



## **Remuneration Arrangements**

LRMS Europe Limited, trading as Pet Business Insurance, Pet Business International (LRMS Europe Limited) receives a commission from a product provider for all policies sold or renewed. The following sets out a summary explanation of the remuneration arrangement received from the product producer.

### **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?**

Remuneration 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.

### **What is Commission?**

Commission is payment that may be earned by an intermediary for work undertaken for both provider and consumer.

There are different types of remuneration and different commission models:

Single commission model: Where payment is made to the intermediary shortly after the sale is completed and is based on a percentage of the premium paid/amount invested/amount borrowed.

Trail/Renewal commission model: Further payments at intervals are paid throughout the life span of the product.

Indemnity Commission: Indemnity commission 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.

Other forms of indemnity commission are advances of commission for future sales granted to intermediaries in order to assist with set up costs or business development.

### **General Insurance Products**

General insurance products, such as motor, home, travel, health, retail or liability insurance, are typically subject to a single or standard commission model, based on the amount of premium charged for the insurance product.

### **Profit Share Arrangements**

In some cases, the intermediary may be a party to a profit-share arrangement with a product provider and will earn additional commission. Any business arranged with these product providers on a client's behalf will be placed with the product provider because that product provider is at the time of

placement, the most suitable to meet the client's requirements, taking all the client's relevant information, demands and needs into account.

**Clawback**

Clawback is an obligation on the intermediary to repay unearned commission. Commission can be paid directly after a contract is concluded 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 must return commission to the product producer.

**Fees**

The firm may also be remunerated by fee by the product producer such as policy fee or an admin fee.

**Other Fees, Administrative Costs/ Non-Monetary Benefits**

The firm may also be in receipt of other fees, administrative costs, or non-monetary benefits such as:

- Attendance at product provider seminars and eLearning.
- Industry Educational Seminars.
- Product Producer Hospitality.
- Assistance with Advertising/Branding in the promotion of the insurance product(s).
- Use of a Policy Administration system to facilitate sale of insurance products.
- Performance of administrative tasks including quality assurance on business placed.

**Providers**

We only provide Pet Insurance cover from Accelerant Insurance Europe SA.

<b>Accelerant Insurance Europe SA.</b>		
<b>Product</b>	<b>New Business %</b>	<b>Renewal %</b>