

Bank of Ireland Insurance & Investments Commission Summary



Background

With effect from 31 March 2020, intermediaries are required by regulation to make details available of all fees, commissions, rewards and remuneration they receive from regulated entities in return for the sale of products to you or the services they provide to you as a consumer. They are required to make the information available in their office and on their website (where applicable).

The purpose of this document is to provide you with a summary of the commissions Bank of Ireland Insurance & Investments (a tied insurance intermediary) receives from Bank of Ireland Life (a regulated life insurance undertaking and product provider). You can expect to find the exact details of what Bank of Ireland Insurance & Investments will receive in documents you are given by your Bank of Ireland Insurance & Investments Manager if and when you purchase a product. Review meetings with your Bank of Ireland Insurance & Investments Manager are free of charge to you. In this document we refer to fees, commissions, rewards and remuneration collectively as “commissions” unless we say otherwise.

What are commissions?

Commissions are received by Bank of Ireland Insurance & Investments from Bank of Ireland Life for the work they carry out in relation to the sale of life assurance products (i.e. life and/or serious illness policies, investment policies or pensions). The amount of commissions can vary and the amount Bank of Ireland Insurance & Investments will receive is generally expressed in terms of a percentage of the contributions (sometimes called premiums) paid by you or in terms of a percentage of your policy value. If you make regular payments Bank of Ireland Life looks at the amount paid by you over a period of time and if not, Bank of Ireland Life looks at the lump sum amount you paid when you took the product out (or later if you decide to pay additional amounts). If you:

- change your mind and exercise your cooling off right;
- decide to cancel your policy;
- stop paying contributions; or
- reduce the amount you are paying in on a regular basis

Bank of Ireland Life will stop paying commissions or reduce the amount of commissions being paid (as appropriate). Bank of Ireland Life may also seek to recover a proportionate amount of initial commission paid depending on when you make the change. When Bank of Ireland Life seek to recover an amount already paid this is sometimes referred to as a clawback of commissions. Further details are set out below.

When we talk about commissions we distinguish between initial, renewal, trail and flat commissions. Bank of Ireland Insurance & Investments may receive one or more of these. We explain these terms further below.

What are the different types of commissions?

While there are other types of commission, the main commission types paid by Bank of Ireland Life to Bank of Ireland Insurance & Investments as are follows:

Initial commission: An initial amount paid following the sale of a product calculated based on a percentage of a lump sum amount paid in to the policy or as a percentage of regular amounts paid over the first year of the policy. By way of examples, an initial commission of 5% on a lump sum amount paid into an investment policy of €10,000 would generate an initial commission payment of €500 to Bank of Ireland Insurance & Investments (i.e. €10,000 x 5%) and an initial commission of 10% on regular monthly premiums of €100 to an investment policy would generate €120 in initial commission (€100 x 12 x 10%).

If during the term of the policy you decide to increase the amount you regularly pay in, Bank of Ireland Life will pay initial commission on the increase. By way of example, if you pay €100 a month for 12 months and then increase your payments to €120 from then on, the initial commission would be €144 i.e. (€100x12x10% paid at the start of the policy) plus (€20x12x10% paid at the start of the second year).

As mentioned above, if payments cease or are reduced during the period that initial commission is earned, then Bank of Ireland Life may seek to recover or claw back a proportionate amount. By way of example, if a policy is cancelled half way through the period when a clawback applies (**clawback period**), Bank of Ireland Life would seek to recover from Bank of Ireland Insurance & Investments half of the initial commission it already paid.

Renewal commission: This is calculated as a percentage of amounts paid in. This is paid from the second year of your policy for as long as premiums continue to be paid and is usually paid in addition to initial commission. By way of example, renewal commission of 5% on a monthly premium of €100 would generate €60 renewal commission (€100 x 12 x 5%) each year starting from the second year of the policy.

Flat commission: This is calculated as a percentage of amounts paid in. This is earned from the start of a policy for as long as premiums continue to be paid and if flat commission applies, no initial commission is paid. By way of example, a flat commission of 3% on a monthly premium of €100 would generate €36 commission (€100 x 12 x 3%) each year of the policy.

Trail Commission: This is calculated as a percentage of the policy value on the date the payment is due to Bank of Ireland Insurance & Investments. By way of example, trail commission of 0.5% per annum on a policy with a value of €10,000 would result in a trail commission payment of €50 (i.e. €10,000 x 0.5%) for that year and is calculated again the next year. Trail commission starts from the second month of a policy and will be paid for as long as the policy remains in force.

What levels of commissions are paid?

The amount of commissions paid varies by product type and the size, number and frequency of payments made by the consumer who purchases the product. Some products will involve one or more lump sum payments being made by a consumer (sometimes referred to as a single contribution product) while others will involve the consumer making regular payments (sometimes referred to as a regular contribution product). Some products permit a consumer to make both lump sum payments and regular contributions. In general, the maximum commissions paid by Bank of Ireland Life to Bank of Ireland Insurance & Investments are as set out in the tables below.

Single contribution products

	Initial commission*	Clawback Period	Trail commission per annum (p.a.)**
Single Contribution Pension			
Max	5%	5 years	0%
Single Contribution PRSA			
Max	5%	n/a	0%
Approved (Minimum) Retirement Funds			
Max	3.5%	n/a	0.5% p.a.
Annuities			
Max	2%	n/a	n/a
Single Premium Investment Policies			
Max	3.5%	n/a	0.5% p.a.

* Calculated as a percentage of the lump sum payment paid into a policy.

** Calculated as a percentage of policy value on the date the trail commission is due to be paid to Bank of Ireland Insurance & Investments.

Regular contribution products

	Maximum Initial commission*	Clawback Period	Renewal or Flat Commission**	Trail commission per annum (p.a.)***
Regular Contribution Pension				
Max	22%	3 years	3% p.a.	0%
Regular Contribution PRSA				
Max	22%	3 years	2% p.a.	0%
Savings Plan				
Max	2.5%	n/a	2.5% p.a.	0%

* Calculated as a percentage of the total amounts paid in over the first year of the policy.

** Renewal or flat commission is calculated as a percentage of each amount paid into the policy.

*** Trail commission is calculated as a percentage of policy value on the date due to Bank of Ireland Insurance & Investments

Protection Products take out by Individual consumers

(i.e. life, mortgage protection, serious illness and income protection policies)

Year	1	2	3	4	5	6	7	8	9+
Maximum Commission *	157%	3%	3%	3%	3%	3%	3%	3%	3%
Clawback Period	3 years								

* Initial commission is calculated as a percentage of the premiums paid in the first year of the policy and renewal commission is paid from the second year of the policy and is calculated as a percentage of the premiums paid over the relevant year.

Protection products taken out by employers on behalf of employees

	Death in Service	Permanent Health Insurance
	Yr 1+	Yr 1+
Maximum Commission	6% per annum	12.5% per annum
Clawback Period	1 year	1 year

* Commission is calculated as a percentage of the amount paid.

Other fees, administrative costs or non-monetary benefits that may be paid?

From time to time, Bank of Ireland Life may pay a Bank of Ireland Insurance & Investments other fees, administrative costs or non-monetary services and benefits such as:

- Educational support including attendance at training seminars, training allowance support payments and membership to relevant professional bodies

The information provided in this document is general in nature and intended to provide details for consumers who purchase products through Bank of Ireland Insurance & Investments that is a tied agent of Bank of Ireland Life Assurance Company plc. Commission terms and conditions apply and the information set out in this document does not create rights. Please speak to your Bank of Ireland Insurance & Investments Manager for the precise details of commissions that will be paid in any case and refer to documents provided at the time of sale.

Bank of Ireland is regulated by the Central Bank of Ireland. Registered Number C-1. Registered office and Head Office: Bank of Ireland, 40 Mespil Road, Dublin 4. Bank of Ireland trading as Bank of Ireland Insurance & Investments and as Insurance & Investments is regulated by the Central Bank of Ireland. Bank of Ireland is a tied agent of New Ireland Assurance Company plc trading as Bank of Ireland Life, for life assurance and pensions business. Member of Bank of Ireland Group.