



INSURANCE
IRELAND

**IRELAND
FOR
INSURANCE**

In partnership with

 **IDA Ireland**



CEO FOREWORD

Foreign Direct Investment (FDI) plays a vital role in Ireland's economy and has played a key part in the country's recovery from the recent global financial crisis. The financial services sector generally and the insurance industry in particular have made their own very significant contribution.

Ireland is now an established global hub for the international insurance industry. This is due to a combination of factors including our young, talented, well educated, and highly flexible and adaptable workforce; membership of the EU; status as the only English-speaking member of the Eurozone; the internationally competitive and EU and OECD compliant 12.5% rate of corporation tax; strongly pro-business environment; stable legal framework; high quality state supports for new investments and innovation; as well as the cluster effect of more than 50% of the world's leading financial services companies having a presence here.

Insurance Ireland is the voice of the industry in Ireland representing the vast majority of insurance companies in Ireland. We work on behalf of the industry, engaging with stakeholders including government, regulators, the media and the wider public in order to ensure that its voice is heard whenever and wherever it matters.

We also have a role to play in promoting Ireland to the international industry and in supporting new investments by the industry in this country. Over the following pages you will see many of the compelling reasons for any insurance company not yet here to strongly consider a move to Ireland.

It is our firm belief that there is no better place than Ireland for insurance. We are also extremely proud of our country as a home and invite you to experience our young and vibrant society. To find out more about what Ireland offers the industry and how Insurance Ireland can help please contact me at +353 1 676 1820.

Kevin Thompson
CEO
Insurance Ireland





OVER
1,250
INTERNATIONAL COMPANIES

EMPLOYING
187,000
PEOPLE

430
COMPANIES IN THE
INTERNATIONAL FINANCIAL
SERVICES SECTOR EMPLOYING
38,000
PEOPLE

A GREAT PLACE FOR INSURANCE BUSINESSES

More than 1,250 international companies have established operations in Ireland and employ 187,000 people. Every major sector from insurance and financial services, through manufacturing, pharmaceuticals and biosciences, software development, and manufacturing is represented.

The International Financial Services sector comprises 430 Irish and overseas owned companies and directly employs some 38,000 people throughout the country. Insurance alone employs some 28,000 people both directly and indirectly in Ireland.

The sector is also supported by the world class professional and advisory support available from an established base of legal, accountancy, actuarial and management consulting firms which includes all the leading international players.

The Irish government has recently adopted a new strategy to support the international financial services sector. The overall goal of the IFS2020 strategy is to establish Ireland as “the recognised global location of choice for specialist financial services, building on our strengths in talent, technology, innovation and excellent client service, while focusing on capturing new opportunities in a changing marketplace and embracing the highest standards of governance.”

The IFS2020 strategy aims to grow direct employment in the financial services sector to 45,000 by 2020 through a range of actions including the promotion of Ireland as a location for internationally traded services; supporting continuous improvement in the operating environment for the sector; and the provision of assistance for research, innovation and entrepreneurship.

Ireland’s success as an investment location is based on a number of key factors which include the pro-enterprise policies of successive Irish governments going back well over half a century, the highly skilled and flexible workforce, membership of the EU, the country’s status as the only English-speaking member of the Eurozone, and the internationally competitive and EU and OECD compliant 12.5% rate of corporation tax.

Allied to these benefits is a package of support and assistance from IDA Ireland, an acknowledged global leader in FDI attraction, as well as the generally pro-business environment and stable legal framework which prevails in Ireland. Support from IDA Ireland and sister agencies can include R&D grants and capital grants depending on the nature of the business involved and other factors.



IRELAND IS IN THE
TOP 10%
OF COUNTRIES FOR EASE
OF DOING BUSINESS

Ireland's geographic location also offers significant advantages to inward investors. Its position as the most westerly country in the EU, its membership of the Eurozone, and its globally connected economy make it an ideal base for companies to access the US, UK, Middle East as well as the EU market of more than 500 million. The country's time zone also places it in an excellent position to act as a link between East and West for global 24/7 organisations.

The economy also plays an important role. Ireland's open economy has proven remarkably resilient over the years and has now recovered from the recent recession to such an extent that it is likely to be Europe's fastest growing economy for the third year in a row in 2016 with unemployment now at 8.4% and continuing to fall.

These various factors have resulted in some of the world's largest companies choosing to locate in Ireland. These include:

- **More than 50% of the world's leading financial services organisations**
- **The entire top ten of the world's born-on-the-internet companies**
- **Thirteen of the top 15 medtech companies**
- **Nine of the top ten pharmaceutical companies**
- **Nine of the top ten software companies**
- **Nine of the top ten ICT companies**

Ireland's main cities, including Dublin, Cork, Limerick and Galway, are frequently ranked among the best cities in the world in which to live, work, and learn.

LEGAL

Irish law is based on common law and the legal system is similar to that of the UK and the US. As a member of the EU, Irish law is also based on EU law.

FINANCIAL ENVIRONMENT

Ireland has a highly sophisticated insurance, banking, and financial services sector which has long experience in servicing international business. The Central Bank of Ireland (CBI) is responsible for the regulation of all financial services firms in Ireland including life and general insurance, credit institutions, investment intermediaries, stockbrokers, financial exchanges, collective investment schemes, funds, investor compensation and related consumer issues.

Ireland is a member of the Single European Payments Area (SEPA), the system covering 34 countries which allows more than 500 million citizens and over 20 million businesses and public authorities to make and receive payments in euro under the same basic conditions, rights and obligations, regardless of their location.

Ireland also scores highly on a number of key IMD World Competitiveness Index rankings. In 2015 Ireland ranked number one for the availability of competent senior managers, openness to new ideas from abroad, and the flexibility and adaptability of people when faced with new challenges. IMD also ranks Ireland in the top ten countries in the world where the education system meets the needs of a competitive economy. The 2015 World Bank Doing Business Report ranked Ireland in the top 10% of countries across the world for ease of doing business.

TELECOMMUNICATIONS INFRASTRUCTURE

The availability of a high quality, secure telecommunications infrastructure is a prerequisite for any investment by an international insurance or financial services organisation. Ireland is fortunate in that its infrastructure is among the most advanced and competitive in Europe with state-of-the-art fibre-optic connections now the norm for businesses in cities throughout the country.

A GREAT PLACE TO LIVE AND WORK

Ireland is not just a great place for international insurance businesses, it's also a great place for their employees. The country's main cities, including Dublin, Cork, Limerick and Galway, are frequently ranked among the best cities in the world in which to live, work, and learn. The quality of life offered is a major attraction for employees from throughout Europe and around the world with many major international companies boasting literally dozens of nationalities within their Irish workforce.

AN IDEAL LOCATION FOR INTERNATIONAL BUSINESS

Ireland's track record of delivering for international investors is second to none. Newcomers are welcomed and supported by the government and its agencies, by the Irish business community, and most of all by the Irish people and the flow of talent coming from our schools and universities who are available to work at all levels for high-performing international insurance companies.



THE INSURANCE INDUSTRY
IN IRELAND HOLDS

€200 billion

IN ASSETS IN IRELAND

€35 billion

INVESTED GENERATES

€32 billion

IN PREMIUM INCOME FROM DOMESTIC
AND INTERNATIONAL CUSTOMERS

FOR INSURANCE

Insurance businesses operating in Ireland employ a total of more than 28,000 people directly and indirectly. The insurance industry in Ireland holds €200 billion in assets in Ireland, of which €35 billion is invested in Irish infrastructure and government debt, and generates €32 billion in premium income from domestic and international customers.

The significant majority of the more than €20 billion in cross-border life insurance business written in Ireland each year is single premium savings and investment products.

Ireland has established itself as a leading centre for insurance services in recent years. This has been in part driven by the ability to provide insurance products on a pan-European basis.

Particular strengths of the industry here lie in the captive insurance and reinsurance areas. Ireland has also been successful in attracting international groups seeking to consolidate operations as a result of Solvency II and other regulatory changes.

A GROWING INDUSTRY

A welcome trend in recent years has been the growing number of major international insurance companies which have decided to establish European headquarters operations in Ireland.

Ireland's attractiveness as a location for international insurance organisations was significantly enhanced by the EU's Insurance Framework Directives, which aimed to create a single European market for insurance products. The directives allowed insurance companies in Ireland to carry out insurance business in all other EU member states either by establishing branches in other states or simply by selling directly into them under the "passport" rights granted by the directives.

Of key importance here is that the companies and their products and services only have to be regulated once – in Ireland's case by the

Central Bank of Ireland – with no requirement for further regulation in the markets being sold into.

The increasingly complex capital requirements of the insurance industry under the Solvency II Directive have led to moves to consolidate insurance groups into a single location within the EU and Ireland is recognised as one of the best locations for these new headquarters operations, and indeed for all internationally focused insurance businesses. Due to a number of factors including the availability of a pool of skills and expertise in the sector, the clear political commitment to maintaining the 12.5% rate of corporation tax, the strong and highly respected regulatory regime, and the strong base of international insurance companies already located here.



BILL KYLE, CEO OF IRISH LIFE

Irish Life is a major life investment and pension company founded in 1939 which now has over one million customers across insurance, pensions and investments. Irish Life is part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations.



GETTING THINGS DONE

Irish Life operates Great-West Lifeco's European IT out of Ireland in addition to its German Insurance and Global Reinsurance businesses. Irish Life's CEO, Bill Kyle, who moved to Ireland in 2013, highlighted the attributes its Irish businesses bring to their global operations "Our Irish business has been recognised as a very key part of our global operation and I think the things that have helped to cement that view are the creativity of the people, the customer focus that people here demonstrate and their ability to get things done".

Since moving to Ireland, Bill Kyle has overseen significant developments in Irish Life's operations and recognises the role played by the staff. He said "The creativity and the drive of our people has resulted in some great successes for our company over the past three years. In terms of growing a business, and building on established successes, it's all about people and Ireland has highly educated and highly motivated workers".

"It really is a great place to be based in terms of growth and expansion to other geographies"

The recovering domestic economy, coupled with the company's success in recent years, led to Irish Life announcing its intention to add 150 jobs in 2016, to bring their total staffing complement here to over 2,300. Bill recognises this announcement as a statement of confidence in the business and the economy.

ADVICE TO PROSPECTIVE INVESTORS

Reflecting on his three years in Ireland, and its suitability as both a home and a place to do business, Bill's advice to those considering Dublin would be to "Take a look around, get a feel for the city, get a feel for the people, there is a youthfulness and a vibrancy to Dublin that you don't necessarily get in a lot of other cities". These factors, coupled with excellent connectivity to Europe and North America, Bill notes, combine to make Ireland "A tremendous place to work in and run a business".



Irish Life



WROUGHT BY WIND AND WAVE





50%

POPULATION UNDER

35

35%

POPULATION UNDER

25

OVER

1 million

PEOPLE CURRENTLY IN
FULL-TIME EDUCATION
IN IRELAND

THE PEOPLE

TO MAKE IT WORK

The availability of a young, talented, well educated, and highly flexible and adaptable workforce has been one of the cornerstones of Ireland's success in attracting inward investment for more than three decades. Consistent investment in education by successive Irish governments has ensured that there is a plentiful supply of highly qualified employees with a deserved reputation for flexibility and innovation to meet the needs of both existing industry and new investors.

When deciding where to locate their businesses a key criterion for international insurers is the continued availability of talent. Ireland has a very strong track record in anticipating the needs of industry sectors and putting in place strategic investments in education and skills training in order to meet those needs.

THIS TRACK RECORD IS BORNE OUT BY IRELAND'S QUITE REMARKABLE PERFORMANCE ACROSS A NUMBER OF IMPORTANT INTERNATIONAL RANKINGS IN RECENT YEARS:

- Ireland has consistently been ranked number one for skilled labour, flexibility, adaptability and attitude to globalisation by IMD.
- The OECD and the IMD both rank Ireland's education system in the top ten in the world.
- Labour productivity is higher than the US, UK, France, Germany, Japan, and the Netherlands according to the 2015 Global Innovation Index.

EDUCATION

Ireland ranks in the top ten countries in the world where the education system meets the needs of a competitive economy according to IMD. With half of the population under 35 – and 35% under 25 – there are over one million people currently in full-time education in Ireland. This includes over a quarter of a million students enrolled in Ireland's universities and third level colleges.

Of direct relevance to the insurance sector are the 65,000 students enrolled in social sciences including business and law, and the 70,000 students enrolled in science, technology, engineering and mathematics courses including actuarial studies.

Several universities including the University of Limerick and the National College of

Ireland offer specific insurance courses while many of the other universities offer actuarial courses. Students can also study for a wide range of insurance qualifications in many of Ireland's institutes of technology. In addition, a comprehensive suite of modules are available through the Insurance Institute of Ireland.

65,000

STUDENTS ENROLLED IN SOCIAL SCIENCES INCLUDING BUSINESS AND LAW

70,000

STUDENTS ENROLLED IN SCIENCES, TECHNOLOGY, ENGINEERING AND MATHEMATICS

LABOUR FORCE

Ireland is an increasingly multi-cultural society. Over half a million people in Ireland speak a foreign language fluently and some 17% of the population is now of international origin. For example, Google's European headquarters in Dublin employs over 2,500 people from over 65 countries, speaking over 45 different languages.

Labour costs have remained reasonably stable compared to many other European countries which have seen significant payroll increases in recent years. This is reflected in Ireland's status as one of the most productive economies in the EU.

Ireland also attracts a significant number of overseas workers who wish to take advantage of the high quality employment opportunities and standard of living on offer.

LABOUR RELATIONS

Ireland enjoys a voluntary system of industrial relations and there are no legal requirements for employers to recognise or bargain with trade unions. This means that many companies favour the direct engagement model while others work with trade unions in a collective bargaining environment.

This combination of youth, experience, skills, and qualifications make Ireland's workforce one of its greatest assets when it comes to attracting new investments from international insurance companies.





PATRICK MANLEY,
CEO OF
GENERAL INSURANCE EMEA
AT ZURICH

Zurich is a leading multi-line insurer that serves its customers in more than 170 countries. Zurich's Irish-based operations have a turnover in excess of \$1 billion per month and in Ireland it employs over 1,300 people serving the international and domestic markets.



Zurich established its EMEA Headquarters in Ireland in 2008 after an extensive assessment of the business environment including macro criteria such as being part of a major currency, being English speaking and being a long-established member of the EU. Patrick also added "We wanted an environment where the Regulator was experienced in cross-border business and where the nation was pro-business in its thinking. We compared cities across Europe and decided Ireland's the place to be".

The scale and functions of the operations here have evolved rapidly and referring to the EMEA Headquarters, Patrick said "All the key roles including the Chief Financial Officer, Chief Risk Officer, Chief Underwriting Officer are based in Dublin". Noting the importance of this business, Patrick said "As part of our Group, about one third of our General Insurance income is in the EMEA region so it's a very, very important part of Zurich's global footprint".

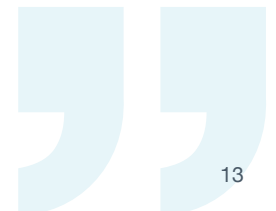
Having overseen the growth and evolution of the business here, including the addition of Group IT services and cyber defence, Patrick attributes these developments to a belief in Ireland as a location and said "The fact that we have built on our existing presence by establishing a cyber

defence hub in Ireland shows at a Group level a real commitment to the country and also absolute belief that we can find the skills, that we can find the accommodation and we can get the technological connectivity".

Leading an organisation which employs over 17,000 people in 16 countries throughout Europe, Middle East and Africa, Patrick points to the importance of regulation and states that "The Regulator here has good standing right across Europe, which is very important for a company of our size". Patrick considers this to be vital in light of the implementation of Solvency II and the potential benefits, in terms of synergies or efficiencies, in particular for global companies with a hub and spoke model.

Speaking from experience, Patrick's advice to anyone considering Ireland is clear. "The first thing is to do your research in the same way as Zurich did, figuring out the set of criteria that drive your decision, and if like us, the currency, language, EU membership, an experienced Regulator, together with a pro-business attitude from government and the public are factors, Ireland we think is a location that is pretty hard to beat".

"We compared cities across Europe and decided Ireland's the place to be"



ACRES OF SKY



REGULATION

Insurance in Ireland has been regulated for many years but that regulation has changed greatly over the last three decades due to EU membership and the harmonised European insurance regime which has been developing over that time. Since 2010, The Central Bank of Ireland (CBI) is responsible for the regulation of all financial services firms in Ireland.

Insurance businesses in Ireland must be authorised by either the CBI or the regulator in their home EU member state.

The regulatory regime for insurance covers all aspects of a business from its initial establishment through to eventual winding up should that occur. The Central Bank has a wide range of powers including to require insurers to furnish information and to carry out investigations into the business of an insurer. It can also intervene in cases where it believes an insurer may not be able to meet its liabilities or has failed to comply with insurance legislation or has inadequate insurance arrangements in place.

The regulatory environment overseen by the CBI is of a high quality. The regulator is well respected internationally and is accessible to stakeholders and responsive where necessary and appropriate.

Ireland has been a consistently early adopter of EU regulations and global standards as they have become applicable. This has resulted in an advanced and up-to-date environment across the entire spectrum including data protection, FATCA/CRS and the quality of regulation itself.





FRANK MEE,
FINANCE DIRECTOR &
DEPUTY CEO OF
ALLIANZ WORLDWIDE CARE

Allianz Worldwide Care is part of the Allianz Group, one of the world's largest financial institutions. In 1999, Allianz Worldwide Care was set up in Ireland to provide health insurance to expatriate staff of multinationals. The company has grown to have premium income of circa €1.3 billion from insuring over 700,000 expatriates and high-net-worth individuals. The company writes business in almost 200 countries, with 60% of its business being written outside the EU.



Allianz Worldwide Care was Allianz's second operation to be established here and when Ireland was selected as its base, Frank said there were a number of favourable business criteria driving the decision including the supportive corporate and regulatory environment and the pool of foreign language skills. This decision paid dividends almost immediately when "Ireland proved to be a significantly less bureaucratic country to establish a business than the European norm. The operations were set up quickly and without fuss".

The company has grown to employ 1,170 employees internationally, of which 900 are based in Ireland. Commenting on the diverse nationalities they employ, Frank said "Our staff come from 60 different countries covering 28 different languages, making it the most diverse company in Allianz Group by some distance". The availability of such skilled staff has been hugely important but Frank identified another key element to this growth "Irish people are good at doing business and relate well with key overseas executives. The company's staff are in general young, well-educated and very entrepreneurial. This entrepreneurial spirit, where nothing is impossible, has been one of the key reasons for the company's exponential growth."

"Irish people are good at doing business and relate well with key overseas executives"

Employment and regulatory stability are crucial factors for any business or investor. Reflecting on Ireland's employment laws in comparison with other jurisdictions, Frank said "Ireland has maintained its balanced labour laws which gives the company the confidence to grow its business in Ireland. While predominantly Irish-based, the company now has employees in many countries and has found Irish labour laws significantly easier to deal with compared with its other locations".

With the regulatory environment in Ireland having evolved over the years, Frank regards it as being fit for business saying "For a period after the financial crisis, Irish regulation was arguably tougher than almost anywhere but, in recent years, has matured and, while still strong, would be regarded again by international insurers as fair, proportionate and predictable".

For those looking at Ireland as a location to invest, Frank said "The positive factors that existed in 1999 when Allianz was persuaded to set up Allianz Worldwide Care here are still largely in place. Our experience and track record validate Ireland's reputation as a top location for Foreign Direct Investment".

Allianz 
Allianz Worldwide Care



IN IRELAND

Ireland's open, transparent and fully OECD-compliant corporate tax regime is among the key reasons for companies to establish in Ireland. While the 12.5% rate itself is internationally competitive even more important has been successive Irish governments' commitment to maintaining the rate thereby offering long-term certainty to business. The OECD has confirmed that the Irish 12.5% rate is not in conflict with its guidance nor with its BEPS proposals. Ireland is also committed to its membership of the EU and considers its tax regime to be consistent with EU tax policy.

The corporation tax regime is underpinned by an extensive network of double taxation treaties with over 70 countries worldwide. These countries include the United Kingdom, the United States, China, Japan, and Russia. The treaties allow for a reduction in foreign taxes as well as exemption from withholding taxes on cross-border payments in certain circumstances.

This section is an overview of our current understanding of certain elements of the Irish taxation regime. We recommend seeking independent taxation advice before making any decision.

TAXATION OF INSURANCE AND REINSURANCE COMPANIES IN IRELAND

No Irish tax arises on setting up an insurance or reinsurance company in Ireland. Such companies will generally be tax resident in Ireland if managed and controlled by its board of directors in Ireland. There is no "substance" requirement from a tax perspective, i.e. a company can outsource its activities, subject to regulatory requirements.

The corporate income tax levied on insurance companies should be straightforward. The standard corporation tax rate of 12.5% applies to the trading profits

of insurance companies (calculated under IFRS or Irish GAAP) with few adjustments. The 12.5% rate applies to investment income and gains of insurance companies. The movements on reserves are generally not adjusted for tax purposes. Unlike the situation in many other EU countries, tax losses can be carried forward indefinitely and can also be carried back one year.

FOREIGN BRANCHES OF IRISH INSURANCE COMPANIES

Many insurance companies have established headquarter operations in Ireland with branch networks around Europe. This structure can be capital efficient under Solvency II. In theory Ireland taxes foreign branch profits at 12.5% but has a generous tax credit regime which can mean that no net Irish tax is paid on foreign branch profits.

INDIRECT TAXES AND INSURANCE

Irish resident companies benefit from an exemption from US Federal Excise Tax. Irish premium taxes only apply to Irish-based risks, so do not apply to Irish companies writing foreign insurance business.

Insurance is exempt from Value Added Tax in Ireland. Detailed planning can minimise VAT costs on inputs.

INSURANCE HOLDING COMPANIES

Many groups structure their EU or even global insurance groups beneath an Irish holding company. Dividends received by Irish companies from Irish resident subsidiaries are not subject to corporation tax. Dividends received from overseas companies are normally taxed at the 12.5% rate. However, Irish-based companies receive tax credits for any withholding and other taxes already paid by the overseas company where the Irish-based firm holds at least 5% of the issued share capital of the overseas company. The rules for the set off of credits are quite generous and include pooling and carry forward of excess tax credits with a view to ensuring that no net Irish tax should apply.

Irish resident companies are not subject to capital gains tax on the disposal of shares in another company when certain conditions are met. These include a requirement that the Irish-based company hold at least 5% of the issued share capital of the company in question and that the company be based in an EU or other jurisdiction with which Ireland has a tax treaty.

For Irish resident companies making dividend or other payments to an overseas parent there is in general no withholding tax imposed as long as the parent is located in an EU country or a jurisdiction with which Ireland has a tax treaty or where the persons controlling the parent company are registered in such a jurisdiction.



LIFE ASSURANCE AND INVESTMENT FUNDS

The tax regime for life assurance investment funds is also highly efficient and well regarded internationally as well as being fully compliant with OECD guidelines and EU law and regulations. Irish insurance investment funds are exempt from Irish tax on their income and gains and no Irish taxes are payable on exit where the investors are non-Irish resident. VAT recovery is possible where foreign investment portfolios are managed in an Irish fund or life assurance company.

SUPPORTING INNOVATION IN IRELAND

The Irish tax regime seeks to encourage innovation and, apart from the 12.5% tax rate has four approaches to achieving this.

- 1 There is a 25% tax credit available on qualifying expenditure on Research and Development activity.
- 2 The Knowledge Development Box is the first regime of its type to be fully compliant with OECD BEPS rules. Under the KDB rules profits arising from patents or other intellectual property assets developed in whole or in part in Ireland are taxed at a reduced rate of 6.25%.
- 3 Tax allowances are available for the cost of acquiring IP assets such as brands, trademarks, designs, software, internet domain names, copyright, patents, etc.
- 4 Research and Development activity can be grant aided.

PERSONAL TAXATION

Employees in Ireland pay income tax and social security deductions through a pay as you earn (PAYE) system. The tax year runs from January 1st to December 31st. There are two rates of income tax – the standard 20% rate which applies to income of up to €33,000 per individual, and the higher 40% rate for the remainder of the income. The €33,000 threshold is increased in a range of circumstances such as when an individual is married to a spouse who does not work outside of the home.

Employees are also required to pay Pay Related Social Insurance (PRSI) at a rate of 4% of total earnings with the employer contributing 10.75%. There is also a Universal Social Charge (USC) payable on a sliding scale from 1% to 8% for those who are not self-employed. The majority of political parties and groupings in Ireland are committed to reducing the burden of the USC in the coming years.

The Special Assignment Relief Programme (SARP) reduces the personal tax burden of individuals being transferred to Ireland by overseas firms where the income tax rate in

their home countries might be significantly lower than that applying in Ireland. It works by effectively reducing the employee's taxable income above €75,000 by 30%. For example, an employee earning €135,000 would, in these circumstances, only be taxed on €117,000 as they would have their taxable income reduced by €18,000 (30% of €60,000). The deduction applies for a maximum of five years. Employees can also have school fees of up to €5,000 per annum per child paid tax-free by the employer and have one return trip home for themselves and their family paid for tax-free each year.

There are arrangements which can be made for share option and profit sharing schemes which, if approved by the Revenue Commissioners, can result in tax savings for participating employees. Employer contributions to Revenue approved pension schemes, both in Ireland and overseas, are exempt from tax while employee contributions to Irish schemes are tax deductible subject limits based on age and income.

CONCLUSION

Ireland's corporate and personal taxation regimes are legislation-based and do not rely on rulings or other factors and are therefore clear and transparent to all. Ireland is generally regarded as an exemplar of international best practice in this regard. This reputation and the certainty Ireland can offer investors when it comes to tax treatment makes this country an ideal location of the international insurance industry.



DIRK OSTIJN,
CHIEF EXECUTIVE OFFICER OF
METLIFE EUROPE LTD.

MetLife Inc. is a leading global provider of insurance, annuities and employee benefit programs, serving 90 million customers. Through its subsidiaries and affiliates, MetLife holds major market positions in the United States, Japan, Latin America, Asia, Europe, the Middle East and Africa.



MetLife opened its Dublin operation in 2006 and speaking about the company's evolution in Ireland, Dirk said "We started in Dublin in 2006 with just 10 employees and now we have grown to employ nearly three hundred highly-skilled employees across actuarial, financial, compliance, risk, legal, and other important support and management functions".

MetLife's Dublin office serves as its European Hub and oversees the provision of Life and Non-Life products in Bulgaria, Cyprus, Czech Republic, France, Italy, Portugal, Hungary, Romania, Slovakia, Spain and the United Kingdom.

Dirk outlined the key success factors for MetLife in Ireland by saying "For our hub and spoke model, there are two areas that are critical for us to succeed. The first one is the need for a strong and stable regulatory environment. That is vital for the financial industry and I believe with the Central Bank of Ireland we have that. The second important aspect is the availability of a talented educated workforce, which is extremely important to us. We need access to highly skilled employees with specialised skills in areas like actuarial, financial and risk".

"IFS2020 is a good example of Government support for international businesses like ours and other financial institutions looking for an EU base"

Praising the availability of staff in Ireland, Dirk noted the involvement of the Irish-based staff in the company's broader EMEA business and pointed towards Dublin hosting MetLife's first financial services centre of excellence outside the United States.

Looking at the broader financial services industry, Dirk is keen to highlight the Government's strategy document, IFS2020, which aims to support the development of the sector "Speaking from a financial services perspective, if you look at IFS2020, it is a good example of Government support for international businesses like ours and other financial institutions looking for an EU base".

For those looking at locating in Ireland, Dirk points towards his positive experience living here by saying "I think Ireland has a unique and vibrant culture. It's an open community, it's a diverse community, it's a multicultural community. There is something for everyone. The people are really very friendly and it's so easy to integrate and to feel at home in Ireland".

MetLife®





25%

R&D TAX CREDIT DESIGNED TO
ENCOURAGE COMPANIES TO UNDERTAKE
NEW OR ADDITIONAL RDI ACTIVITY IN
IRELAND

THE R&D TAX CREDIT OFFERS A VERY
SIGNIFICANT TAX BREAK POTENTIALLY
REPRESENTING

25%

OF THE QUALIFYING COSTS INCURRED

CENTRE OF EXCELLENCE FOR INSURANCE INNOVATION

Ireland is now recognised as one of the leading research, development and innovation locations in the world as well as a global centre for insurance innovation. The insurance industry in this country has been quick to respond to the challenges posed by technology and innovation which have created new opportunities for consumers, business and society leading to ever greater demands for innovation. The expectations on insurance organisations to develop new products and services and deliver them in new ways has never been greater.

The environment in Ireland for companies to carry out successful and profitable RDI activities is close to ideal with strong support available from state agencies and the academic sector. This has attracted global leaders in key industry sectors to undertake RDI projects in areas such as financial services, pharmaceuticals, biotechnology, medical devices, and ICT.

This supportive environment is complemented by a robust intellectual property (IP) regime, a young, skilled and well-educated workforce, with strong technological and business skills, and an internationally competitive corporation tax regime.

Companies wishing to carry out RDI in Ireland can avail of a range of supports. These include the IDA's Research, Development & Innovation Programme (RD&I) grants available within the wider national support initiatives aimed at developing and significantly increasing company

engagement in RD&I activity. In addition, there is a 25% R&D tax credit designed to encourage companies to undertake new or additional RDI activity in Ireland. The R&D tax credit offers a very significant tax break potentially representing 25% of the qualifying costs incurred.



GOVERNMENT SUPPORT

The Irish government's Innovation 2020 strategy sets out a series of actions to further enhance Ireland's position as a global RDI location and will see the combined public and private sector spend on research, development and innovation increase by some 50% over the next five years.

Specifically, in the insurance and broader financial services sectors the IFS2020 strategy has set an objective for Ireland to become a centre for innovative next generation companies with world-class capabilities in financial technology, governance, risk and compliance, working with an innovation base that supports advanced research and commercialisation in areas such as data analytics, mobile banking and payments, and cloud computing, amongst others.

FINTECH

Ireland is also gaining an international reputation as a centre of excellence for the rapidly growing area of fintech. A number of high profile investments in the sector from leading global insurance companies have already been secured by IDA Ireland. These include next generation analytics centres for Aon and Munich Re; cybersecurity centres for Zurich and Liberty Insurance; and software development centres for Fidelity and Pramerica.

There is also a thriving fintech start-up scene in Ireland and with many of these companies including Xtremepush, FundRecs and Fenergo supporting the innovation activities of established financial services players.



MAUREEN WALSH, CEO OF DECARE DENTAL

DeCare is one of the world's largest private dental insurers and first established an operations centre in Claremorris in County Mayo in 1999 to serve its US base. The company's employment in Ireland has since grown from 18 to 120 people as its operations evolved and it commenced offering dental insurance in the Irish market in 2004.



Maureen highlighted the initial attraction of Ireland being the availability of staff and how this has only amplified by saying “Consistently, and throughout our 17 years in business the quality of our people is excellent. We don't have a huge amount of turnover and continue to be able to recruit from a very good local pool of people”. This pool of staff facilitated an expansion in the roles the Irish operation undertook and led to a second office opening in Dublin.

With over 100 employees based in Claremorris in County Mayo, Maureen challenges the idea that there is a locational disadvantage being based outside the major cities by referencing the availability of office space and business supports and how they have led to clusters of major medical devices, technology and pharmaceutical companies in the West. On broadband, Maureen stated “We've got tremendous connectivity here in terms of broadband” and noted how aspects of their online functionality that were developed in Claremorris have been transported to their US headquarters.

“Ireland has a very pro-business environment. You might have an issue but I find that you can generally get to the right people and work it out”

For Maureen, it's all about people and referring to the attitude of her team, she said “Once you have the tendency to innovate, there's nowhere you can't do that and from my point of view the West of Ireland is a great place to locate”. Maureen is equally praiseworthy of the commitment of her Irish staff to upskilling and CPD and believes that for prospective insurance investors here “It is something that is very attractive in the global market and it says a lot about the industry and the people here”.

Hailing from New York and working for a global company, Maureen recognises that “Ireland is small but it has a huge advantage in that it is open and collaborative”. Critically for Maureen, this translates into an ability to find solutions “Ireland has a very pro-business environment. You might have an issue but I find you can generally get to the right people and work it out”.



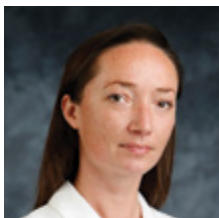
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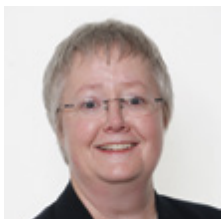
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A wide-angle photograph of the Cliffs of Moher in Ireland. The image shows a long, dark, layered cliff face extending into the sea. The top of the cliff is covered in green grass, and a small stone tower is visible on the ridge. The sky is a clear, vibrant blue with a few wispy white clouds. The water in the foreground is a deep, dark blue. The overall scene is dramatic and scenic.

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