pensions Board, Mary Coughlan TD, Minister for Social and Family Affairs at the launch of "PRSA's a Consumer Guide" and "What are my Pensions Options?" booklets.

# A Guide to employment legislation

By Charles Dayman

Recent years have seen many changes introduced in the employer/employee relationship. Some of these changes are as a result of the dynamic, social ever-changing environment within which we live, where employees are looking for a better quality of work life, more challenging tasks and, in some cases, a clearly defined career path.

Other changes, and ones that can be said to be crucial to the employer, have been brought about by developments in employment legislation. In short, employers must conform to their obligations under employment law, regardless of whether you employ one person or one thousand.

There are many pieces of employment legislation covering all aspects of the employee/employer relationship. There is an old saying "from the cradle to the grave" and this can now be applied to the work place and the role Employment Law plays in that work place.

For example, your business is doing well and you are experiencing some growth. In order to provide a better service to your customers, you decide to take on extra staff. You place an advertisement in the local paper. The Employment Equality Act, 1998 sets out rules as to what you cannot state in a job advertisement:

- S10. (1) A person shall not publish or display, or cause to be displayed or published, an advertisement which relates to employment and which -
- a) indicates an intention to discriminate, or
  - b) might reasonably be understood as indicating such an intention

In 2001, Ryanair ran an advertisement campaign for staff. In the advertisement, they used the wording: "we need a young and dynamic professional". The Equality Authority took an action against Ryanair on the grounds that the use of the word "young" contravened the protection from discrimination provided for on the age ground within the Act.

The other grounds for discrimination are gender, marital status, family status, sexual orientation, religious grounds, disability, race, being a member of the travelling community as well as age. Last year, the Authority reported that there had been an 800% increase in the number of claims made for discrimination. If an employer is found guilty, he/she will have to pay compensation. In the Ryanair case, the compensation award was €8,000. The courts have also set out a list of questions that will be deemed to be discriminatory if asked during a selection interview.

The Employment Equality Act, 1998, also places an obligation on the employer to take all reasonable steps to ensure that the possibility of harassment, including sexual harassment, is minimised. This includes an employee being sexually harassed, or harassed by another staff member, a client, the employer, a customer or some other business contact.

Bullying, on the other hand presents a different problem. The Health and Safety Authority has defined bullying as "repeated aggression, verbal, psychological or physical, conducted by an individual or group against another person or persons". The important word here is "repeated" as within all workplaces there is, what is called "banter" or "name calling". This activity is part of daily life, but it is important for employees, especially managers and owners, to be able to identify when that thin line - between bullying and banter - has been crossed.

You have identified a new recruit, offered him/her the job and you have set down the date of commencement of employment. Is that the end of your obligation? The simple answer is No!

The Terms of Employment (Information) Act, 1994, obliges an employer to provide each member of staff with a written contract of employment and not a simple two line contract. Within the contract, the Act sets out information that must be included. One of these items has reference to a dismissal procedure that the employer will follow. This dismissal procedure is also referred to under S14 of the Unfair Dismissals Act, 1977.

The Unfair Dismissals Act, 1977, sets out grounds whereby the dismissal will be deemed to be fair; for example, lack of competence, capability, misconduct, redundancy and so on. However, there are rules about dismissal because of redundancy.

What happens if you dismiss an employee and it turns out to be an unfair dismissal? The Act sets a number of remedies which are available:

- Reinstatement
- Re-engagement
- Compensation (which can be up to 104 weeks salary).

The above represents just two pieces of employment legislation. Others include Organisation of Working Time Act, 1997; Health, Safety and Welfare at Work Act, 1989; Maternity Protection Act, 1994 and the Parental Leave Act, 1998. The list goes on.

We live in and work in a modern, multicultural society. Irish Employment Law applies to every employee regardless of their nationality. It is important that your company conforms to its obligations under Employment Legislation. The cost of not conforming can be considerable, not just in terms of finance (compensation and legal fees) but also in terms of your customers, clients, employees, suppliers' perception of your business and how you run your business.

*\* Charles Dayman, is Managing Director of Dayman & Associates, a HR Consultancy specialising in Employment Legislation Compliance.*

# Which Pension Product?



Eamonn Kiely, QFA FLIA, MMII (Grad),  
Manager, Pension Sales,  
Eagle Star

In this article, Eamonn Kiely, Manager, Pension Sales, Eagle Star, looks at which pension products are likely to best suit your clients in different circumstances. He highlights the need your clients have for proper advice when it comes to retirement planning, rather than being sold PRSAs in every situation.

Since the advent of PRSAs I have found that quite a number of Independent Intermediaries are undecided as to which type of pension plan they should sell to certain clients. In many cases, PRSAs make for an easier sale - they are the new product on the market, and they are receiving lots of publicity. Also, many Independent Intermediaries feel that IFSRA appears to want them to sell Standard PRSAs and that doing so should make for an easier life in the event of an IFSRA audit.

If you take on board what the media, particularly the newspapers are saying, then you would not be blamed for believing that you should only sell Standard PRSAs. However, there are many individuals for whom PRSAs may not be the best option, and ongoing advice is of paramount importance. It is important for those individuals that you are available to give them the independent advice they require.

Without getting into the arguments about wider fund choices and Independent Intermediary remuneration levels (both of which, are in themselves, very relevant and important issues), there are a number of factors that should be taken into account in recommending a pension contract type. Most of these factors are very obvious when you think about them and their effects can have a large bearing on the product you will sell. They need to be considered carefully when deciding on which product to recommend to your client.

## Age Profile

If your client is young with a long term to run to retirement, a product with a lower ongoing fund management charge than the 1% p.a. figure that applies to Standard PRSAs may produce a better illustrative retirement capital figure.

On the other hand, because of its flexibility and portability, a PRSA contract is likely to be more attractive for a young, less established employee, who may change job a number of times during their career.

A product that pays a bonus, or a refund of charges, at the chosen retirement date is likely to have a better illustrative maturity value than one that does not. This type of contract will suit a professional person, such as an accountant or a doctor, who is likely to continue contributions all the way to retirement age. It should also suit a proprietary director that does not wish to retire early.

## Risk Benefits

Another factor is the sort of risk benefits your client wishes to provide. If they wish to build in life cover to their pension, they cannot do this with a PRSA. A client can, of course, arrange separate life cover with tax relief. However, everything else being equal, life cover arranged on an 'inclusive of fund' basis, where the cost of the life cover is reducing as the pension fund grows, is likely to produce a better targeted use of the client's contributions.

Likewise, contribution protection or waiver of premium cannot be added to a PRSA, while it can be added to other pension products. Of course, separate PHI cover can be put in place, but there is usually a limit on cover of 75% of earnings less the Social Welfare entitlement. Being able to have contribution protection in addition to this, which is available under other contract types, can be very attractive indeed.

## Occupational Situation

If your client is a proprietary director, arranging their main pension plan

on an occupational pension (i.e. company paid) basis is very likely to be best for them, because of the higher contribution levels that their company can make. The client would also have the same retirement options (i.e. ARF, etc.) as under a PRSA and they could make AVCs or PRSA AVCs to reduce their personal tax bills.

For proprietary directors who wish to fund for tax-free cash solely (i.e. an illustrative maturity value of 150% of final remuneration), an occupational plan would also be best, because the maximum tax-free lump sum that can be taken from a PRSA is 25% of the fund.

For ordinary employees where there is very little likelihood that the combined employer and employee contributions will exceed the maximum allowable figures of 15% to 30% of earnings, a PRSA is likely to be the best option. The Finance Act 2003 made provision for personal pensions to be treated the same as PRSAs with regard to the 'net pay arrangement'. However, at the time of writing this article, the necessary regulations have not been put in place to facilitate this. When they are put in place, personal pensions with built-in life cover and contribution protection, may be attractive for some employees.

Also, employees do not have to do their PRSAs through their employers' deduction facilities. They can make contributions by other methods and still claim PRSI/Health Levy relief. The advantages of salary deduction are the "painless extraction" of contributions and the immediacy of the tax relief and PRSI/Health Levy relief.

Even if the employer is contributing to the PRSA arranged under the salary deduction facility, the employee can still contribute to a separate PRSA by other methods, and the tax relief limits will apply to the total contributions.

## Pension Scheme Membership

If your client is a member of an occupational pension arrangement/executive pension plan, any personal contributions they may wish to make can only be done as AVCs to this arrangement or as PRSA AVCs.

Because of the lower charging structure that applies to many group occupational pension schemes and group AVC schemes, contributions to these group schemes are likely to offer better value for money than individual PRSA AVCs, everything else being equal. However, the client may not wish to put all his eggs in one basket and may prefer to invest with a different provider to the provider of the main group scheme or group AVC scheme. Remember, if the client wishes to arrange an individual AVC PRSA with you, you will need to ensure that the main scheme rules already allow them to do so, or that the trustees and the company have agreed to change the rules to this effect.

## Adequate Retirement Funding

The adequacy of the pension products that an individual may have, compared to their eventual retirement goals, probably warrants a complete article of its own. Even if the client is paying what they consider to be a reasonable amount into their pension plan, their pension fund will probably not be adequate for their needs. Again, advice comes very much into play here, and it is up to you, the Independent Intermediary, to convince your client of the need for adequate retirement funding, and of the value of the ongoing advice that you are prepared to give.

## Conclusion

Overall, while your clients may be encouraged by the media to solely use PRSAs for retirement funding, very often they may be much better off with other pension products. There is, therefore, very much a need for advice from you the Independent Intermediary; and not only advice when the individual is starting his first pension plan, but also on an ongoing basis.

# Insurance Institute conference,



*Anne Maher, CEO, The Pensions Board, Liam Flynn and Collette McMullen, Matheson Ormsby Prentice*



*Frank Wynn, Irish Life; Alan Ryan, Astons and Denis Kellegher, New Ireland Assurance*



*Joe Whelan, FIMC Ltd.; Patricia Byron, Hibernian General Insurance and Desmond Campbell, Ecclesiastical Insurance Plc*



*Ian Stuart, Eagle Star; Bill Hannon, Irish Life and Anne Maher, The Pensions Board*



*Paddy Finnegan, Irish Life Assurance and Cathal O' Toole, Irish Life Assurance*



*Tony McLaughlin, Royal Liver Assurance, Eoin Byrne Hibernian Life & Pensions Ltd.; Frank Wynn, Irish Life and Derek Hall, Hibernian*



*Caroline Gill, Insurance Ombudsman Ireland; Kate Colleary, Matheson Ormsby Prentice and John McGee, OSG*

# Druids Glen



Mary O'Dea, Director of Consumer Affairs, IFSRA



An Tanaiste, Mary Harney TD, Denis Hevey, The Insurance Institute and John O'Neill, CEO, AXA



Liam Carbury, PIBA and Dermot McConkey, Performance Marketing Ltd



Eleanor Petrie, Eagle Star Life; Diarmuid Kelly CEO, PIBA and Denis Casey, Irish Life



Dave Watkin, AON Toal and John O'Neill Chief Executive, AXA



Mary O'Dea and John Hogan

# Meet Brian Murray, A Dublin-born Broker who loves the country life

Speaking to Tim Ryan



Brian Murray with wife Niamh and their five children.

Setting up an office at home in Glenealy, Co. Wicklow in 2000 was not a big challenge for Dublin-born Broker Brian Murray.

Prior to being made redundant at Friends First, he had been looking at a home office situation, satellite working and so on.

*"I had been down that road already informally," he says. "I had a computer at home and I had a room as an office. But I had to take all my files and upgrade my facilities, as well as recruiting and training an assistant."*

Today, almost four years later, he is still home-based.

So Brian Murray was back working with many of his old clients but this time in his own business.

*"I reckon FF retained a huge percentage of their clients which they might otherwise have lost. It made sense for the client because, in many cases, clients like to deal with an individual that they know and come to trust, more so than the company. And certainly for me it was good to have a foundation on which to build my business."*

Brian says he would have found coping with the new regulations, over the past few years difficult without the support of PIBA.

*"I found PIBA to be invaluable in interpreting the legislation and helping me to cope with all the regulation," he says. "I'm not sure how I would have managed as a small practitioner without PIBA. And I certainly have communicated with them on that in the past and I am thankful for the assistance they gave me."*

Married to Montessori teacher Niamh Tierney, a daughter of former Dublin Fine Gael Councillor Myles Tierney, the couple have five children.

Although both are from Dublin City, they are very family orientated and are not commuters by nature.

*"We took a conscious decision to become a part of the community we live in, and that we would, for example, do all our business locally. We're also involved in a range of community associations, sports clubs and so on."*

Brian Murray is a great enthusiast of working on-line.

*"On-line business is something that I had been waiting on for a long time. Before I came into the insurance industry (almost twenty years ago), I actually worked for a company that was putting in systems for a client company's reps. on the road, so that they could communicate with head office and transmit orders through small handheld computers. But technology has moved a lot since then, so I felt that it was something that had huge potential in the insurance industry. The first was the Eagle Star system. I was delighted to see it coming and we embraced it fully. We've done a lot of business on that system since."*

*"If the client is far removed from us, we can do a lot over the phone. We get the proposal to them later for signature. We are conscious of keeping the client on the phone for a long time so we normally input the proposal 90-98% from existing files we have on the client. We then call them back and run through it quickly. There are usually just a few answers to be changed and then we hit the button and it's submitted."*

*"When people are far away and we fear postal delays, we are able to pull up the proposal on screen and e-mail it to the client. He/she, in turn, has it within ten minutes of us producing it. He/she can sign it and post it back to us on the same day. That gives us a competitive edge."*

So enthused by on-line service is Brian, that he can foresee a future where some Broker offices just won't do business with companies unless it is available on-line.

*"We're fortunate in that I have the space. I probably would aspire to getting an office at a later stage but would prefer to get to grips with a lot more issues before I do that."*

Adapting to working at home was not a problem, he says.

*"I gained three hours a day that I used to spend going into and out of Dublin. If I lose a half hour during the day to deal with family issues, it's not important. I certainly see more of my younger children now than I did of my older children as they were growing up. But it would be very easy to waste time if you weren't careful. I was sick of travelling in and out of Dublin. So that was an ideal opportunity for me I suppose."*

Brian was also lucky in recruiting a very able assistant, Margaret Gorman.

*"Margaret was looking for a career change when I set up. She had no experience in any kind of office work but was keen to learn. She is now multi-skilled in many areas and provides invaluable assistance. My eldest daughters are also trained on most of the packages."*

Since entering the industry, a lot has changed, says Brian.

*"Change has become faster and faster, but certain fundamentals still apply, and in this regard, I still have a lot of praise for my first manager. He had an interest in recruiting the right people to do things properly and for training his people properly. So I got a good start."*

Brian was made redundant when Friends First exited the direct sales market, but they handled the situation relatively well and, in a fashion that allowed him to continue to deal with the clients that he had built up over the previous 13 years.

*"FF handled the issue reasonably amicably. I don't think anyone likes to be made redundant, however, I think it made an awful lot of sense to continue the personal face of the business relationship, because Friends First were getting out of that particular end of the market. A key way for Friends First to retain business was to deal with their policy holders through the people who had introduced those policy holders to them in the first place."*

# Friends First launch Agency Agreement



**Contact names for the relevant life offices are as follows:**

Friends First Lesley Hendrick 01 618 6225	Canada Life Fiona Lawler 01 210 2000
Eagle Star Joyce Appleyard 01 209 2024	New Ireland Assurance Seamus Dowling 01 617 2376
Irish Life Catriona Coyne 01 704 2332	Caledonian Life Chris Manning 01 429 3370

*Terry Hardiman, Chairman of PIBA, Tom McCormack, General Manager of Friends First and Diarmuid Kelly, CEO of PIBA celebrate the finalised agency agreement between Friends First and PIBA (pictured above). The agency agreement was announced earlier this year at PIBA's Annual General Conference in Galway which was sponsored by Friends First. All PIBA members will receive a copy of their new agreement which they should sign and send back to Friends First. To show their continued support of PIBA members, Friends First has agreed to sponsor a number of regional seminars for PIBA members over the coming weeks.*

**URGENT NOTICE TO ALL PIBA MEMBERS**

PIBA now have agency agreements with six Insurance Institutions, Caledonian, Canada Life, Eagle Star Life and Pensions, Friends First, Irish Life & New Ireland.

Please note that, in the event of a dispute with the company, you may not be entitled to the protections afforded by these new agreements, if you have failed to sign and return these to the Life Office.

Please check your files and ensure (where you hold the relevant agency) that you have a copy of the agreement and that a signed copied has been returned to the company. If in doubt, check with the agency department of the relevant Life Office.

*Continued from previous page*

**The Future**

On the future of the industry, Brian Murray is pretty confident.

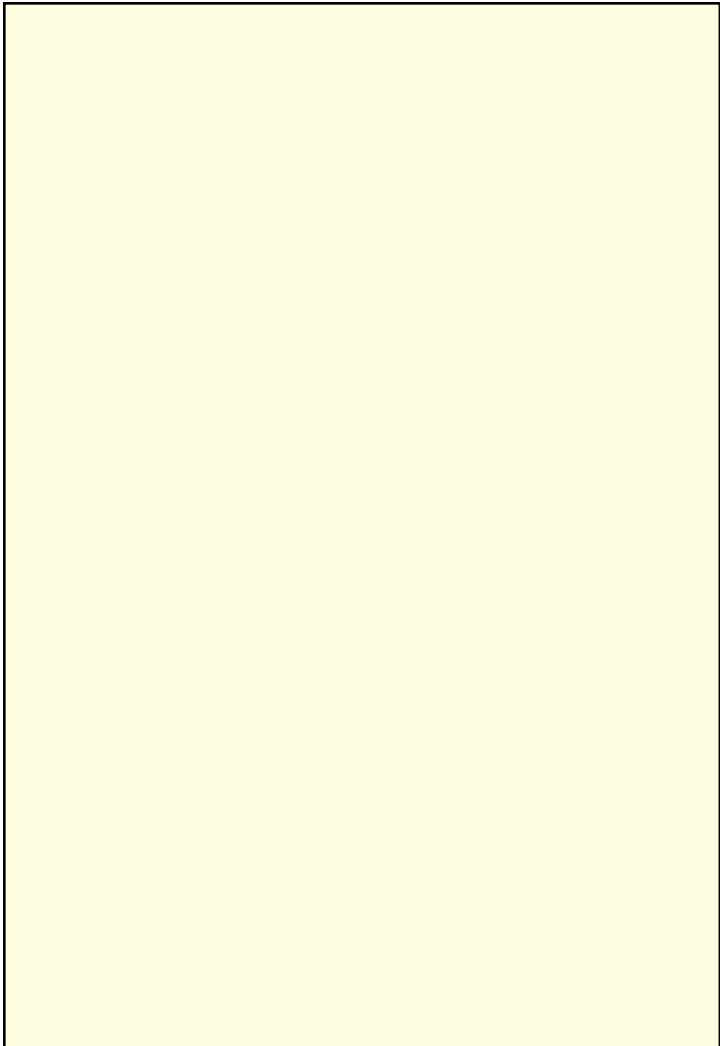
*"I think there has been a huge amount of speculation as to where the industry will go as a whole. Regulation will do some sifting of Brokers and there will be mergers and acquisitions among the bigger companies. I'd like to think that there's room for people like myself, who are prepared to offer a personalised service that can add value and yet can be small enough to keep costs under control. In my view, you've got to be big enough to have economies of scale or small enough to travel lightly. I'm not sure what's in between. I'd like to see a level playing field, and that we would all have to adhere to the same levels of regulations."*

Outside of work, Brian Murray's passion is rugby which he still plays in Arklow.

*"I'm the oldest guy on the team down there, but I love it. It's a great outlet."*

For holidays, the family likes to travel. Brian has been fortunate to get the opportunity to travel quite a bit over the years and they have, for example, been on a family camping holiday in France twice.

*"I don't find insurance brokerage a cut-throat business, as some have suggested. I have remained friends with many of my old colleagues, and enjoy meeting with other Brokers at industry seminars and so on. They are always willing to share ideas and experiences, and generally work with a sense of fair play, and so I don't find it particularly competitive against other Brokers. For the most part, I enjoy it."*



# Paying Homage To Lord Ganesha!

By Bryan Johnston



Bryan Johnston, QFA FLIA, was recently invited to speak as a guest of the Life Insurance Round Table in India. He is a member of the Professional Speakers Association and a Director of Masterkry Training and BTS Training. Here he recounts the trip.

It was probably my eight time to land in Mumbai, formerly known as Bombay, and as my 10 hour flight from Paris hovered over this island city, I could make out the shapes of houses all around the airport.

Mumbai airport is surrounded by a shanty town that is home to nearly 1 million people. I could see the red bright lights adorning many of the surrounding streets, paying homage to Mumbai's favourite God 'Lord Ganesha'. This pot bellied elephant God is the centre of a two week festival that culminates in as many as 5 million people in the city, taking their clay idols on the last day down to the sea and immersing this jolly fellow into the waters. No business venture starts in Mumbai without first asking Ganesha to look favourably on the task ahead.

## Life Insurance Round Table

I had been invited as a guest of LIRT (Life Insurance Round Table) of India to address their annual conference. LIRT was

set up to facilitate the many Indians who are not allowed into the USA for the MDRT (Million Dollar Round Table). The life assurance industry in India is going through major changes at the moment (sound familiar!). There was only one Life Company operating in India up to 4 or 5 years ago - the Life Insurance Company of India or LIC as it is better known.

LICI is still the major company and has as many as 1 million agents working for it. Yes, 1 million, although many are only part-timers at the moment. Now there are about 15 life companies and many familiar names among them such as Aviva, Prudential, Sun Life and Standard Life. India's population is currently just over 1 billion people and it will exceed China's population in the next 15 years.

The Broker business is just starting and the vast majority of insurance agents are tied agents for LIC, or one of the new companies. Interest rates are high by our standard and you can still get 5% or even 6% on deposit. Unit linked funds are only taking off in a serious way now. Most policies are savings plans, though protection is becoming more popular. Most premiums are still collected in cash and the successful agents have four or five people working on administration and collections.

I was met in the airport by some of the LIRT Committee and whisked off to my plush hotel on Juhu beach. My room was beside some Government Ministers and I had the added joy of having three armed soldiers outside my room. Not that you need security in this city.

## Shocking poverty

Around the city some of the poverty was shocking, yet it often existed side by side with amazing wealth. One thing you need to get used to in India is the sheer number of people everywhere you go. But once you accept this, the smells, colour, noise and curiosity of the people make India a place that has to affect you.

After a few days acclimatising in Mumbai, I made a journey of about 150 miles to a city called Nasik, where I witnessed one of the biggest gatherings in the world, The Kumbh Mela, a religious festival for Hindus that happens only once every 12 years. Here, up to 30 million pilgrims from all over India converged for the month long festival culminating in a mass dip in the Godavari River. What a spectacle that was.

The conference was held in Nagpur in the centre of the country. Over 500 of India's top producers attended the conference. I was one of several overseas speakers, among them Jim Cronin (no stranger to Ireland) from Bath, Clive Gott a business and life skills coach (and well able to tell a joke), David Thomas, International Memory Grandmaster from Yorkshire, Jonathan Battersby, LIA UK President

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Bryan and Friends

(straight from the LIA celebrations in Cork), Sandro Forte, Top of the Table qualifier at 21 and Devaan Cooray, of Ceylinco Insurance Company, Sri Lanka, whom I met on my trip to India last year (what a speaker, he may speak at LIA UK convention next year. Don't miss him). Our first day started with a Manager's Forum and we addressed about 60 managers. The topic was selection and recruitment.

### 6am Start

But, the Conference started for real the next day and I was up at 5.30 for a 6 am start. The day started with a sales idea session and most of the 500 delegates attended. A quick breakfast at 7.30 and the flag ceremony started with all Indian states being represented. Each speaker had about 45 minutes and my topic was Pensions in India. Their problems are so similar to ours

- \* An ageing population
- \* Increased lifespan.
- \* Lack of pension plans for most people (only about 10% of the population is covered.)
- \* Lower interest rates.
- \* Cost of state benefits
- \* Cost of defined benefit schemes.

However, the message was 'here is an opportunity' and it was grasped. The day officially finished at 4pm, but not for us. As some of the delegates did not speak English, we were all whisked upstairs and asked to summarise our presentations and then they were translated to Hindi. (Thanks to Sandro for ordering some Kingfisher beer!) Dinner afterwards and off to bed.

### From the heart

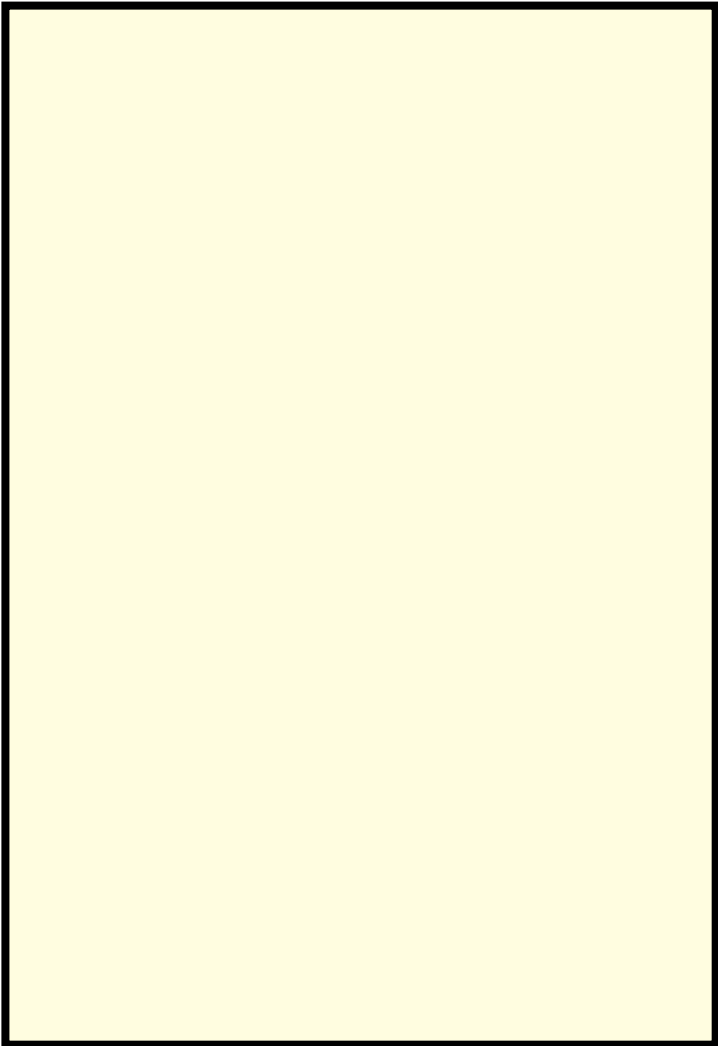
The next day was the same, 6 am start and finish at around 7 pm. My topic that day was dealing with resistance. I was delighted to be invited to a local agent's office and saw exactly how they operate. No matter how many times you are invited to somebody's home, you cannot but be amazed at Indian hospitality. In a similar vein, Indian service is second to none. The customer care shown in all hotels is excellent. It's friendly, very intelligent and seems to come from the heart. We could certainly learn some lessons here. Perhaps we should be worried, I saw many advertisements for Call Centres. The usual monthly salary quoted was 10000 Indian Rupees or about €200 per month. Already, many UK Insurance companies and Banks have moved their call centres to India.

India takes great pride in their education system and when you have a chat with your average Indian, and you realise very quickly that this country is on the way up.

The last night of the Conference was an evening to remember. It started off with some prize giving and then a little local cabaret. It wasn't long before we were all up dancing to the latest Punjabi rock peppered with Elvis, U2, Freddy Mercury, and Robbie Williams. What was amazing was that all the guest speakers were guarded by the local LIRT 'bouncers' on stage from a frenzied mob who just wanted to dance with us. Remarkably, there was no alcohol at all (I tell a lie, the foreign speakers had some beer) and we all agreed it was one of the most memorable evenings of our lives.

After the conference, I flew to Kerela known as 'Gods Own Country', a state with beautiful white beaches, coconut-fringed backwaters and a relaxed attitude. A week of relaxation and many Aruyvedic massages left me totally relaxed and ready to face the M50 again.

For you foodies, the selection is fantastic in India. I have never seen prawns as big and if you are vegetarian this is heaven. My thanks to Brendan Power, President of the Professional Speakers Association for organising my first trip to India a few years ago. I have been asked to bring a speaker next year, so, if you have a message, and fancy an adventure, get in touch!



# Why Non-Standard PRSAs Can be Good for the Broker and Consumer



By Michael Craig,  
Finance & Actuarial Director,  
Standard Life

A recent report by Technical Guidance finds that: "The majority of Standard PRSAs either do not provide any intermediary remuneration at all, or provide no or reduced remuneration at lower contribution levels". Of the 19 Standard PRSAs reviewed by Technical Guidance, 11 pay no intermediary remuneration, with only five standard PRSAs paying some intermediary remuneration at all contribution levels.

A pension remains one of the most important investments consumers will make in their lifetime. By limiting expert advice, Standard PRSA investors are being encouraged to not only fly solo, but fly blind as well.

From the Broker point of view, there is little incentive to promote a product with minimal return (despite of course their natural tendency to philanthropy). Brokers operate in a demanding and competitive environment and need to be rewarded for the work they put in.

## No frills

Of course, one can appreciate the original rationale for developing Standard PRSAs. These were designed as a no frills, low charge, minimum choice, 'any colour as long as it's black' vehicle to help increase pension coverage. However, all non-standard PRSAs have been wrongly projected as options which will be necessarily more expensive.

The Technical Guidance study points out that this is not the case. "Some non-standard PRSA products have charges lower or similar to the maximum charges allowed for a standard PRSA," states the report. In Standard Life's case, the company has cut margins to provide the benefits of expert advice to the client and remuneration to the Broker. In addition, its Non-Standard PRSA offers much wider investment options at the same or lower cost than a standard PRSA.

The author of the study, Tony Gilhawley, has said that in attempting to safeguard consumers, PRSA regulations may inadvertently have exposed consumers to high levels of investment volatility. "For example, for technical reasons laid out in legislation, PRSA providers cannot provide 'with profits' or guaranteed funds under a Standard PRSA."

In this regard, Tony Gilhawley pointed out that an analysis of five standard PRSA providers showed the default investment fund recommended to a consumer with 20 years to go to retirement would currently be invested, on average, 72% in equities. This, Mr Gilhawley commented, is a very high equity exposure for the average consumer, without the benefit of any guarantee.

## Profit option

Standard Life remains committed to offering consumers a profits option, something that is not permitted under a Standard PRSA. As a mutual office, it views with profits as the only means by which the profits of the Group can be shared amongst its customers.

In keeping with Standard PRSA pricing, Standard Life has a 5% premium charge on the product. This will be used to pay intermediaries. The company will also be paying Broker commission on all premium levels. The fund management charge is 1% for eight unit linked funds and the allowance for expenses under the profits fund is just 0.5%. Standard Life believes that this is a win-win for Broker and consumer and this view is supported by the findings of the Technical Guidance survey.

Pensions is surely one sector where a 'one size fits all' approach is doing a disservice to the consumer. Consumers have the right to expert advice, as well as choice of investments which reflect their individual circumstances, age and existing asset structure.

Change usually provides opportunities, if you can identify them. Many Brokers must have looked on in bemusement as the most radical change in the pensions world in 20 years has passed them by. Many have been bypassed by the major banks and in view of the perceived benefits to the Broker, many will have been happy to wash their hands of the whole PRSA circus.

If they look closer, however, they can spot an opportunity in the market. One which provides them with appropriate remuneration for their work and one which gives their clients all the low cost benefits of a standard PRSA, without the straitjacket.

And for most Brokers there is even a bigger picture here. What do they offer to new self-employed and company director clients, who may have been persuaded by the hype around standard PRSAs and warned off the traditional personal pension?

With the availability of a low cost but Non-Standard PRSA, Brokers now have a ready made solution to what could be their major threat, challenge and opportunity provided by the PRSA era.

# Property Tax Issues

An increasing number of Brokers are now engaged in offering mortgages. Here, Dermot Byrne gives an overview of developments in the property market from a taxation viewpoint.

The principal taxes that impact on property transactions are as follows:

- \* Stamp Duty
- \* Income Tax
- \* Capital Gains Tax
- \* VAT

## Stamp Duty

Arguably, of all the additional costs facing a prospective purchaser of property, Stamp Duty remains, perhaps, the most expensive. The Finance Act provided for no changes in the rate of duty for residential property perhaps a realisation of the difficulty facing the first time buyer, specifically in the Greater Dublin area. There were substantial increases in the rates of duty as it applies to non-residential property. These changes apply both to the rate of duty and to the threshold bands. The rates of Stamp Duty as they now stand are as follows.

Residential Property			
Value	First Time Buyer	Owner Occupiers	Investors
Up to €127,000	Nil	Nil	Nil
€127,001-€190,500	Nil	3%	3%
€190,501-€254,400	3%	4%	4%
€254,401-€317,500	3.75%	5%	5%
€317,501-€381,000	4.5%	6%	6%
€381,001-€635,000	7.5%	7.5%	7.5%
Over €635,000	9%	9%	9%

Non-Residential Property	
Value	Rate
Up to €10,000	0%
€10,001 - €20,000	1%
€20,001 - €30,000	2%
€30,001 - €40,000	3%
€40,001 - €70,000	4%
€70,001 - €80,000	5%
€80,001 - €100,000	6%
€100,000 - €120,000	7%
€120,001 - €150,000	8%
Over €150,000	9%

Before the introduction of Finance Act 2003 the maximum rates of duty for property costing over €76,200 was 6%. Thus, for example, on a property costing €500,000 the duty has increased from €30,000 (500,000 @ 6%) to €45,000 (500,000 @ 9%).

There are, however, a number of reliefs available for the owner-occupier who buys a new house or apartment.

If the new house/apartment is not larger than 125 square metres/1345 square feet and qualifies for a Department of Environment floor area certificate, it is exempt from stamp duty.

If the new house is not able to obtain exemption under the above, it will only suffer duty based on the site cost/value or on 25% of the total cost of the house, whichever is the higher. The figure obtained from the above will determine the rate of duty to apply.

Example: New residential property cost €400,000, site cost €130,000.

Duty will apply to the higher of €130,000 or €100,000 (being 25% of €400,000) and the rate of duty will be 3%, based on the €130,000 and not on the €400,000.

## Income Tax

Revenue have consistently utilised the tax system as a means of encouraging investment in locations where they consider that development is desirable. To this end, they have introduced property tax breaks. By structured property investment, a business can obtain a reduction in its tax liability.

## Property Tax Breaks

The Schemes that are currently in effect are as follows:

1. The 1998 Urban Renewal Scheme
2. The 1998 Rural Renewal Scheme
3. The Town Renewal Scheme
4. The Park and Ride Scheme
5. The Living Over the Shop Scheme
6. The Student Accommodation Scheme

## 1998 Urban Renewal Scheme

This scheme applies to urban areas selected by the Minister, based on "integrated area plans" submitted by local authorities. The incentives available are as follows:

- \* **Factory Buildings:** will be able to avail of increased capital allowances on any expenditure incurred in relation to construction or refurbishment of a qualifying building. While a factory building can normally only obtain capital allowances at the rate of 4%, an initial allowance of up to 50% is available to both owner-occupiers and Lessors.
- \* **Commercial Premises:** Buildings such as office accommodation and multi-storey car parks will also be able to avail of increased capital allowances. Allowances at the same rate as those for factory buildings will be available for the construction or refurbishment of qualifying commercial buildings.
- \* **Section 23 Relief:** This highly valuable relief is available in relation to expenditure incurred in the cost of construction of rented residential accommodation. The purchase price paid for the relevant property, less the amount that relates to site cost, is available to offset against firstly, the profit obtained on renting the property and secondly, against other property income. A section 23 property provides a means by which a large number of rental units can be taken out of the property net.

### Rural Renewal Scheme

This scheme provides the same reliefs as the Urban Renewal Scheme but, instead, this scheme applies to the Upper Shannon Region – covering all of Leitrim and Longford and certain parts of Cavan, Roscommon and Sligo.

### Town Renewal Scheme

Same reliefs as per the above schemes. However, this scheme applies to certain urban areas with a population of between 500 and 6,000.

### Relief for Park and Ride Facilities

Capital allowances are available in respect of qualifying expenditure incurred on park and ride facilities in the larger urban areas. Park and ride facilities are buildings or structures served by a bus or train service with the purpose of providing for members of the public intending to travel by public transport, parking space for vehicles.

The person who has incurred the qualifying expenditure on the qualifying park and ride facility, whether that person is an owner operator or is a leaser of the facility, is entitled to claim an initial allowance for the first chargeable period, equal to 50% of the expenditure and, then, to claim an annual writing down allowance equal to 4% of the capital expenditure.

### Living over the Shop Scheme

This scheme is aimed at providing residential accommodation in vacant space over commercial premises in the cities of Cork, Dublin, Galway, Limerick and Waterford. Section 23 Relief, at 100%, is available in respect of refurbishment, conversion and construction expenditure incurred by lessors and owner occupiers on the residential property on the upper floors.



There is also relief for expenditure incurred on the refurbishment and construction of associated commercial property on the ground floor.

### Student Accommodation Scheme

Section 23-type relief is available in respect of capital expenditure incurred on the construction, conversion or refurbishment of rented residential accommodation for third level students. The relief is available in respect of expenditure incurred between 1 April 1999 and 31st December 2004

Section 26 of Finance Act 2003 provides for a number of changes as regards the termination dates of a number of the property incentive schemes such as the Urban Renewal Scheme. Once 15% of the total project cost is incurred by 30th June 2003 then the termination date of the scheme will be 31st December 2004. This requirement does not apply to the three schemes listed below.

Similarly, there have been a number of extensions to the Town Renewal Scheme, the Park and Ride Scheme and the Student Accommodation Scheme. The Dates of termination prior to Finance Act 2003 and post Finance Act 2003 are listed below. The Living Over the Shop Scheme has retained the same expiration date of 31st December 2004

Scheme Name	Expiration date prior to Finance Act 2003	Expiration date post Finance Act 2003
Town Renewal scheme	31st December 2003	31st December 2004
The Park and Ride Scheme	30th June 2004	31st December 2004
The Student Accommodation Scheme	30th September 2005	31st December 2004

### Interest Relief Changes

Interest on monies borrowed for the purchase, improvement or repair of a property is wholly deductible. However, interest charges incurred, prior to the first letting, are not deductible. The situation, as regards interest on residential property, has

undergone a complete about turn over the last number of years. The Bacon Report denied any deduction in respect of interest on borrowings which are employed after 22 April 1998 on the purchase, improvement or repair of a rented residential premises. Finance Act 2002 reversed these measures. An allowance is now granted for interest accruing from 1st January 2002 on loans used to acquire an interest in residential property.

### Mortgage Interest Relief

Unrestricted interest relief is allowed with regard to any interest incurred in acquiring a property for commercial purposes. There are, however, restrictions as regards the maximum amount of mortgage interest relief that can be obtained on the purchase of a private residence.

The levels of Mortgage Interest Relief available remain significantly less than the mortgage interest that would be incurred by the average individual. The table below provides details of the current maximum rates of Mortgage Interest Relief that can be claimed. Thus, if a single person got a €250,000 personal Mortgage at 3.35% he would incur interest of €8,375 while the maximum he could claim for is €4,000, resulting in unclaimable interest of €4,375

Mortgage Interest Relief	A	B
2002 Single Person	€3,175	€2,540
2002 Married Person	€6,350	€5,080
2003 Single Person	€4,000	€2,540
2003 Married Person	€8,000	€5,080

Note: figures in column A apply in the case of a first time buyer in the first 5 years of the Mortgage, or, if mortgage is post 2003 then for the first 7 years, while those in column B relate to second time buyers.

### Foreign Tax on Property

The issue of double taxation as regards any rental income should be considered. For example, an Irish resident individual with a rental property in Spain will suffer Income Tax both in Ireland and in Spain. There is, however, relief available under the Spanish/Irish double taxation treaty. The manner in which treaties work differs, depending on the income. In this example a credit will be available in Ireland for the tax that was suffered in Spain. The Irish Revenue has indicated that they are getting the names of the Irish investors in Spain to check how the properties were purchased.

### Capital Gains Tax

Any Disposal by an individual of property will, with certain exceptions, trigger a charge to Capital Gains Tax. The gain will be liable to tax at 20%, based on the difference between the proceeds for the property and the cost of the property indexed, to account for inflation up to 2002.

There are a number of reliefs available, for example

- a) Principal Private Residence (PPR) Relief: exempts any gain on the disposal of the family residence.
- b) Retirement Relief: Any gain on disposing of business assets used in a trade by an individual aged over 55 can obtain relief from C.G.T.

### VAT

The sale of developed property located in Ireland attracts VAT at 13%. Developed property is generally that built since 1st November 1972 when VAT was introduced.

Old property which has been refurbished may also become developed if capital expenditure of the lower 10% of the market value of the property or €100,000 is incurred. It is a danger for any vendor or professional adviser as the Revenue Commissioners will assess the vendor on VAT where it has mistakenly not been charged and the vendor usually has no way of obtaining additional proceeds from the purchaser.

### Conclusion

It must be appreciated from the above that the complexity of the tax issues surrounding property transactions has grown almost beyond recognition in recent years. This, coupled with the increases in the value of property, has resulted in many more transactions creating a potential liability. While the above provides an overview there is, in relation to any transaction, a need to obtain professional advice.

*\* Dermot Byrne is principal partner in Dermot Byrne & Associates, Taxation Consultants, Larch House, 44 Northumberland Ave., Dún Laoghaire Tel: 01 2808315*





# PIBA Annual Golf Outing

## Castlewarden, Co. Kildare.

The fourth annual PIBA Golf Classic Outing was held on Friday, 3rd October. The event took place again on the Castlewarden Golf and Country Club course. Thanks to our golfers, sponsors, volunteers and Mother Nature, the day was a great success both on and off the course.

The following teams took part in the event: ICS Building Society, Permanent TSB, Irish Life Assurance, Eagle Star Life, IIB Homeloans & Finance Ltd., New Ireland Assurance Co. Plc., Caledonian Life, Hibernian Life & Pensions, Allianz, First Active Plc and Friends First Life Assurance Co. Ltd. Four companies sponsored a hole or prize in the event but were unfortunately unable to take part. They were Canada Life Assurance, AdviserPlus the Small Firms Association and Coyle Hamilton.

The awards were presented over dinner by Terry Hardiman, PIBA Chairman. Hibernian's team came out on top, with Pat Burke, Harry McKeon, Fionan O'Sullivan and guest Tommy Coyne with 94 points followed by IIB in second place with 92 points and Irish Life in third place with 89 points. Friends First and First Active were in fourth and fifth place respectively. Denis Sullivan, a guest player with Caledonian, received one of the nearest to the pin honours on the 17th hole and Stephen Dooley from Irish Life won the other on the 13th hole. Harry McKeon from the Hibernian team won the longest drive on the 18th hole.

Sincere appreciation is extended to all who either played in, or sponsored the event and made the day such a success. Of course, this event would have never come to be without all the hard work contributed by the PIBA Organisation Committee Chairman Tommy Coyne - his contribution is much appreciated. Needless to say, everyone had an enjoyable afternoon and evening and we look forward to next year's event.



*First Active Team - Peter Gilbourne, John Casey, Adrian Hendrick and John Cunningham.*



*IIB Team - Peter Williams, Paul O'Connor, Charlie Kiernan and Paul Phillips.*



*Friends First Team - John Walsh, Colm Flanagan, John Kilroy and Tom McCormack*



*Allianz Team - Barry Lavin, David Kelly, Alan Fry and Len Kelly.*

# PIBA Annual Golf Outing

Castlewarden, Co. Kildare.



*Irish Life Assurance Team - Stephen Dooley, Brian Glennon, Stewart Taylor and David Faulkner.*



*ICS Building Society Team - Dermot Nolan, Cormac O' Hanlon, Joe Ahern and Paul Sheenan.*



*New Ireland Assurance Team - Rory Brazil, Eamon Murray, Dave Roberts and Daragh Coleman*



*Permanent TSB Team - Aidan McDonald, Eoin Corcoran, Martin Gilligan and Peter Corrigan*



*Hibernian Life and Pensions Team - Harry McKeon, Fionán O'Sullivan, Pat Burke and Tommy Coyne.*



*Eagle Star Team - Terry Hardiman, Tony Long, Pat Neugent and John Woods.*



*Caledonian Team - Paul Hayden, Greg Dyer, Denis O' Sullivan and Paddy Murphy*

# New Ireland Assurance holds successful series of Broker Investment Seminars

New Ireland Assurance recently held a series of Broker Investment seminars in Cork, Dublin and Galway, which attracted over 400 Brokers in total. Topics discussed included insights into the economic outlook, Bank of Ireland Asset Management's (BIAM) view of investment markets and a review of investment trends within the industry.

Headlining the event was Dr Dan McLaughlin, Chief Economist, Bank of Ireland and also on the panel were Kevin Walsh, Investment Specialist, BIAM and Dave Swanton, Marketing Director, New Ireland Assurance. The series opened in Maryborough House Hotel, Cork on Monday 29th September, followed by the Conrad Hotel, Dublin and the Radisson Hotel in Galway. The seminars were designed to give those involved in the investment industry a broad-based economic outlook on global markets from leading experts in the field in Ireland.

Speaking at the seminar, Dr McLaughlin said:

*"The Irish economy is emerging from the global downturn in good shape, while some headline growth measures have sent some confusing signals about the Irish economy, the key indicator is the labour market and on this measure, Ireland remains in good shape"*

Kevin Walsh, Investment Specialist, Bank of Ireland Asset Management (BIAM) continued:

*"Since mid March 2003, equities have rallied sharply, and conditions generally remain favourable for equity investment. Reflecting this, BIAM has been steadily increasing the equity content of our managed funds over the course of this year as we see opportunities in good quality companies that have emerged as stock markets begin to recover after a prolonged bear market."*



# New Ireland Assurance announces details of their Tax Deadline - Pension Campaign

With the October 31st tax deadline fast approaching, Brokers should be looking for opportunities to reduce the tax bill of the self-employed. A pension is still the most tax efficient way of doing so, whether it is through the newly introduced Personal Retirement Savings Account (PRSA), or through a traditional Personal Pension.

As James Skehan, Pensions Manager, New Ireland Assurance, reflects on the new pension options facing the self-employed this year he says, "One important distinction between PRSAs and personal pensions is that with a PRSA it is not possible to include life assurance benefits as part of your policy, they must be kept entirely separate."

"For an individual starting a pension this year, a PRSA clearly offers an alternative to a personal pension, however advice needs to be obtained from a Broker or financial advisor, to see exactly what product is best suited to the individual's requirements".

This year New Ireland Assurance launches their October 31st Tax Deadline campaign based on the concept of using a pension to effectively "shrink" the tax bill of all individuals preparing their self-assessment tax return before the deadline. The campaign aims to highlight to these individuals, usually self-employed, the potential savings an individual can make by starting a pension before the deadline of 31st October.

Commenting on the campaign, James Skehan, says: "It goes without saying that the sooner an individual takes out a pension the better, especially considering that the State old age contributory pension is just €157.30 per week. We would encourage anyone who does not have a pension to discuss their requirements with their Broker or Financial Advisor to ensure they get the right advice. With the backing of BIAM, our customers have the security of fund managers who have regularly outperformed the market. Our message is to take out a pension before the new tax deadline – 31st of October and shrink your tax bill."

# Make your voice heard - Support the New Online PIBA Service Survey

PIBA are delighted to announce the launch of a new and innovative survey for our members, covering the 3 key areas of Brokers' businesses:

- Life
- Mortgage
- General Insurance

There are other Broker surveys but this is the first time PIBA members can make their voice really heard. This survey can be completed online and makes it easier to complete, collate and analyse the results while keeping costs to a minimum.

PIBA have retained W5 Marketing Intelligence - a market research firm - to assist with the development and roll-out of the survey to PIBA members and the collation of the results.

As a PIBA member, you will have already received correspondence by both email and post regarding the survey. We would strongly urge all members to complete the survey and support PIBA in this new initiative.

If you have any queries regarding the survey, please contact the PIBA Office on 01 402 0250.

## DIARY UPDATES

### The Insurance Institute of Dublin Activities

Dublin Debate

Date: Wednesday, October 15, 5.30p.m,

Venue: Albert Theatre, Royal College of Surgeons

Topic: The Legal System – the need for reform?

CPD Points apply

Breakfast Meeting

Attended by Mary O'Dea, Consumer Director, IFSRA

Date: Wednesday, November 5th, 7.30a.m.

Venue: Alexander Hotel

The Insurance Institute of Dublin Annual Dinner

Date: Friday, December 5th, 7.15p.m.

Venue: Burlington Hotel

The Insurance Institute of Ireland Activities

Launch of the New 'Education Road Map'

Launched by Mary Harney, Minister for Enterprise,

Trade and Employment

Date: Thursday, October 30th, 5p.m.

Venue: Westin Hotel

If you have any queries on the Insurance Institute activities, please email Ann Marie Murphy at [amurphy@insurance-institute.ie](mailto:amurphy@insurance-institute.ie).

## LIA Upcoming Events

Date	Event	Venue
15 Nov	Social Welfare Speaker to be advised	UCC 10.00am - 12.30pm 2 hours CPD
7 Nov	MDRT/LIA Sales Seminar George Pickett, MDRT President speakers and 7 sales ideas speakers	Castletroy Park Hotel, Limerick 12.30pm – 5.00pm inc. Lunch Cost: €75
18 Oct	Understanding Equities-Colin Hunt, <i>Goodbody Stockbrokers</i>	UCC 10.30am -- 12.30pm 2 hours CPD
22 Oct	Factfinding - Bob Leahy,	UCD 4.30pm – 7.00pm 2 hours CPD
11 Nov	CPD Seminar Business Protection by Eleanor Hendy & Brian Flynn/Trish Nolan	Fairway's Hotel, Dundalk 4.30pm - 7pm 2 hours CPD

# The need for safety and health management programmes

The need for site specific Safety & Health Management Programmes within the workplace has now become an essential part of daily operations. Inadequate risk assessment, training, and information expose the organisation to litigation and consequently to higher insurance costs.

The concept of the "quick fix" (using non-competent personnel or outsiders to fulfil the Safety & Health role) is not the solution to Safety Management any more. As legislation becomes tighter, management is required to monitor legal changes, changes in working practices and conduct continual risk assessment and hazard identification. All of this is designed to negate the risk of criminal prosecution to the officers and managers of the organisation.

The Broker is the person in the front line endeavouring to provide the best possible service to his clients at the best rates available. To satisfy both the legal requirements and the needs of the client can often create a conflict based on the client's lack of understanding in this area. The best approach is to offer some type of service or advice that does not compromise this relationship.

The Broker can cooperate with partners in order to reduce these areas of conflict. This will remove the delays often created by clients who, through fear of inability, are unable to provide the right type of systems necessary to demonstrate their compliance to good safety, resulting in either higher rates or no premiums whatsoever.

In conclusion, the establishing of a tailored Safety & Health Management Programme, which addresses the real safety issues within any given organisation, will permit the Broker Industry to have greater influence with its clients and the insurance industry.



# Classifieds

The following are classified advertisements from PIBA members. To place an advertisement in this section of *The Professional Insurance Broker*, contact Tim Ryan Communications at 01 - 662 4649 or email ryanmed@indigo.ie

**D. 2 based Mortgage , Life & Pensions Broker (AA)** would like to discuss link up with general Broker with view to sharing office accommodation/resources and cross referral of clients . Currently looking at relocating to larger southside offices . Principals only please reply to Box No. 2003-004 PIBA, 32 Greenmount Office Park, Harold's Cross, Dublin 6w

**Dub City Centre based Mortgage , Life & Pensions Broker (AA)** would like to discuss acquisition of ( or perhaps partnership with ) similar operation . May suit Principal planning to retire / reduce workload within next 5 years . Principals only please reply to Box No. 2003-005 PIBA, 32 Greenmount Office, Harold's Cross, Dublin 6w

**A busy city centre Mortgaged Brokerage** requires enthusiastic person. Must have at least 2 years experience. Apply to FMK Financial Planning or e-mail info@fmk.ie

**Experienced PA required** for small Life & Pensions brokerage. Southside location. Flexible hours, excellent salary. Please contact Billy Meagher Investments 01 - 2804839

**Expanding brokerage requires a Life, Pensions and Mortgage Consultant.** The position will demand a high level of self-motivation and life and pensions market experience. Minimum three years appropriate experience required. Reply in confidence to: The Manager, GFM Insurances, River Park House, Abbey St., Ennis, Co. Clare

**An established Life/Pensions/Mortgage brokerage** sought for purchase within the Dublin Metropolitan Area. Key attributes that they require include but are not limited too the following:

- \* A verifiable recurring income book exceeding at least €75,000 per annum
- \* Established client base
- \* Preferably a high-street presence
- \* A Principle (or Principle's) willing to continue to operate and expand the business under new ownership
- \* Technologically aware with up to date IT infrastructure
- \* Agencies for 5 or more Life Providers (Preferably Friends First, Canada Life and Eagle Star)
- \* A willingness to engage in proper due diligence for the purposes of agreeing a fair market value (FMV)

For a confidential discussions regarding a proposed arrangement, please contact Seamus McGrath at 01- 4127200.

**Are you a Dublin based Broker** (Life or General), thinking of selling? I am a Dublin based Broker who is interested in purchasing. Please reply in writing to:

Dublin Broker ,  
C/o Kieran Hayes Accountant Hayes & Co.  
118 Rathmines Rd Lower, Dublin 6.

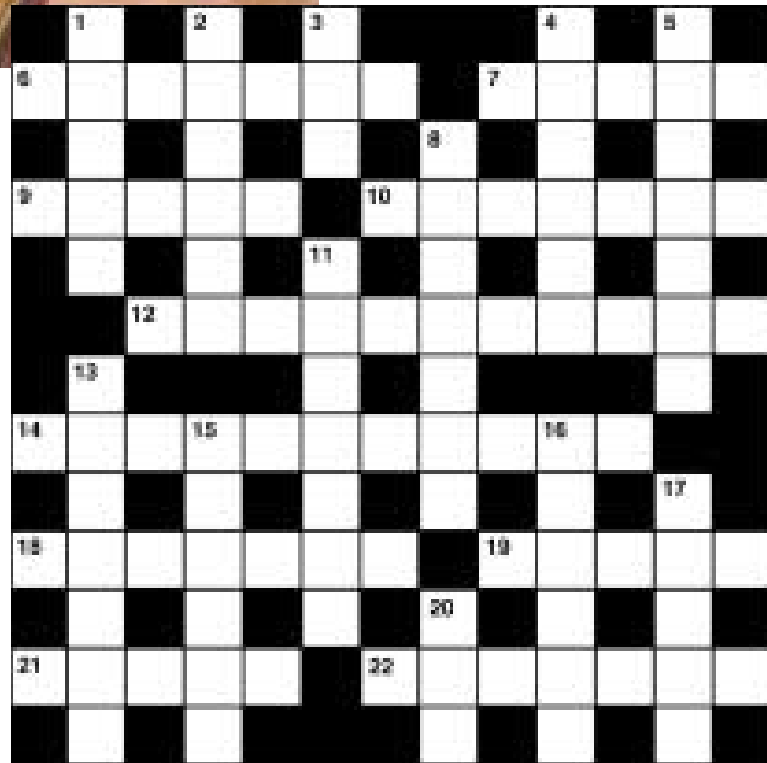
**Mortgage Consultant** required for City Centre mortgage office. Minimum two years experience.

Contact:  
John Hogan, 18 Clare Street, Dublin2.



# WIN A WEEKEND

IN THE LUXURY **Woodstock** HOTEL ENNIS, CO. CLARE



**ACROSS**

6. Spears, whose hits include 'Baby One More Time' and 'Oops!...! Did It Again' (7)
7. Top Italian fashion city (5)
9. Star of 'Singing In The Rain' (5)
10. Tony Blair lives in this street (7)
12. Illusionist who is spending 44 days suspended over the Thames (5,6)
14. Britain's Chancellor of the Exchequer (6,5)
18. He is the star of the new movie 'The League Of Extraordinary Gentlemen' (7)
19. Traditionally, Pakistan's relations with this country have been strained (5)
21. Dried stalks of grain (5)
22. Diaz, the star revealed as Hollywood's highest paid actress (7)

**DOWN**

1. This government is seeking the return of the Elgin Marbles before the 2004 Olympics (5)
2. McCartney, who married on the Isle of Bute in September (6)
3. Home of a wild animal (3)
4. The Austrian Parliament is in this city (6)
5. David Beckham is \_\_\_\_\_ €5.7million a year at Real Madrid (7)
8. The Great Train \_\_\_\_\_ took place in 1963 (7)
11. Successful people (7)
13. Canadian city which was at the heart of the SARS outbreak (7)
15. James, the heart-throb in the pop group Blue (6)
16. Manager of Arsenal (6)
17. One of the twelve Apostles (5)
20. It is tied across the mouth to prevent speech (3)

Situated on the outskirts of Ennis, **Woodstock Hotel** offers 67 sumptuous bedrooms, Restaurant and Spikes Bar, banqueting and conference facilities for up to 200 delegates, health and fitness spa and access to one of the finer parkland golf courses in the region, Woodstock Golf Club. Woodstock Hotel offers a superb base from which to visit the myriad natural attractions of Ireland's County Clare, including the world-renowned Burren National Park and the Cliffs of Moher. For those seeking activities, a wealth of options await, from golf (the hotel is a 30-minute drive from the links at Lahinch) and angling to walking, cycling and genealogy. Location - 25KM from Shannon International Airport. From Limerick, follow N18 (Limerick - Galway Route) to Ennis. Take exit for Lahinch (N85). After 1KM, make a left turn for Woodstock Hotel and continue for 1KM to Hotel. Tel: + 353 65 684 6600 Fax: + 353 65 684 6611

**Email: info@woodstockhotel.com Web: www.woodstock-hotel.com**

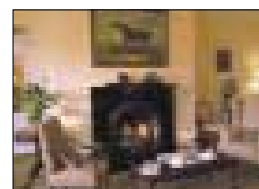
\* Weekend consists of two nights accommodation including breakfast plus one dinner for two. Simply complete the crossword puzzle and send your entry along with the form to : Cross Word Competition, c/o Tim Ryan Communications,

69 Fitzwilliam Square, Dublin 2. Entries to arrive no later than Nov 28. Winner will be notified by post. **Lucky winner:** Winner of last competition was **Tom Carroll**, TDC Financial Services, Albert St., Cork.

Name: \_\_\_\_\_

Address : \_\_\_\_\_

Tel No: \_\_\_\_\_



**Woodstock** HOTEL