

THE IMPORTANCE OF IRELAND AS A LOCATION FOR UNIT-LINKED LIFE ASSURANCE WHEN ADVISING EXPAT CLIENTS

JAMES CLARK

Head of Expatriate Sales (Europe)
Utmost Wealth Solutions

A WEALTH *of* DIFFERENCE

utmost[™]
WEALTH SOLUTIONS

WHY IRELAND?

INVESTOR PROTECTION

Selecting your client's life assurance is an important decision.

Choosing a provider from Ireland allows you to make that decision with confidence.

UNIQUE BENEFITS FOR CLIENTS



INDUSTRY



GOVERNANCE



PROTECTION



TAX



INDUSTRY

SELECTING AN IRISH INSURER

EXPERIENCE

- Ireland is one of the largest cross-border life assurance centres in Europe with over 200 registered and regulated insurance undertakings.
- Fourth-largest provider of wholesale financial services in the European Union.
- Knowledgeable and experienced workforce – insurance alone, directly and indirectly, employs c. 28,000 people.

SCALE

- Irish cross-border carriers generated more than €15.5 billion in new single premiums in 2019, 90% of which is unit-linked business¹.
- The Irish-cross border sector now writes business into more than 110 countries with more than 25 million customers².

¹ Insurance Ireland Factfile 2019

² Insurance Ireland | Ireland for Insurance | October 2018 II Jurisdiction Brochure



GOVERNANCE

SELECTING AN IRISH INSURER

REGULATIONS

- Excellent regulatory record with no insolvencies of authorised life insurers.
- As an EU member, Ireland's regulatory system is fully in line with European requirements.
- Irish life insurers must name a Head of Actuarial who independently certifies the technical provisions of the company and independently reports any material risk to the Irish regulator, the Central Bank of Ireland (CBI).

OBLIGATIONS

- Technical provisions that match the total value of all policyholder liabilities must be maintained by life assurance companies.
- External auditors must report to the CBI and include any breach of requirements or risk that may affect an insurer's ability to meet its obligations.
- Life insurers are required to comply with all the requirements introduced under the Solvency II Directive.



PROTECTION

SELECTING AN IRISH INSURER

CENTRAL BANK OF IRELAND

- Robust and broad supervisory powers.
- Intervenes in cases of doubtful solvency, deteriorating financial condition or in circumstances where a client suffers loss or damage as a result of the product features.
- Ireland offers one of the highest levels of asset protection in Europe.

ASSET SEGREGATION

- All policy assets held by an Irish life insurer must be placed in a segregated life assurance fund, separate from their own policyholder funds.
- This fund can only be used to pay policyholder's benefits.
- Assets linked to life assurance policies are kept in an independent custodian bank.

PREFERENCE OF POLICYHOLDER CLAIMS

- In the unlikely event of insolvency, policyholder claims have absolute priority over all other creditors on the fund assets.



TAX

SELECTING AN IRISH INSURER

GROSS ROLL-UP

- Underlying investments of the policy grow tax free until there is a chargeable event.

VAT EXEMPTION

- Asset management fees, custody fees and administration fees are exempt from VAT.
- Luxembourg based insurers must apply 17% VAT on discretionary asset management (DFM) fees, which ultimately represents an additional cost for the client.

IRISH TAXATION

- The policy is not taxed in Ireland if the policyholder is non-Irish resident.
- Ireland currently has 73 double taxation agreements in effect which may be used for reduced rates or reclaiming withholding tax on dividends.

INVESTOR PROTECTION

COMPARISON OF IRELAND AND LUXEMBOURG

	Ireland	Luxembourg
Solvency Regime	EU solvency II*	EU solvency II*
100% segregation of PH assets	By law	By law
Governance of Custodians	Central Bank of Ireland requirement	Tripartite Agreement
Governing Law	Irish Common Law + EU	Luxembourg Civil Law + EU
VAT on DFM fees	No	Yes -17%
Preference on Policyholder claims	Privileged claim against the shareholder's funds of the life company	Stand behind other privileged creditors (including employees, Treasury and liquidators)

*Key objectives of Solvency II:

- **Improved consumer protection:** It will ensure a uniform and enhanced level of policyholder protection across the EU. A more robust system will give policyholders greater confidence in the products of insurers.
- **Modernised supervision:** The "Supervisory Review Process" will shift supervisors' focus from compliance monitoring and capital to evaluating insurers' risk profiles and the quality of their risk management and governance systems.
- **Deepened EU market integration:** Through the harmonisation of supervisory regimes.
- **Increased international competitiveness** of EU insurers

Source: Lloyds – <https://www.lloyds.com/market-resources/regulatory/solvency-ii/about/what-is-solvency-ii>

PORTABILITY TO UK

EXPATRIATES RETURNING TO THE UK

MOVING
BACK TO
THE UK



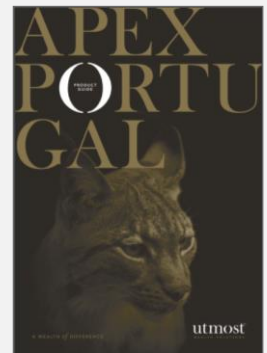
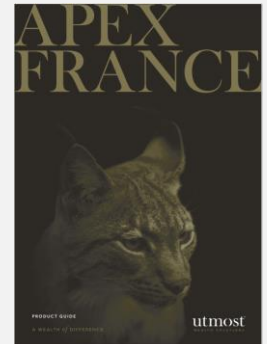
- › For any life assurance product to be portable to the UK, it is important to ensure that certain features are adapted before the policyholder's return to the UK.
- › Our APEX range of products are designed to ensure the portability of these when the policyholder changes residency.
- › The investment options must be endorsed to comply with UK tax laws without the risk of triggering a fundamental policy change on return to the UK.
- › Segmentation is offered for additional flexibility when in the UK.

EXPATRIATE SOLUTIONS

APEX FRANCE AND APEX PORTUGAL

A QUALIFYING, SINGLE PREMIUM LIFE ASSURANCE PROPOSITION TO SUIT THE NEEDS OF THE EXPATRIATE CLIENT

- › Fully compliant unit-linked life assurance policies written under local tax law designed specifically for expat clients.
- › Wide range of investment options.
- › Designed to provide a tax efficient and flexible solution.
- › Portability back to the UK included.



UTMOST WEALTH SOLUTIONS

UTMOST PANEUROPE – WHO WE ARE

UTMOST PANEUROPE (TRADING AS UTMOST WEALTH SOLUTIONS)

<p>extensive UK & EUROPEAN MARKET UK, Italy, Portugal, Spain, France and Finland</p> 	<p>PORTABILITY* Innovative solutions for internationally mobile clients</p> 	 <p>We offer investment and savings solutions for affluent, high-net worth and ultra-high-net worth individuals in Europe</p>
<p>Fitch Ratings 'A' Insurer Financial Strength Rating with a Stable Outlook</p>	<p>located in IRELAND</p>  <p>since 1999</p>	 <p>specialist teams of experienced PROFESSIONALS comprising 14 nationalities</p>
<p>AKG 'B+' Financial Strength Rating Very Strong</p>	<p>0% VAT on Discretionary Fund Management Fees</p>	 <p>Our uniqueness centres on our understanding of the fiscal, legal and regulatory regimes in each jurisdiction where we operate</p>

* As personal situations change, we will outline the implications and provide you with options you may use to meet your clients' needs.

THANK YOU

IMPORTANT INFORMATION

The information contained in this document does not constitute advice. It is designed for financial adviser use only and is not intended for use with individual investors.

Information regarding tax and practise is based on our interpretation of current legislation and HM Revenue & Customs policy/practice in the UK, Isle of Man and Ireland as at 1 May 2020. Tax treatment is subject to change and individual circumstances. There is therefore a risk that the value of the tax treatment provided by a bond may change.

International bonds are intended to be a medium (at least 5 years) to long term (over 10 years) investment. The value of investments may fall as well as rise and is not guaranteed. Your client or their trustees may get back less than originally invested.

Utmost Wealth Solutions is a trading name used by a number of Utmost companies. Utmost Trustee Solutions is the trading name used by Utmost Trustee Solutions Limited. This item has been issued by Utmost Limited, Utmost PanEurope dac and Utmost Trustee Solutions Limited.

The following companies are registered in the Isle of Man: Utmost Limited (No 056473C), Utmost Administration Limited (No 109218C) and Utmost Trustee Solutions Limited (No 106739C) which are regulated or licensed by the Isle of Man Financial Services Authority. Utmost Services Limited (No 059248C) is an appointed representative of Utmost Limited. Each has its registered office at: Royalty House, Walpole Avenue, Douglas, Isle of Man, IM1 2SL, British Isles. Utmost Limited is authorised in the UK by the Financial Conduct Authority (160418).

Utmost PanEurope dac (No 311420), trading as Utmost Wealth Solutions, is regulated by the Central Bank of Ireland. Its registered office is Navan Business Park, Athlumney, Navan, Co. Meath C15 CCW8, Ireland.

All promotional material has been approved by Utmost Limited which is authorised in the UK by the Financial Conduct Authority.