



S.A. Faughnan (Brokers) Ltd.

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Registered in Ireland under Company Registration Number 88953

S.A. Faughnan (Brokers) Ltd. is regulated by the Central Bank of Ireland

TERMS OF BUSINESS – October 2024

We are pleased that you have selected S.A. Faughnan (Brokers) Ltd. to act as your Insurance Broker / Financial Broker. These terms of business set out the basis on which S.A. Faughnan (Brokers) Ltd. will provide business services to you as a client of the firm. They also contain details of our regulatory and statutory obligations and the respective duties of both the firm and you in relation to such services. Please ensure that you read these terms thoroughly and if you have any queries we will be happy to clarify them. If any material changes are made to these terms we will notify you.

Authorised Status: S.A. Faughnan (Brokers) Ltd (C4783). is regulated by the Central Bank of Ireland as an Insurance Intermediary registered under the European Communities (Insurance Distribution) Regulations, 2018. and as an Investment Intermediary authorized under the Investment Intermediaries Act, 1995. Copies of our regulatory authorizations are available on request. The Central Bank of Ireland holds registers of regulated firms. You may contact the Central Bank of Ireland on 1890 777 777 or alternatively visit their website at www.centralbank.ie to verify our credentials.

Codes of Conduct: S.A. Faughnan (Brokers) Ltd. is subject to the Consumer Protection Code, Minimum Competency Code and Fitness & Probity Standards which offer protection to consumers. These Codes can be found on the Central Bank's website www.centralbank.ie. We are also authorised by the Competition and Consumer Protection Commission as a Credit Intermediary.

Our Services: S.A. Faughnan (Brokers) Ltd. is a member of Brokers Ireland. Our principal business is to provide advice and arrange transactions on behalf of clients in relation to general (non-life) insurance products, life assurance, pensions and investment products. A full list of insurers, product producers and lending agencies with which we deal is available on request.

Fair & Personal Analysis -

The concept of fair & personal analysis is derived from the Insurance Distribution Directive. It describes the extent of the choice of products and providers offered by an intermediary within a particular category of general (non-life) insurance, life assurance, pensions & investments and mortgages, and/ or a specialist area. The number of contracts and providers considered must be sufficiently large to enable an intermediary to recommend a product that would be adequate to meet a client's needs.

The number of providers that constitutes 'sufficiently large' will vary depending on the number of providers operating in the market for a particular product or service and their relative importance in and share of that market. The extent of fair & personal analysis must be such that could be reasonably expected of a professional conducting business, taking into account the accessibility of information and product placement to intermediaries and the cost of the search.

In order to ensure that the number of contracts and providers is sufficiently large to constitute a fair & personal analysis of the market, we will consider the following criteria:

- the needs of the customer,
- the size of the customer order,
- the number of providers in the market that deal with brokers,
- the market share of each of those providers,
- the number of relevant products available from each provider,
- the availability of information about the products,
- the quality of the product and service provided by the provider,
- cost, and
- any other relevant consideration.

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Non-Life Insurance: As Insurance Brokers we offer advice on a *Fair & Personal Analysis* basis in relation to all classes of non-life insurance (motor, household, property, business, engineering liability, travel, marine etc). This means we will research a sufficiently large number of contracts and product producers available in the market place to enable us to make a recommendation, in accordance with professional criteria, regarding which contract would be adequate to meet your needs. On receipt of your instructions we will transmit orders on your behalf to one or more product producers. This firm does not have a 'tied' relationship with any Institution for insurance products.

Advice in respect of our Property Owners' Insurance Schemes is provided on a *Limited Analysis* basis i.e. via one Insurance Provider only i.e. XL Insurance Company SE effected through Optis Insurances Ltd.

As a **Credit Intermediary** we can also arrange personal loans for insurance premium finance with Close Brothers Premium Finance Ireland.

Life Assurance, Pensions & Life Wrapped Investments: As Insurance Brokers we offer advice on a *Fair & Personal Analysis* basis in relation to all classes of life assurance, pensions and investments. This means we will research a sufficiently large number of contracts and product producers available in the market place to enable us to make a recommendation, in accordance with professional criteria, regarding which contract would be adequate to meet your needs. On receipt of your instructions we will transmit orders on your behalf to one or more product producers. This firm does not have a 'tied' relationship with any Institution for insurance products. We offer financial advice, on a fee basis if required, in respect of Life, Investment's, Retirement and Financial Planning.

Sustainability Factors - Investment/IBIPS/Pension Advice

When providing advice, S.A. Faughnan (Brokers) Ltd. considers the adverse impact of investment decisions on sustainability. As part of our research and assessment of products, we will examine the Product Providers literature to compare financial products and to make informed investment decisions about economic, social & governance (ESG) products. S.A. Faughnan (Brokers) Ltd. will at all times act in the client's best interests and keep clients informed accordingly.

In accordance with the Sustainable Finance Disclosure Regulation ('SFDR'), when providing advice on insurance-based investment products/Investments, we assess in addition to relevant financial risks, relevant sustainability risks as far as this information is available in relation to the products proposed/advised on. This means that we assess environmental, social or governance events/conditions that, if they occur, could have a material negative impact on the value of the investment.

We integrate these risks in our advice by reviewing the product provider literature in relation to sustainability risks, we liaise with the providers in relation to any queries in relation to the funds. This information is reviewed by the firm on an ongoing basis.

Considering Principal Adverse Impacts (PAI) on sustainability factors in the advice:

When providing advice on insurance-based investment products ('IBIPs') or investment advice we assess the PAI information published by product manufacturers as follows:

We will examine the Product Providers literature to establish the Principal Adverse Impacts for the relevant products. The firm will then compare financial products across available providers to make informed investment decisions about the suitability of ESG products for individual clients.

Impact on Return

If sustainability risks -are deemed relevant:

We also assess the likely impacts of sustainability risks on the returns of the IBIPs on which we advise. We estimate that the likely impacts of sustainability risks on the returns of Pensions/Investments are based on the returns in the product documentation provided by the product manufacturer.

Investment Intermediary Services – S.A. Faughnan (Brokers) Ltd. is remunerated by commission for its investment intermediary services.

Deposit Broker Services are provided on a *Limited Analysis* basis in respect of those institutions only with whom we hold an agency i.e. a limited number of contracts and product producers available. Those institutions are Irish Life & Permanent plc. only.

Other Services: We will assist you with any queries you may have in relation to the policies or in the event of a claim during the life of the policies and we will explain to you the various restrictions, conditions and exclusions attached to your policy. In relation to non-life products, we will also assist you in processing claims and in seeking renewal terms on your cover. To ensure continuity of cover, where you have an existing non-life policy which is due to expire and where we have been unable to contact you, we may put continuing cover in force whilst awaiting your instructions. You will be liable for any premium's payable to the relevant insurer for the period of time between, the renewal date, and when we receive your instructions. You have the right not to avail of this service.

It is your responsibility to read the policy documents, schedules, literature and brochures of each policy to ensure that you understand the nature of the policy cover particularly in relation to PHI and Serious Illness policies. Specifically on the subject of PHI (Permanent Health Insurance) policies it is our policy to explain to you a) the meaning of disability as defined in the policy, b) the benefits available under the policy, c) the general exclusions that apply to the policy, and d) the reductions applied to the benefit where there are disability payments from other sources. For a Serious Illness policy, we will explain clearly to you the restrictions, conditions and general exclusions that attach to that policy.

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Disclosure of Information

Consumers: Disclosure of information when completing documentation for new business/renewals and midterm adjustments

Section 14 (1) – (5) of the Consumer Insurance Contracts Act which is effective from 1st September 2021 alters consumers duty of disclosure:

You are required to answer all questions posed by us or the insurer honestly and with reasonable care – the test will be that of the ‘average consumer’. Average consumer as per Directive No. 2005/29/EC of the European Parliament and of the Council of 11 May 2005 is reasonably well informed and reasonably observant and circumspect, taking into account social, cultural and linguistic factors.

Specific questions will be asked. Where you do not provide additional information (after being requested to do so) it can be presumed that the information previously provided remains unchanged.

An insurer may repudiate liability or limit the amount paid on foot of the contract of insurance, only if it establishes that non-disclosure of material information was an effective cause of the insurer entering into the relevant contract of insurance and on the terms on which it did.

Completed proposal forms/statement of fact, Broker Risk Submissions and/or Broker Risk Questionnaires

Completed proposal forms or Statements of Facts, Broker Risk Submissions and/or Broker Risk Questionnaires will be provided to you. These are important documents as they form the basis of insurance contract between the insurer and you the consumer. You should review and confirm that the answers contained within are true and accurate.

Commercial Customers: Non-Consumer Disclosure of Information

It is essential that you should bring to our attention any material alteration in risk such as changes of address or use of premises. Any failure to disclose material information may invalidate your claim and render your policy void.

If you are ever in doubt about how to answer a question, or whether or not something needs to be disclosed, the safest course of action is to disclose it. Please contact us if you have any questions.

Remuneration Policy & Fees: S.A. Faughnan (Brokers) Ltd. is generally remunerated by way of commission and other payments from product producers or lenders on the completion of business. Details of this remuneration are available upon request. Where an override commission is received, this will be disclosed to you in general terms. You may choose to pay in full for our services as specified below by means of a fee. Where we receive recurring commission, this forms part of the remuneration for initial advice provided. We reserve the right to charge additional fees if the number of hours relating to on-going advice/assistance exceeds 1 hour. See our scale of fees at: <https://www.safaughnan.ie/schedule-of-fees/> or at our offices.

In certain circumstances, it will be necessary to charge a fee for services provided. A fee is deemed earned at inception/renewal/mid-term alteration of a policy and is therefore non-refundable in respect of non-life insurance products and services. These are listed below for non-life insurance, life assurance, pensions and investments. In other circumstances where fees are chargeable or where you choose to pay in full for our service by fee, we will notify you in writing in advance and agree the scale of fees to be charged if different from fees outlined below. Our current basic hourly (or part thereof) rate for Directors, Consultants & Qualified Staff is €250 and €150 per hour for clerical / administrative staff.

Non-Life Fees

For **Personal Lines** Business in relation to Initial Placement and Renewal of policies:-

Private & Commercial Motor, Motor Cycle & Special Types – Up to a maximum of 40% with a minimum of €35

Home, Holiday or Rental Home and all other Personal Lines Risks – Up to a maximum of 40% with a minimum of €25

In relation to alterations to or cancellation of Personal Lines policies mid-policy term which result in either an additional or refund premium and the issue of duplicate documentation (incl. Green Cards) a fee of up to €50 will apply per transaction.

For **Commercial Lines / Corporate Risks** such as Commercial Property, Traders Combined, Liability, Professional Risks, Motor Fleets, Engineering and all other business related risks in relation to Initial Placement and Renewal of policies – Up to a maximum of 40%

In relation to alterations to or cancellation of Corporate policies mid-policy term which result in either an additional or refund premium and the issue of duplicate documentation – Up to a maximum of 40% with a minimum of €50.

We reserve the right to amend these fees should the time required, complexity or urgency of the product require a higher fee. We will confirm and agree this fee with you prior to any increased charge being applied.

If we arrange Insurance Premium Finance for you, we typically charge up to an additional 5% in excess of the interest rate payable to the credit institution by way of a handling / administration fee. This is paid to us by the premium finance company as an override commission.

We will pass on any bank charges incurred by us as a result of any payments / cheques being returned unpaid by a client's bank.

We are extremely conscious of the global environment and our responsibilities as a corporate entity for its preservation. Therefore our firm has gone paperless, we now send all our documentation to our clients via email, so that they can access and store their policy documents, renewal invitation and new business quotation correspondences virtually. Due to increasing cost of postage and printing materials, we will unfortunately have to apply a charge of **€15** per policy issue, renewal invitation issue and/or new business quotation issue where we are asked to send out printed documents by post to you or your representative.

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Life Fees

For **Life Assurance, Pensions, Life Wrapped Investments & Financial Planning Business (including Deposits)** you may elect to deal with us on a fee basis. We are normally paid a commission on any business completed. However, we do reserve the right to charge a fee where substantial work is undertaken, e.g. Financial Review & Recommendations. Any fees charged will be on a time spent and disbursement basis or a percentage of transaction value with special consideration to the complexity, value or urgency of the case. Where applicable, the rate will be explicitly agreed in advance and in accordance with our published fee schedule. Our current basic hourly (or part thereof) rate for Directors, Consultants & Qualified Staff is €250 for the first hour spent and €150 per hour (or part thereof) thereafter and €150 per hour for clerical / administrative staff. We will notify you in advance and agree the scale of fees to be charged.

Where advice is requested for **Personal Retirement Savings Accounts (PRSA's)** the fee scale and conditions in the above paragraph apply.

If we receive a commission from a product provider, this may be offset against the fee which we will charge you. Where the commission is greater than the fee due, the commission may become the amount payable to the firm unless an arrangement to the contrary is made.

When assessing products, we will consider the different approach taken by product providers in terms of them integrating sustainability risks into their product offering. This will form part of our analysis for choosing a product provider.

Ongoing Suitability: Investments – The firm's services does not include ongoing suitability assessments for Article 3 Services i.e. listed shares, bonds and collective investments.

Remuneration & Fees

A summary of the details of all arrangements for any fee, commission, other reward or remuneration paid or provided to the intermediary which it has agreed with Insurers or product producers" is available on our website. www.safaughnan.ie/charges/

Clawback

If we receive commission from a product provider [and off-set the commission against the fee which we would otherwise have charged you] but the commission is subsequently clawed-back by the provider because of early encashment by you or because of the transferring of the assets or business to another provider or in any circumstances consequent on your actions or omissions, we will charge a fee to you that is equal to [100% of] the clawed-back commission. That fee will be owing in simple contract upon the claw-back of the commission.

Regular Reviews:

It is in your best interests that you review, on a regular basis, the products which we have arranged for you. As your circumstances change, your needs will change which may result in you having insufficient insurance cover and/or inappropriate investments. We would therefore advise that you contact us to ensure that you are provided with up to date advice and products best suited to your needs.

Conflicts of interest:

It is the policy of our firm to avoid conflicts of interest in providing services to you. However, where an unavoidable conflict of interest arises we will advise you of this in writing before providing you with any service. A full copy of our Conflicts of Interest policy is available on request.

Default on payments by clients:

Our firm will exercise its legal rights to receive payments due to it from clients (fees and insurance premiums) for services provided. In particular, without limitation of the generality of the foregoing, the firm will seek reimbursement for all payments made to insurers on behalf of clients where the firm has acted in good faith in renewing a policy of insurance for the client.

Product producers may withdraw benefits or cover in the event of default on payments due under policies of insurance or other products arranged for you. We would refer you to policy documents or product terms for the details of such provisions.

Cooling Off Period: A consumer (as defined by SI No 853 of 2004) has the right to withdraw from an insurance policy (as defined under SI No 853 of 2004) within 14 days of the start date of the policy (except in the case of travel policies whose operative period is for one month or less) without penalty and without giving any reason. This is known as the cooling off period. The right of withdrawal may be exercised by notice in writing to S.A. Faughnan (Brokers) Ltd quoting your policy number provided that no claim or adjustment has been made or is intended to be made or no incident has occurred which is likely to give rise to a claim or for travel policies. Should this right be exercised the insurance company may charge for the period you are on cover. For motor insurance the insurance certificate and disc must be received by S.A. Faughnan (Brokers) Ltd before the policy can be cancelled. Please note that the policy set up 'Broker charge' is non-refundable if you choose to withdraw from the policy within the cooling off period.

Complaints:

Whilst we are happy to receive verbal complaints, it would be preferable that any complaints are made, in writing. We will acknowledge your complaint within 5 business days and we will fully investigate it. We shall investigate the complaint as swiftly as possible, and, the complainant will receive an update on the complaint at intervals of not greater than 20 business days starting from the date on which the complaint is made. On completion of our investigation, we will provide you with a written report of the outcome. In the event that you are still dissatisfied with our handling of or response to your complaint, you are entitled to refer the matter to the Financial Services and Pensions Ombudsman (FSPO), Lincoln House, Lincoln Place, Dublin 2, Tel: 01 567 7000 Email: Info@fsp.ie. A full copy of our complaints procedure is available on request.

Data Protection: S.A. Faughnan (Brokers) Ltd. complies with the requirements of the General Data Protection Regulation 2018 and the Irish Data Protection Act 2018. S.A. Faughnan (Brokers) Ltd. is committed to protecting and respecting your privacy. We wish to be transparent on how we

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process your data and show you that we are accountable with the GDPR in relation to not only processing your data but ensuring you understand your rights as a client. The data will be processed only in ways compatible with the purposes for which it was given and as outlined in our Data Privacy Notice, this will be given to all our clients at the time of data collection.

We will ensure that this Privacy Notice is easily accessible. Please refer to our website <https://www.safaughnan.ie/privacy-statement>. If this medium is not suitable we will ensure you can easily receive a hard copy. Please contact us at gdpr@safaughnan.ie if you have any concerns about your personal data or to request a hard copy of our Privacy Notice.

Compensation Scheme:

We are members of the Investor Compensation Scheme operated by the Investor Compensation Company Ltd. See below for details.

Investor Compensation Scheme:

The Investor Compensation Act, 1998 provides for the establishment of a compensation scheme and the payment, in certain circumstances, of compensation to certain clients (known as eligible investors) of authorised investment firms, as defined in that Act.

The Investor Compensation Company Ltd. (ICCL) was established under the 1998 Act to operate such a compensation scheme and our firm is a member of this scheme.

Compensation may be payable where money or investment instruments owed or belonging to clients and held, administered or managed by the firm cannot be returned to those clients for the time being and where there is no reasonably foreseeable opportunity of the firm being able to do so.

A right to compensation will arise only:

- If the client is an eligible investor as defined in the Act; and
- If it transpires that the firm is not in a position to return client money or investment instruments owned or belonging to the clients of the firm; and
- To the extent that the client's loss is recognized, for the purposes of the Act.

Where an entitlement to compensation is established, the compensation payable will be the lesser of:

- 90% of the amount of the client's loss which is recognized, for the purposes of the Investor Compensation Act, 1998; or
- Compensation of up to €20,000.

For further information, contact the Investor Compensation Company Ltd. at (003531) 224 4955.

Brokers Ireland Clients' Compensation and Membership Benefits Scheme (BIC) We are also members of the **Brokers Ireland Clients' Compensation and Membership Benefits Scheme (BIC)**. Subject to the rules of the scheme the liabilities of its members firms up to a maximum of €100,000 per client (or €250,000 in the aggregate) may be discharged by the fund on its behalf if the member firm is unable to do so, where the above detailed Investor Compensation Scheme has failed to adequately compensate any client of the member. Further details are available on request.

CONSUMER INSURANCE CONTRACT ACT 2019

Following the commencement of the Consumer Insurance Contract Act 2019 which was implemented to protect consumers. There is important information that you should be aware of and we are bringing to your attention. There are obligations on you as the consumer and duties that you must fulfil at the various stages of the process of arranging and renewing your Insurance policy.

So please read the following information very carefully and if you have any questions please ask a member of our staff.

New Business & Renewal

A consumer may cancel a contract of insurance, by giving notice in writing to the insurer, within 14 days after the date the consumer was informed that the contract is concluded. The insurer cannot impose any costs on the consumer other than the cost of the premium for the period of cover. (This does not affect notice periods already in place, i.e. 30 days in respect of life policies and 14 days in respect of general policies under respective pieces of legislation).

The consumer is under a duty to pay their premium within a reasonable time, or otherwise in accordance with the terms of the contract of insurance.

A court of competent jurisdiction can reduce the pay-out to the consumer where they are in breach of their duties under the Act, in proportion to the breach involved.

Post-Contract Stage and Claims

If, in respect of the insurance contract the insurer is not obliged to pay the full claim settlement amount until any repair, replacement or reinstatement work has been completed and specified documents for the work have been furnished to the insurer, the claim settlement deferment amount cannot exceed

- 5% of the claim settlement amount where the claim settlement amount is less than €40,000,
- or
- 10% of the claim settlement amount where the claim settlement amount is more than €40,000.

An insurer may refuse a claim made by a consumer under a contract of insurance where there is a change in the risk insured, including as described in an “alteration of risk” clause, and the circumstances have so changed that it has effectively changed the risk to one which the insurer has not agreed to cover.

Any clause in a contract of insurance that refers to a “material change” will be interpreted as being a change that takes the risk outside what was in the reasonable contemplation of the contracting parties when the contract was concluded.

The consumer must cooperate with the insurer in an investigation of insured events including responding to reasonable requests for information in an honest and reasonably careful manner and must notify the insurer of the occurrence of an insured event in a reasonable time.

The consumer must notify the insurer of a claim within a reasonable time, or otherwise in accordance with the terms of the contract of insurance.

If the consumer becomes aware after a claim is made of information that would either support or prejudice the claim, they are under a duty to disclose it. (The insurer is under the same duty).

If the consumer makes a false or misleading claim in any material respect (and knows it to be false or misleading or consciously disregards whether it is) the insurer is entitled to refuse to pay and to terminate the contract.

Where an insurer becomes aware that a consumer has made a fraudulent claim, they must notify the consumer advising that they are avoiding the contract of insurance. It will be treated as being terminated from the date of the submission of the fraudulent claim. The insurer may refuse all liability in respect of any claim made after the date of the fraudulent act, and the insurer is under no obligation to return any of the premiums paid under the contract.

The terms above apply to any product or service provided to you after **1st October 2024** and should this firm change its terms you will be notified in advance.

Version October 2024