

15th May 2009

Private Medical Insurance Submission
Consumer Protection Codes Department
Financial Regulator
PO Box 9138
College Green
Dublin 2

**Re: Limited Consultation on Minimum Competency Requirements for Private
Medical Insurance**

Dear Sir/Madam

Please find Citadel Financial Advice Limited's submission in respect of the above consultation.

I would be pleased to respond to any queries you may have.

Yours sincerely

John O Conor
Head of Compliance
Citadel Financial Advice Limited

Limited Consultation on Minimum Competency Requirements for Private Medical Insurance

Submission by Citadel Financial Advice Limited

Citadel Financial Advice Limited welcomes the opportunity to contribute to the Financial Regulator's limited consultation on the Minimum Competency Requirements for Private Medical Insurance.

Changes in legislation governing the private medical insurance market and insurers' responses to these have created a dynamic and competitive market which is to be welcomed by consumers. One of the consequences of this competition is the significant increase in the number of products available. When optional benefits are included an individual consumer could be faced with a choice of over one hundred possibilities to meet their health insurance needs.

Citadel Financial Advice Limited believe consumers are best served by receiving high quality, professional and independent financial advice. The competency of individuals providing financial advice plays a key role in delivering this objective to consumers. Citadel Financial Advice Limited believe it is important to recognise the inherent qualifications of experienced practitioners and acknowledges the recognition of these by the Financial Regulator in adoption of grandfathering provisions in the Minimum Competency requirements. Citadel Financial Advice Limited is fully encouraging of an environment which fosters the development of independently assessed advisers in the financial services industry.

The following is Citadel Financial Advice Limited's response the issues raised in this consultation.

1. Do you think there are any special considerations that should be taken into account in the case of individuals grandfathered for life assurance who wish to deal with private medical insurance? If so, what are they?

The grandfathering provisions apply to:-

"Individuals who would otherwise be accredited individuals on 1 January 2007, but who do not at that date hold a recognized qualification in respect of the specified categories of retail financial products for which they are acting as an accredited individual on that date, may continue to act as an accredited individual in respect of those activities PROVIDED they have carried on the same activity for a period of at least four years in the eight-year period 1 January 1999 to 1 January 2007." (Source: Page 10, *Minimum Competency Requirements*, July 2006, published by the Financial Regulator.)

Specific regulation of life assurance intermediaries was published by the Central Bank of Ireland in November 2001, namely the Handbook for Authorised Advisors and the Handbook for Restricted Activity Investment Product Intermediaries. These Handbooks placed specific obligations on advisers which have followed through to the Consumer Protection Code published by the Financial Regulator in July 2006.

Arising from the implementation dates for these important requirements it is clear that any grandfathered individual has, at a minimum, been subject to specific consumer focussed regulation for a period of at least 7 years. As a consequence, Citadel Financial Advice Limited believe that grandfathered individuals should be provided with the opportunity to undertake a module of study specifically focussed on private medical insurance to meet Minimum Competency requirements without having to first obtain any other qualification currently set out in the Minimum Competency Requirements.

2. Do similar or other considerations apply in the case of individuals grandfathered for other forms of non-life insurance?

Similar.

3. Should different criteria apply for grandfathering in relation to private medical insurance? If so, please set out the relevant criteria.

No.

**4. What qualification(s) do you think are appropriate for individuals
i) grandfathered for life assurance or
ii) grandfathered for other forms of non-life insurance
who wish to provide services in relation to private medical insurance?**

Citadel Financial Advice Limited believe that grandfathered individuals should be provided with the opportunity to undertake a module of study specifically focussed on private medical insurance to meet Minimum Competency requirements without having to first obtain any other qualification currently set out in the Minimum Competency Requirements.

We believe that the courses currently available generally meet the needs of intermediaries advising on private medical insurance. These courses however contain an element of content which is superfluous to the specific area. We therefore believe the Financial Regulator should develop guidelines for the content of a module focussed to meet the specific needs of provision of advice to consumers and potential consumers of private medical insurance. Citadel Financial Advice Limited would be pleased to work with the Financial Regulator on development of this content.