



# Old Head Financial

PENSIONS | LIFE ASSURANCE | INVESTMENTS | MORTGAGES

## Our Remuneration

We, Hayes & Hayes (Old Head Financial) Limited trading as Old Head Financial, act as intermediary between you, the consumer, and the product provider with whom we place your business.

### The background

Pursuant to provision 4.58A of the Central Bank of Ireland's September 2019 Addendum to the Consumer Protection Code, all intermediaries must make available in their public offices, or on their website if they have one, a summary of the details of all arrangements for any fee, commission, other reward or remuneration provided to the intermediary which it has agreed with its product producers.

### What is remuneration/commission?

For the purposes of this document, remuneration/commission is the payment earned by the intermediary for work undertaken on behalf of both the provider and the consumer. The amount of remuneration is generally directly related to the value of the products sold.

Some commonly used terms in relation to remuneration/commission are as follows:

*Initial commission:* this is where payment is made to the intermediary shortly after the business is transacted and is based on a percentage of the premium paid/amount invested/amount borrowed.

*Trail/renewal commission model:* this is where further payments at intervals are paid throughout the life span of the product. 'Bullet commission', 'fund-based commission' and 'flat commission' are other terms which can sometimes be used interchangeably with trail/renewal commission.

*Indemnity commission:* this is the term used to describe a commission payment made before the commission is deemed to be earned. Indemnity commission may be subject to a clawback (see below) if the consumer lapses or cancels the product before the commission is deemed to be earned.

### Life Assurance and Pension products

For these products, commission is generally comprised of initial commission and trail/renewal commission.

The initial commission in relation to a single contribution product is generally based on the amount of the single contribution.

The initial commission in relation to a regular contribution product is generally based on the amount of the regular contribution for the first 12 months.

The trail commission in relation to pension products is generally related to the fund value.

The trail commission in relation to life assurance products is generally related to the ongoing premium.

### **Credit Products/Mortgages**

Commission may be earned by intermediaries for arranging credit for consumers, such as mortgages. The single, or standard, commission model is the most common commission model applied to the sale of mortgage products by mortgage credit intermediaries (otherwise referred to as a Mortgage Broker). This generally involves the intermediary receiving a payment from the lender amounting to a percentage of the loan/mortgage amount, with no further remuneration arising thereafter.

### **Clawback**

The term Clawback in this context refers to an obligation on the intermediary to repay what is deemed to be unearned commission. Commission can be paid directly after business is transacted but is not deemed to be 'earned' until after a specified period of time. If the consumer cancels or withdraws from the financial product within the specified time, the intermediary may be required to return commission to the product producer.

### **Fees**

The firm may also be remunerated by charging a fee to the client.

### **Preferred Providers**

Old Head Financial does not have any preferred provider arrangements.

### **Non-Monetary Benefits**

The firm may also be in receipt of non-monetary benefits such as:

- Free attendance at product provider educational seminars.
- Free assistance from product providers with advertising/branding.

### **Important Note**

The following commission guidance section gives indicative values across every product provider with whom we have an agency and every product in relation to which we can potentially earn a commission. We are obliged by regulation to advise you of the maximum amount that we could receive in commission, but this does not mean that we will receive the maximum amount in all cases. Often, we will receive a lower commission/remuneration than the maximum possible amount – the actual commission/remuneration receivable by us will be disclosed to each client in advance of business being transacted, in line with the Central Bank Consumer Protection Code, on a client-by-client basis.

| Single Contribution Products       | Maximum initial commission | Clawback Period | Maximum trail commission |
|------------------------------------|----------------------------|-----------------|--------------------------|
| <u>Single Contribution Pension</u> |                            |                 |                          |
| Aviva                              | 5%                         | n/a             | 1% p.a.                  |
| Aviva (Heritage Friends)           | 5%                         | n/a             | 0.75% p.a.               |
| Irish Life                         | 5%                         | n/a             | 0.75% p.a.               |
| New Ireland                        | 5%                         | 5 Years         | 1% p.a.                  |
| Standard Life                      | 5%                         | n/a             | 1% p.a.                  |
| Zurich Life                        | 5.5%                       | n/a             | 0.5% p.a.                |
| <u>Single Contribution PRSA</u>    |                            |                 |                          |
| Aviva                              | 4%                         | n/a             | 0.5% p.a.                |
| Aviva (Heritage Friends)           | 7.5%                       | n/a             | 0.25% p.a.               |
| Irish Life                         | 5%                         | n/a             | 0.75% p.a.               |
| New Ireland                        | 7%                         | 5 Years         | 0.5% p.a.                |
| Standard Life                      | 5%                         | n/a             | 0.5% p.a.                |
| Zurich Life                        | 5.5%                       | n/a             | 0% p.a.                  |
| <u>ARF / AMRF</u>                  |                            |                 |                          |
| Aviva                              | 5%                         | n/a             | 1% p.a.                  |
| Aviva (Heritage Friends)           | 5%                         | n/a             | 0.75% p.a.               |
| Irish Life                         | 5%                         | n/a             | 0.75% p.a.               |
| New Ireland                        | 5%                         | n/a             | 1% p.a.                  |
| Standard Life                      | 4%                         | n/a             | 1% p.a.                  |
| Zurich Life                        | 5%                         | n/a             | 0.5% p.a.                |
| <u>Annuity</u>                     |                            |                 |                          |
| Aviva                              | 3%                         | n/a             | n/a                      |
| Aviva (Heritage Friends)           | 3%                         | n/a             | n/a                      |
| Irish Life                         | 3%                         | n/a             | n/a                      |
| New Ireland                        | 3%                         | n/a             | n/a                      |
| Zurich Life                        | 3%                         | n/a             | n/a                      |
| <u>Investment Bond</u>             |                            |                 |                          |
| Aviva                              | 5%                         | n/a             | 1% p.a.                  |
| Aviva (Heritage Friends)           | 4%                         | n/a             | 0.75% p.a.               |
| BCP                                | 2.1%                       | n/a             | n/a                      |
| BlackBee Investments               | 3%                         | n/a             | n/a                      |
| Broker Solutions                   | 2.5%                       | n/a             | n/a                      |
| Cantor Fitzgerald Ireland Ltd.     | 2.25%                      | n/a             | n/a                      |
| Greenman Investments               | 1%                         | n/a             | 0.5%                     |
| Investec Europe Limited            | 2.25%                      | n/a             | n/a                      |
| Irish Life                         | 3%                         | n/a             | 0.5% p.a.                |
| New Ireland                        | 4%                         | 3 Years         | 1% p.a.                  |
| Standard life                      | 4%                         | n/a             | 1% p.a.                  |
| Zurich Life                        | 5%                         | n/a             | 0.5% p.a.                |

| Mortgages                                 | Commission | Clawback Period |
|---|------------|-----------------|
| All mortgage partners via Brokers Ireland | 1%         | 3 years         |

| Regular Contribution Products       | Initial commission | Clawback Period | Renewal / Flat Commission | Trail commission |
|-------------------------------------|--------------------|-----------------|---------------------------|------------------|
| <u>Regular Contribution Pension</u> |                    |                 |                           |                  |
| Aviva                               | 15%                | n/a             | n/a                       | 1% p.a.          |
| Aviva (Heritage Friends)            | 25%                | n/a             | n/a                       | 0.75% p.a.       |
| Irish Life                          | 17.5%              | n/a             | 5%                        | 0.5% p.a.        |
| New Ireland                         | 25%                | 5 Years         | 8%                        | 1% p.a.          |
| Standard Life                       | 25%                | n/a             | 5%                        | 1% p.a.          |
| Zurich Life                         | 20%                | 4 Years         | 3%                        | 0.5% p.a.        |
| <u>Regular Contribution PRSA</u>    |                    |                 |                           |                  |
| Aviva                               | 22.5%              | n/a             | n/a                       | 0.5% p.a.        |
| Aviva (Heritage Friends)            | 17.5%              | n/a             | n/a                       | 0.25% p.a.       |
| Irish Life                          | 17.5%              | n/a             | 5%                        | 0.5% p.a.        |
| New Ireland                         | 25%                | 5 Years         | 6%                        | 0.5% p.a.        |
| Standard Life                       | 5%                 | n/a             | 5%                        | 0.5% p.a.        |
| Zurich Life                         | 5%                 | 4 Years         | 5%                        | 0% p.a.          |
| <u>Savings</u>                      |                    |                 |                           |                  |
| Aviva                               | 15%                | n/a             | n/a                       | 1% p.a.          |
| Aviva (Heritage Friends)            | 10%                | n/a             | n/a                       | 0.75% p.a.       |
| Irish Life                          | 5.5%               | n/a             | 5.5%                      | 0.5% p.a.        |
| New Ireland                         | 10%                | 5 Years         | 2.5%                      | 0.5% p.a.        |
| Standard Life                       | 15%                | 5 Years         | n/a                       | 1% p.a.          |
| Zurich Life                         | 10%                | 4 Years         | 1%                        | 0.5% p.a.        |

| Individual Protection | Yr1   | 2   | 3   | 4   | 5   | 6      | 7      | 8      | 9+     | Clawback Period |
|-----------------------|-------|-----|-----|-----|-----|--------|--------|--------|--------|-----------------|
| Aviva                 | 200 % | 30% | 30% | 30% | 30% | 30%    | 30%    | 30%    | 30%    | 2 Years         |
| Irish Life            | 120 % | 28% | 30% | 28% | 28% | 30%    | 28%    | 28%    | 28%    | n/a             |
| New Ireland           | 225 % | 50% | 20% | 20% | 20% | 12.5 % | 12.5 % | 12.5 % | 12.5 % | 5 Years         |
| Royal London          | 225 % | 0%  | 0%  | 0%  | 0%  | 3%     | 3%     | 3%     | 3%     | 5 Years         |
| Zurich Life           | 150 % | 12% | 12% | 12% | 12% | 12%    | 12%    | 12%    | 12%    | 1 Year          |

| Group Protection | Death In Service | Clawback Period | Permanent Health Insurance | Clawback Period |
|------------------|------------------|-----------------|----------------------------|-----------------|
| Aviva            | 6%               | n/a             | 12.5%                      | n/a             |
| Irish Life       | 6%               | n/a             | 12.5%                      | n/a             |
| New Ireland      | 15%              | 1 Year          | 20%                        | 1 Year          |
| Zurich Life      | 6%               | n/a             | 12.5%                      | n/a             |