By email code@centralbank.ie

Ref: MK/CW 12th January 2011

Consumer Protection Codes Department,
Central Bank of Ireland,
PO Box 559,
Dame Street,
Dublin 2.

Dear Sirs,

I enclose the submission of the Irish Insurance Federation in response to Consultation Paper CP47 on Review of the Consumer Protection Code.

Our submission contains a detailed commentary on the proposed revised Code, as included in the Consultation Paper, and our answers to the specific question posed in the first part of the Consultation Paper, in so far as relevant to our members (highlighted in red).

We found the structure of the document confusing. For example, the fact that chapter 3 concerns common rules appears to invite the assumption that the objects of subsequent chapters – or failing that the objects of specific rules within subsequent chapters – will be clearly identified as applicable to "insurers", "investment providers", "credit institutions" etc. The existing Code covers "Common Rules" in this sense and then clearly identifies the objects of subsequent chapters. However, this implication is not followed through in the revised Code. With regard to the proposed code Insurers are, thus, in many cases unclear as to the intentions of the Central Bank (CB) with regard to specific provisions. Examples of this include the provisions concerning Arrears Handling; Rebates and Bundling. Some of the terminology used needs to be clarified as it's not always clear what is being referred to. For example, it is not clear that "account" refers only to the bank account of a customer of a credit institution.

The proposals that are of most interest/concern to our members are:

a) the definitions of "consumer" and "vulnerable consumer": we consider that "consumer" should be restricted to natural persons only, particularly given the existing definition of "customer" which includes private individuals, companies, partnerships and all other legal entities. This clear distinction would help to clarify the applicability of specific rules in the Code without, it is suggested, impeding the objective of providing certain additional rights to individuals.

   We understand and appreciate the need, based on experience to date, for the definition of a category of "vulnerable consumer", but we consider the proposed definition to be unworkable, particularly with regard to the requirement to assess the "credulity" of consumers on an individual basis. It is difficult to see how this particular aspect could be assessed without a full personal and financial history of a potential customer, including educational and occupational attainments. We consider that an obligation to take account of the consumer's "circumstances" is adequate in this regard. In addition, there may be conflicts between the practical consequences of the proposed definition and the limitations on data collection and underwriting procedures imposed by the

Equal Status and Data Protection legislation. We would therefore request a review of the proposed list of characteristics of a "vulnerable consumer".

b) additional responsibilities on product producers in respect of intermediated sales: we believe that the principal responsibility for ensuring the suitability of products recommended to customers in intermediated sales must continue to lie with the intermediary. Whilst it is reasonable to impose more specific obligations on product producers in relation to information provided to intermediaries about product design and risk features, we do not believe that it is necessary to impose additional requirements on product producers in relation to the supervision of intermediated sales or the design of products.

The proposed requirement on product producers to undertake post-launch reviews of the performance of products and/or identify specific target markets for individual products would impact negatively on product innovation and on competition in the market. Also, it does not appear to be based on any demonstrable consumer need. The skill of the intermediary is in matching a wide variety of product features to the equally variable needs of the individual consumer. Standardising products would not serve consumers' interests. We do not see any need for additional regulatory controls in this area. Producers review product design and performance anyway as a matter of course and a regulatory obligation to do so in a particular way is not necessary.

c) errors handling: we agree that, in the light of experience, it is not unreasonable to impose additional requirements on regulated entities to have in place systems to detect and handle errors. However, given that it is clear that the Regulator does not want to receive reports of all errors, we cannot see why there should be any change from the existing materiality criterion to what we would consider a less precise approach based on estimated resolution time. If there is insufficient clarity surrounding the existing rule, we would suggest the development of a more detailed materiality test. Additionally, the proposed six-month limit for rectifying errors seems, if it is to be a stand-alone rule, to be ill-advised. It may not be possible in practice to complete a rectification programme within the specified time limit; on the other, there is a danger that allowing six months may delay the reimbursement of consumers who could be compensated more quickly (e.g., in the case of errors of limited scope or which are simple to rectify). We would suggest the imposition of a qualitative requirement instead, e.g. that entities must rectify errors "as soon as practicable". If the CB insists on keeping a six-month rule then we suggest that some flexibility be allowed for specific cases to extend beyond this – something that is inevitable given that some cases will be entirely outside insurers' control.

d) unsolicited contact: in general, we consider that the existing Code rules in relation to unsolicited contact are adequate. The Consultation Paper does not cite details of any research, surveys or complaints which would indicate a need for the proposed amendments. In particular, we would not support the proposed restriction on calls to business hours, a ban on unsolicited calls in relation to non-protection policies, or a limited timeframe for concluding transactions. It may be more appropriate to discuss personal finance and insurance mattes outside business hours, especially as it is important that the customer is not distracted and gives his full attention to discussion of his own financial and protection needs. We do not see any basis on which unsolicited calls in relation to non-protection policies should be completely outlawed. The existing Code requires an entity to terminate a call if the consumer does not wish to proceed and this seems to us to be adequate. Similarly we can see no basis for the proposed limit on

concluding sales within a 5-10 day follow-up period. This seems to be an undue regulatory interference in commercial practice that does not respond to any identified consumer protection need, but may impose additional costs.

e) small print in advertisements: we cannot support additional restrictions/requirements on advertising. We consider that the existing requirements are already quite onerous and generate significant compliance costs. The proposed extensions are impractical for reasons of detail (e.g., a blanket requirement to describe "exclusions" without further qualification is simply unworkable) or because of variability (e.g., charges may vary or be subject to a choice of options; some terms of a policy may vary with the risk; and therefore cannot be covered adequately in a standardised general description of the product in an advertisement before the specifics of the case are assessed).

f) two-day processing: the requirement to reply to all instructions within 2 business days is not practical and would only serve to create unnecessary work, delaying the processing of instructions and not adding any value for the consumer.

In addition, there are some specific issues of concern to our life assurance members, viz:

a) Unlike the existing Code, there is no reference to, or acknowledgement of, the Provision of Information (Life Assurance) Regulations 2001 or to the Pensions Acts in this Code. We would like confirmation that the Code does not apply where existing, and potentially competing, regulations apply;

b) The definition of Investment Product now includes life policies with surrender or maturity value. Existing provisions under the Life Disclosure and Pension regulations are similar to many of the provisions applying to investment products in the proposed Code. Life Assurance policies were also removed as an "investment instrument" under the new MiFID legislation. This definition also brings pension products into scope; which are governed by existing extensive Pensions legislation;

c) The proposed Code is silent in respect of Occupational Pension Schemes and there needs to be more clarification around the scope and application of provisions, and around the definition of "consumer" in the context of Occupational Pension Schemes. Clarifications on the existing Code issued in July 2007 exclude approved occupational pension schemes but include trustees of pension schemes (which is confusing). The Code needs to cater for such structures (i.e., to address the key question of who is the consumer in an OPS – the trustees, the employer or individual scheme members?). The regulated entity corresponds with the trustees, providing professional services and only has a look through to the member contract;

d) The cost/benefit of the need to maintain a contemporaneous record of verbal interactions is not clear given the existing point of sale and provision of information requirements;

e) Prohibiting a sale to a customer on the basis that the customer is unwilling to provide information seems to be an unintentional restriction of consumer choice and the right to privacy. We suggest that the existing practice of warning the customer that the advice is given on the basis of limited information be allowed to continue.

Finally, we would point out that the implementation of some of the measures of the Revised Code will require up to six months from its adoption. Many of the provisions will require the review or even establishment of new business and governance processes, the revision of published material or the publication of new material and these may take some time to implement.

Thank you for the opportunity to submit our views on the Consultation Paper. We are at your disposal for any further clarification or discussion of the views contained in this letter and the accompany submission.

Yours faithfully,

MICHAEL KEMP
Chief Executive

Encl.

CONSULTATION PAPER
CP 47
REVIEW OF CONSUMER PROTECTION CODE

RESPONSE OF THE IRISH INSURANCE FEDERATION

This document includes only the text from the proposed code that is commented on. Specific Central Bank questions that have been answered are highlighted in **Red bold** text. All IIF comments are headlined 'IIF Comment'.	
Revised Code	
Vulnerable consumers (pages 4 – 7)	

We have serious concerns about the definition and deployment of the concept of 'vulnerable' consumer in the proposed code. It also appears that the CB is adding to the overall requirements for dealing with *all* customers in order to address its concerns about 'vulnerable' consumers. We see no reason to add to requirements in this way. Requirements that products be 'suitable' easily cover the concept that they be 'suitable' for vulnerable consumer. A more detailed response to the introduction of the concept of 'vulnerable' consumer can be found in our answers to **Qs. 1 & 2**.

Requirement for contemporaneous record of verbal exchange at point of sale (Page 5 and Chapter 12.1).

In general, most of the information communicated verbally during the sale will be reflected in the various items of documentation such as factfinds and reasons why letters which effectively record the sales process. In some cases calls are also recorded as a matter of normal business practice.

From the point of view of life assurance the reason-why letter could simply be extended to include a declaration by the customer that the letter encapsulates all of the information which has been discussed in the course of the interview (with perhaps a box for additional information to be inserted) and confirming that the customer understands the information with which they have been provided. The customer could then sign this document a copy of which would be retained with the other sales documentation.

The existing obligation to keep records, issue terms of business and issue reason-why letters should be sufficient to protect customers in the sales process. Whether such a system is working or not is something that the CB can already confirm through inspections, mystery shopping and spot checks. It seems, however, very onerous to impose such a requirement on a precautionary-only basis.

Knowing the customer and suitability (Page 6, Chapter 5, see Page 54)

For non-life a proportionality principle will need to apply. The purchase of motor insurance, for example, requires simply that the consumer be legally entitled to drive a motor vehicle and not details of the customer's investment-risk appetite.

For life assurance, the requirement in the knowing your customer provisions to ascertain a customer's health should be "where relevant". Also the CB should be aware that Data Protection legislations places strict limits on obtaining such information. If this information is relevant to the advice process it would normally be identified by the Factfind.

5.3 states that a provider cannot offer a product where a customer refuses to provide the information sought. The previous requirement was that if the consumer refuses to provide the information this would be noted on the consumer's records. It should be up to the consumer to determine what information he/she wishes to divulge and whether or not he/she wants to proceed with the product in such cases. We would therefore suggest that the text revert to the previous version as the current proposal appears to be an unwitting restriction of consumers rights and the right to privacy. We do not believe that 5.20a resolves these issues.

(1) **Do you agree with the indicative list of circumstances that could render a consumer vulnerable that have been included in the definition of 'vulnerable consumer'?**	(2) **Do you think that the inclusion of a definition for a vulnerable consumer and the proposals and amendments outlined above will be effective in improving the level of care afforded to vulnerable consumers during the sales process? If not, please outline any further measures you think are necessary.**

Answer to Question: 1

Inclusion of "credulity" in the list of circumstances means that these circumstances cannot be encompassed within any practical product design or compliance framework. Requiring insurers to assess something as vague as "credulity" in addition to the other criteria listed is unworkable. To even attempt to know this – in the sense implied by the definition – would require full personal and financial history together with educational and vocational records. The characteristic the the CB is reaching for here is adequately catered for within other criteria esp. "circumstances".

Answer to Question: 2

It is hard to say whether this is the case. The CB has identified problems that can arise when vulnerable people purchase financial services and it is clearly necessary that the Code offer them protection. The CB should avoid, however, imprecise and, in practice, indefinable terms such as "credulity" which are unlikely to add to protection but are bound to cause uncertainty for both insurers and their customers.

We offer the following further observations:

- Though the draft Code defines vulnerable consumer it does not specify how such consumers should be identified and dealt with; for example an individual may have retired at 60 but still be working as a doctor. Is such an individual 'vulnerable'.

- Insurers are being asked to make a judgement about whether, for example, an individual has a low level of educational attainment. In most cases they are simply unqualified to make this judgement. How is such information to be collected? There may be customers who take offence when such a judgement is made about them.

- There may be data protection issues in relation to how such information should be stored and the fact that customers will have access to it on request.

- Insurers would also have concerns about anti-discrimination legislation where they are asked to make judgements in relation to e.g. mental capacity or potential ability of non nationals to understand an English based contract.

- Some of the indications of vulnerability such as indebtedness and credit history are not relevant to life assurance sales and this information is not currently collected;

- Where business is conducted over the phone or web it would not be possible for the Company to establish if a consumer falls into this category;

- The wide definition of vulnerable consumer raises the possibility of mis-selling complaints by customers who argue when making a complaint in the future that they met the definition of vulnerable consumer e.g. in terms of educational attainment or lack of investment experience;

- A consumer may not be vulnerable at the time of taking out a policy but may subsequently become "vulnerable" as they get older. Is the CB suggesting that insurers monitor each of their customers to assess whether or not they are becoming vulnerable.

- The enhanced provision relating to knowing your customer and suitability are adequate protection for the vast majority of consumers. If the Central Bank wishes to apply special rules to a specific and well-defined category of consumers e.g. older persons, then this should be clearly and unambiguously addressed in the Code.

- Whilst we believe that the concept is unworkable we do not see how even the concept of a 'vulnerable' consumer applies in non-life insurance. Existing rules on mis-selling afford adequate protection to consumers.

Information about products (Page 8, Chapter 4 – 27 and 32)

It is our understanding that these requirements would not apply to life assurance products covered by the Life Disclosure Regulations, PRSA Disclosure or Occupational Pensions Disclosure requirements. Please confirm.

(5) Do you think the proposed requirements in relation to the provision of information about products are adequate? If not, please set out how you think the requirements could be strengthened

Answer to Question 5:

It is vital that information requirements be consistent irrespective of producer or distributor. If tracker KFD extended, it should replace and not duplicate existing life assurance requirements. Also we urge the CB to consider the evolving debate about product information taking place at EU level. e.g. PRIPs initiative etc. The CB must not pre-empt these requirements as this will ensure complications later on.

(6) In light of the developments at European level, do you think we should introduce requirements in relation to the presentation of information on investment products in a short Key Facts' Document?

Answer to Question 6: The Life Disclosure Regulations will need to be reviewed in the light of PRIPs/IMD. We would prefer not to see piecemeal changes introduced by the CB in advance of this. Whether other disclosure regulations in addition to life disclosure i.e. PRSA and Occupational Pension disclosure need to be reviewed should also be considered.

(7) Is there any specific information that should be provided, either in a 'Key Facts' Document or otherwise, in respect of other types of product?

Answer to Question 7: We would be happy to provide input to the CB on any review of disclosure requirements for insurance products. A good place to start may be with the requirement under the Distance Marketing Regulations to provide 'h)...a description of the main characteristics of the financial service to be supplied by the supplier'.

(8) Do you have any ideas about how to disclose risk in the case of investment products in a way that would be consistent enough to be useful for consumers?

Answer to Question 8: This is a complex area. We would be happy to work with the CB to develop ideas but the timescale for responding to this consultation does not permit proper consideration of the issues involved at this stage.

(9) In a system such as a 'traffic light' system, how do you think the different categories of risk, i.e., red, amber and green, should be determined?

Answer to Question 9: With regard to investment products, we support a risk identifier system but a traffic light approach seems to suggest danger as opposed to risk.

We have previously indicated (in our response to the consultation on the Life Disclosure regulations) that some form of standardised risk indicator would be helpful. However we would suggest that a red/amber/green approach is too simplistic and in particular would query whether ever any customer would ever opt for a product with a red rating.

We would suggest that the amount of work involved in devising such a system which could be applied consistently across the various sectors should not be underestimated. We would be happy to participate in such an exercise.**PRSAs** (Page 10, Chapter 4.70 plus appendices B and C)

(10) Do you think these requirements continue to be appropriate?

Answer to Question 10: No. We suggest that the special rules for PRSAs introduced by the Regulator (in addition to the extensive product regulation by the Pensions Board) should be reviewed. The requirements for PRSA are more extensive than for other products; PRSAs are also pre-approved by the Pensions Board. The existing disclosures contained in the Appendices may have been appropriate when PRSAs were new to the market. However the PRSA disclosure requirements are more onerous than for other products and should be scaled back. We suggest that the enhanced requirements in relation to knowing the customer and suitability should be sufficient and that the additional PRSA requirements should be withdrawn. It is difficult to understand why PRSAs should be subject to these requirements given that other pension and other products which are not subject to product regulation are not.

Product Producer Responsibilities, CB survey of product trends (Page 10)

This appears to be a step towards product regulation and implies that there will be detailed new reporting requirements. It could consume significant resources. Can the CB's objective be met in another way?

New requirements for product producers to identify target market and review annually post-launch (Pages 11 and 12, Chapter 3.43 and 3.45)

We understand that the CB's comments are directed at investment products developed after the implementation date of the new Code and not to existing products. To a large extent these requirements reflect what would normally take place in insurance companies in relation to product launches and keeping products under review. We would however suggest that the requirements are too inflexible and rest upon flawed premises. It should be open to companies to review products "regularly" rather than at strict annual intervals. In addition products will become obsolete in the normal course of business and will be withdrawn or amended as appropriate. We do not see why there should be a requirement to notify the Central Bank in such cases. To do so may give the impression that there might be question marks over the suitability of products sold to customers prior to that date which would not be helpful if a customer subsequently makes a complaint. It seems more sensible for the CB itself to review ex post (i.e. after products are in the market) whether the market is functioning sufficiently well so that as many people as possible are served with appropriate products and that no anomalies have arisen.

Obligation on providers to give intermediaries accurate product information (Page 11, Chapter 3.44)

Our members fully accept that they have an obligation to provide intermediaries with accurate product information. However this should be satisfied by an objective test of the information concerned. Paragraph 3.44 states that the "product information should be sufficient to enable those who sell the product to understand it so as to be able to determine whether it is suitable for a consumer". This introduces an element of subjectivity insofar as the insurer cannot be sure that the intermediary will understand the literature and whether the intermediary would be able to properly explain the product to the consumer. The onus should be on the intermediary to seek additional information if he/she feels that there is a need to do so. We would therefore suggest that the second sentence in this paragraph be deleted.

Target levels of business or commission arrangements must not give rise to a conflict of interest

We note that this implements the recommendations of the Intermediary Working Group. We would confirm that it is our understanding that these requirements do not apply to tied agents.

We note the requirement for insurers not to put intermediaries into a conflict of interest position. In practice how will the insurer know in all cases whether a conflict of interest may arise? How will the Bank test such cases?

(11) In relation to identifying a target market of consumers for a product, what are the key consumer criteria that you believe should be used?

Answer to Question 11: This question invites unnecessary interference in the market and, even, product regulation – which, we believe, cannot be the CB's intention. The Code is rightly concerned about identifying and preventing the sale of *unsuitable* products but the task of identifying what is 'suitable' in advance is somewhat Utopian and would be an intrusion into the workings of the normal market. In other words other than the requirement for products to meet a real consumer need insurers have no *collective* view on what products are 'suitable' for what market. Leaving aside the legitimate concern of the CB that insurers should not sell products that are, demonstrably (from the principles of the CPC) *unsuitable*, the question of determining what is suitable is something which, in principle, competitors in a market *cannot* agree on. Hence individual members of the IIF seek market share on the basis of seeking individual superior competitive understanding of these things.

(12) Is the consumer information listed in Chapter 4, Provision 32 useful when identifying a target market?

Answer to Question 12: Yes. But see our answer to 11 above. For life assurers the relevant provisions are contained in the Life Disclosure Regulations and, therefore, we do not see a need for provision 32.

(13) Do you agree with the requirements outlined in Chapter 3, Provision 45? How often do you think that reviews of products should be undertaken?

Answer to Question 13: The requirements are unrealistic. It should be open to companies to review products "regularly" rather than at strict annual intervals. In addition products will become obsolete in the normal course of business and will be withdrawn or amended as appropriate. We do not see why there should be a requirement to notify the Central Bank in such cases.

(14) Should product producers be required to periodically review applications for their investment products, received through their direct sales force and through the intermediary channel, to ensure that actual sales are consistent with the targeted market? Do you foresee any hurdles to the implementation of this requirement in practice?

Answer to Question 14:
It would be normal practice for insurers to review applications through their direct sales forces. However insurers cannot review applications through the intermediary channel as the advice given in such cases is fully the responsibility of the intermediary.

Termination of appointments (page 15)

(15) Do you agree with this proposal? If not, what specific issues arise in respect of appointments from entities other than insurance providers?

Answer to Question 15: Yes. We note that this confirms the report of the Intermediary Working Group.

Remuneration disclosure (Page 15)

(16) Do you agree with the proposal that a requirement to disclose remuneration from product producers should be imposed in circumstances where there are currently no requirements in place in this regard?

Answer to Question 16: In principle we are in favour of a level-playing field in the disclosure of remuneration. However we understand that this proposal requires only the remuneration disclosure of the intermediary and not the financial advisor(s) within that intermediary office. Clarification is necessary as to whether there is any intention to impose a remuneration disclosure regime on products sold to trustees of occupational pension schemes.

Errors handling (Page 16. Chapter 11, 1-7)

Our members do not agree with the approach to substitute for a materiality test the requirement to notify cases which cannot be resolved within one month (which is in any event too short). We believe that the CB should instead seek to devise some form of materiality test.

We assume that the reference to errors in this chapter is not just to once off cases but to the discovery of systematic errors.

The interaction between the one month and the six month periods as currently drafted is unclear. We would suggest the imposition of a qualitative requirement instead, e.g. that entities must rectify errors "as soon as practicable".

(17) Do you think this approach to errors handling will reduce the incidence of errors and lead to an improvement in the way in which regulated entities handle errors involving consumer detriment?

(18) Do you think the proposals are adequate to prevent repeat errors from occurring?

Answer to Questions 17 and 18: We believe that these proposals are unnecessary restrictive. Our key concern is is that materiality needs to apply. It is difficult to create regulations that do not differ between very minor errors that pose no threat to the consumer on the one hand and errors that may be more serious on the other. Also the proposals need to allow for the difference between errors that are simple and those that are complex.

(19) Do you think the six-month timeframe to rectify errors involving consumer detriment is appropriate?

Answer to Question 19: Yes, but the Code should allow for a longer period to be agreed with the CB in exceptional circumstances where, for example, there is a requirement for systems changes or the problem is demonstrably very intricate. We suggest that the language used could be amended to allow the Company to make all reasonable efforts to fully resolve such errors within the timeframe outlined except where a longer period has been granted by agreement with the Central Bank. We suggest that the CB could require that errors be cleared up within six months and if not then the insurer should seek an extension.

(20) Do you think our proposal that only errors that cannot be resolved within one month should be reported is an improvement on the current situation? Is the one-month timeframe appropriate? If not, please suggest an alternative.

Answer to Question 20: We would prefer to see a materiality test. One month to rectify all such errors is too rigid and would be difficult to achieve especially where an error may occur as a result of a fault on broker software which is used across the industry (i.e. Open GI, Relay etc) and which the Company may not own. If the Central Bank requires that Companies report such errors within one month, it is likely that the Central Bank will become inundated with queries and reports concerning errors that may be minor in nature. In addition, this presents a risk that future errors could occur during the remediation due to the timeframe being too short.

For Pension related errors, longer time periods are always required as refunds cannot be made without appropriate tax being deducted, this requires contact to be made with the policyholder and the return by the policyholder of their taxation certificate before a refund can be processed. In addition payments are made on Pension policies in the same manner that a claim was made e.g. 25% to policyholder with the remainder to be sent to another company for investment in a post retirement policy, this requires individual policy investigation. Finally for unit pricing errors notification of the error is by way of a 3rd party typically and typically there is a time lapse between the date of initial notification of an error and being provided with full details of the error, this will therefore eat into the 1 month time period in every unit pricing error case. Regardless of the impact of a unit pricing error e.g. whether all policies are affected by under €1 or over €100 the same amount of work must be carried out to isolate each policy invested in a fund and establish the % of the money invested in a fund etc. It is a time-consuming process that needs to be carried out correctly and must happen before any policyholder is notified.

Due to the investigation process required to identify all policies affected by an error any time requirement should only commence from the date that the investigation has been completed. Hence one month and six months (19) from the date of error discovery is not appropriate or achievable.

Finally it is not practice within the industry to remediate unit pricing errors on in-force policies with interest payments. Interest is always applied to remediation's on out of force policies as the policyholder has suffered a financial loss, whereas with a unit pricing error on an in force policy the unit adjustment places the policyholder back into the same position had the error not occurred and no financial loss occurs. Interest may be earned by the policyholder in these cases due to positive fluctuations in unit prices.

It may help if the CB were to define 'error' in the Definitions.

Unsolicited Contact (Page 17, Chapter 3.29)

(21) Do you think that the proposed times for permitting unsolicited contact are appropriate?

Answer to Question 21: This is unreasonable. The Central Bank seems to be proposing to restrict significantly the provisions in relation to cold calling without offering any justification or rationale for doing so. The existing code requires the service provider to terminate the call immediately the recipient does not wish to proceed. This is adequate. If there are specific issues which have arisen perhaps this could be discussed.

The timescale for the various stages in the transaction are too restrictive, do not seem to serve any useful purpose and will ultimately risk damage to a key channel for the supply of certain kinds of insurances. For example removing Saturday would seem to remove times when, for example, couples are likely to be together at home. Introducing a 7pm deadline will in effect preclude any contact with some consumers, many of whom may not be available before 7pm due to working arrangements or family obligations. These restrictions will make it more difficult for consumers to purchase insurance protection products. Some firms conduct a large percentage of business after 7pm at consumers requests because this is when they have time available to have a full and complete discussions. We are not aware of any public concern about the 9pm deadline and we see no justification for eliminating the right to contact people on a Saturday. For many people, Saturday is a normal working day and some banks and building societies are open to transact business on a Saturday. Please also note the cooling off rules that already apply.

Our understanding is that where an existing consumer consent for contact is held, this is not considered unsolicited contact. Also the annual financial reviews carried out with existing consumers is an integral part of Know Your Customer requirements and, we understand, should not fall into the definition of unsolicited contact.

(22) Do you think the restriction on the sale of products or services to protection policies only and the prohibition on the sale of protection policies on a first unsolicited contact will enhance consumer protection?

Answer to Question 22: No. See answer to question 21. Also, not being able to conclude a sale on a first contact may well disadvantage the consumer, e.g. a consumer not being able to purchase something he/she requires immediately. In addition a consumer who then decides that he / she does not want the product is able to avail of the Cooling off period. Customers ought to have the right to purchase

the product immediately so long as they are notified about their rights to cancel within the cooling off period.

(23). Do you agree with the proposals in relation to arrears handling? If not, please set out your suggestions on appropriate measures.

Can the CB confirm that this does not apply to insurers.

Small Print / Key information (page 19)

'Key Information' to include criteria for availing of a product, exclusions, minimum or maximum investment, operating balance, restrictions on access or withdrawals, penalties/charges, fixed or variable rates and rates applicable after promotional rates.

(25) Do you agree with our definition of 'key information'?

Answer to Question 25: We are concerned that the CB is seeking both to unnecessarily complicate the existing advertising requirements and to pre-empt the discussions at EU level concerning future requirements for investment products. We do not believe that the CB's objectives can can be practically addressed in this way. Some of what the CB is alluding to in its definition is clearly the kind of information that would need to be supplied at some stage in the sales process.

Our understanding is that life assurance sales are covered exclusively by the requirements of the Life Assurance (Disclosure of Information) PRSA Disclosure Regulations and Occupational Pensions Regulations which oblige insurers to provide annual statements on policies and we do not believe it is the intention of the regulator to impose a new, duplicate requirement that insurers detail charges in advertisements. On a dual life protection plan, there could be up to 180 different charges deducted in a year, plus perhaps 250 daily fund management charges. Similar wording was in the draft code at 43 d) and the IIF raised a number of questions in its submission.

(26) Do you think that we should go further than proposed? In particular, we would welcome your views with regard to the usefulness of small print in advertisements.

Answer to Question 26: No. In fact customers should be allowed to proceed to full sale in initial contact with an insurance company so long as the consumer concerned has been made aware of key information about the product, positively indicates that they wish to proceed with sale, and are informed of the cooling-off period following the receipt of policy documentation, including terms and conditions.

With regards to the 'Small print / key information' it would seem from the details of Key Information that this is not very relevant for insurers. If it is intended to include insurers, we would need clarity in relation to what is meant by 'Key information must be included in the main body of an advertisement', e.g., does this mean that the Terms and Conditions should be within the main body of the advertisement?

CHAPTER 1

SCOPE

Application

The Code does not contain any reference to the Life Assurance Disclosure Regulations, PRSA Disclosure Regulations or Occupational Pensions Disclosure Regulation. In the previous Code and in follow up contact with the Irish Insurance Federation it was made clear that the disclosure requirements in the Code (including requirements for e.g. statements) did not apply to life assurance policies because of the existing legislation on these. Similarly there are requirements imposed by the Pensions Act in respect of pension schemes (Occupational pensions Disclosure) and PRSAs Disclosure. Please confirm that these legislative requirements continue to take precedence over the Code for life assurance products. We also note that the definition of "investment product" has been revised to include life assurance investment products (and products sold to occupational pension schemes?). Again it is not clear to us how this amendment is intended to interact with the existing legislative requirements.

Clarifications on the existing code issued in July 2007 exclude approved occupational pension schemes but does include trustees of pension schemes; which is confusing. The Code needs to be reviewed to ensure that it caters for such structures properly (i.e. Who is the Consumer in the structure – Trustees, Employer company or the member) The regulated entity corresponds with the Trustee providing professional services and only has a look through to the member contract. There is a significant difference in the level of reporting to Trustees which is not required under the Pensions Act.

We are aware that the Bank has for some time been planning a review of the Life Disclosure Regulations and is currently monitoring developments at EU level in relation to PRIPS in this regard. The industry would not like to see a situation where piecemeal changes might be introduced by the revised Consumer Protection Code and then further significant amendments introduced by the PRIPS initiative.

We suggest that the CB should revisit the definition of "consumer" which has not been amended in the new draft Code. The definition currently includes small businesses and trustees in all circumstances. Personal customers are only covered when they are acting outside their business capacity. We are aware that the deinition follows that used by the FSO – but, given other definitions extant in EU legislation, that exclude, amongst other things, unincorporated business over a certain size – we do not see why this should be the case.

In general, it is not always clear whether some provisions of the Code are aimed at some sectors only or at all regulated entities. For example, if the word "account" is used, does this mean that only bank accounts are covered by that provision?

CHAPTER 3

COMMON RULES

GENERAL REQUIREMENTS

Processing of instructions (2)

The need to acknowledge an instruction in 2 business days is simply unworkable. Has this wording being developed with bank transactions in mind? We are not clear what is meant by 'instruction' or 'acted on'.

Any attempt to meet this requirement would result in significant expense for insurers and it not clear why it is considered necessary.

What types of instruction/situation is the Central Bank concerned about? In general this provision may require insurers to incur the expense of writing twice to customers incurring additional expense but with no real benefit to the consumer. We would suggest that the text revert to the previous version which is an obligation to process instructions properly and promptly.

With regard to life assurance, typically where the processing of an instruction may impact on the value of the transaction e.g. fund switching or encashment, the value that the customer receives is based on the price applying at the time the instruction is received (or the following day). This is the case irrespective if how long the processing might take (although this is generally done promptly).

More detailed provision re receipts (4)

There is some confusion about this requirement as it overlaps with but does not exactly follow Section 30 of the Investment Intermediaries Act. There should be consistency between legislation and the Code in relation to this. It should be sufficient for a Company to include the name and address of the policyholder on the receipt as any payment will be in relation to their policy and in the vast majority of cases, the policyholder will make the payment.

Placing of warnings (7)

The requirement to show warnings alongside the benefits would not seem necessary in product literature which may have a number of pages describing the benefits of the products. It should be sufficient in such cases for the warnings to be placed in an appropriate place.

Power of Attorney (8)

The requirement in relation to powers of attorney is useful clarification and confirms normal industry practice. However an insurer can only act on a power of attorney where it is aware of its existence and the text of the Code should reflect this.

Tying & Bundling (13)

Where this is referred to the commentary on page 21 it would appear that it applies only to banks. However in the proposed text of the draft Code this distinction is not made. Do these provisions apply to insurers?

Our understanding of the intention of this provision is that a financial institution should not make the purchase of one product contingent upon the purchase of another product. An insurance policy may provide cover for a range of risks (usually referred to as 'combined' or 'multi-risk' policies) which could alternatively be purchased from that insurance company or another insurance company as two or more separate policies. Many non-life covers are bundled into one product (e.g. a commercial product could provide cover for Employers Liability, Public Liability and Property risks. Motor policies commonly provide cover for Third Party liability, Accidental Damage, Fire and Theft, Breakdown Assistance, Windscreen cover, Personal Accident etc). We understand that it is not the intention of the regulator to outlaw such policies or to prevent intermediaries entering into appropriate Terms of Business between themselves and their clients. It would be preferable if this could be made explicit in the wording of the Code.

Prior to the sale of a bundled product or service, a regulated entity must provide the consumer with information in writing (16)

It is assumed that where the sale of an insurance policy is completed over the telephone or internet, where it would not be possible to provide this information in writing at point of sale, that the requirements as set out in the Distance Marketing Regulations will apply. This should be made explicit.

Optional extras (18a)

It is assumed that where the sale of an insurance policy is completed over the telephone or internet, where it would not be possible to provide this information in writing at point of sale, that the requirements as set out in the Distance Marketing Regulations will apply. This should be made explicit.

Remuneration (20)

Some amendments have been made here and it is not clear what the effect of these is. Does the removal of "certified persons" mean that fees can no longer be paid to solicitors?

The provision which allows payment to be made to a former regulated entity presumably is intended to permit the short-term payment of commission in respect of pipeline business to a retiring intermediary and not to permit the long-term payment of renewal commission. Please clarify.

Conflicts of interest (23)

See comments under **Recommendations of Intermediary Working Group** above**.**

A *regulated entity* must not provide a *protection policy* to a *consumer* on the basis of an unsolicited personal visit or telephone call alone... (33)

This appears to ignore the cooling off period and imposes additional restrictions. We are not sure why it is deemed necessary and it would not prove to be beneficial to the consumer as urgent protection cover is a common occurrence in the industry. Also clarification from the Central Bank is required as to whether its intention is to remove individuals exempt from the need for authorisation. E.G. It is noted that Solicitors are not included in CP47.

The requirement to have at least 5 business days and no more than 10 business days between an initial call /visit and any subsequent call /visit is unnecessary, unduly restrictive. If a consumer is interested in a subsequent call or visit, surely it should be left to the discretion of the caller and the consumer to decide when the appropriate time to meet is. What happens if the consumer is only available in the next 5 days or is not available for more than 10 days? What happens if the consumer wants to meet the following day? The cooling off period provides adequate time to any consumer to reflect on a decision made and without placing further restrictions on when an agent may meet a consumer. How is it proposed to track when an initial contact and subsequent contacts are made? Who is responsible for maintaining records of this and how is a dispute between the caller and the consumer going to be resolved? All of this seems unnecessary with no obvious additional protection to the consumer. The key point here is that a protection policy cannot be sold without a full financial fact find being done by the consumer and a reasons why statement being produced. In addition a cooling off period then applies if a sale is made so there is ample opportunity for the consumer to back out of a sale. We see no benefit to the proposed change. It will give rise to confusion and disputes. Effective application of the current rules provides proper protection to the consumer.

CHAPTER 4

PROVISION OF INFORMATION

GENERAL INFORMATION

Increased notice of changes to range of services (3)

Notice re ceasing to operate (4)

IIF Member comments

The current Code requirement, i.e. that changes to range of services requires one-month's notice, offers sufficient protection to consumers. A change to require two months notice of change presents little by way of additional protecting consumers, while making it very much more difficult for financial service providers to change their services, often as a reaction to market developments and on the basis of legitimate commercial interest.

Although the Non Life Renewal Regulations (S.I. No. 74 of 2007) state that an insurer must provide a consumer with their renewal documents not less than 15 working days prior to renewal, in practice, these documents are issued between 4-6 weeks prior to renewal date. As we do not alter a policy unilaterally mid term, renewal is the only time that the Company can amend the services we wish to provide, therefore the systems that are currently in existence allow this information to be conveyed to the consumer efficiently at renewal.

The introduction of a two-month notice period will require a separate standalone mechanism to be developed to ensure that all relevant consumers receive notification on something that won't affect them until or unless they renew their policy in two months time. This would impose a significant cost as change would be required within the business both from an IT and Business perspective. It would also potentially confuse the consumer to receive such notification on a standalone basis if not aware that their policy cannot be amended mid-term with the resultant increase in consumer queries and subsequent additional cost of these.

INFORMATION ABOUT REGULATORY STATUS

Regulatory disclosure statement not required on SMS message (8)

The requirement to have a regulatory disclosure statement on all radio advertising is expensive and unnecessary. It confers no conceivable benefit by its presence and poses no conceivable risk by its absence. It is not the practice in other EU countries (including the UK). Telling consumers that a regulated entity is regulated in an advertisement is entirely unnecessary – especially since the requirement is repeated at future stages in any developing relationship. The CB needs to consider this as a significant regulatory cost with no benefit.

Regulated entity must have separate stationary/website sections for non regulated activities (10, 11)

This is potentially *very* impractical.

The application of this requirement to insurers would seem to give rise to anomalies. Insurers only offer regulated services. Some of these services are regulated by the Central Bank. Others might be regulated by the Pensions Board in its role as Registered Administrators for example. We suspect that this provision is aimed at other sectors and this should be clarified

A regulated entity must draw up its terms of business and provide each consumer with a copy at the outset of its relationship with the consumer (15)

Terms of business (16)

Where a regulated entity makes a material change to its terms of business, it must provide each affected consumer with a revised terms of business as soon as possible and inform the consumer of the effective date. (18)

It would be helpful to clarify what "at the outset of its relationship with the consumer" means, i.e. should this be prior to providing a quote or form part of a quote pack with a quote, or where a customer receives a quote and proceeds to purchase a policy with a provider by telephone. Is it sufficient to provide a terms of business with policy information and before a "cooling off" period expires? This rule should be along lines of other requirements, with face-to-face interaction requiring a "terms of business" at first interaction and telephone contact requiring provision of these with the first documentation forwarded to a consumer, and contact otherwise by electronic means requiring issuance at the time of provision of first service, i.e. on a website.

It is assumed that where the sale of an insurance policy is completed over the telephone or internet, where it would not be possible to provide this document at point of sale, that the requirements as set out in the Distance Marketing Regulations will apply here, namely that this document must be provided to the consumer within any cooling off period. It would be useful if the Central Bank could make this explicit in the wording of this provision.

Disclose shareholdings of/by regulated entities (20)

This is a new requirement to advise consumers of shareholdings is absurd and completely unworkable.

A requirement to make consumers aware of the corporate structure of the entity should only be imposed where necessary.

Again we would suggest that this provision is aimed at other sectors in the financial services industry. Disclosure of shareholders is already required by the IMD. It is relevant if it may impact on the advice given by an entity. It makes no sense whatsoever for insurers who are members of financial services groups to have to disclose for example cross-shareholdings in banks or investment management houses within the same group where no possibility of a conflict of interest arises.

A regulated entity which offers financial services under a number of business names and business images, whether directly or indirectly, must disclose... (21)

This provision could give rise to unintended effects. In many cases the complexity of this information is irrelevant to consumers as no possibility of a conflict of interest arises.

INFORMATION ABOUT PRODUCTS
Before offering, arranging or recommending a product, a ***regulated entity*** must provide information about the main features...(27)

We cannot see how (27) can apply to non-life.

Requirement to notify consumer in advance of acting on any term or condition (29) is a new requirement.

For **non-life** there will be circumstances where it is impractical – e.g. when cover is required immediately.

For **life** it may cause problems – e.g. operation of market value adjusters or other changes to fund pricing?

In the insurance industry there will be situations where insurers apply a market value adjuster or change the pricing basis of a fund or restrict encashments because of outflows from funds where if this action is not taken it may impact negatively on those remaining in the fund. In such cases it is simply not possible to tell customers in advance that this is happening as it may create a run on the fund. Customers who wish to encash from the fund are advised of the impact. There should be no obligation to inform customers who are not seeking to encash or who have the option of investing in that fund but who have not to date chosen to do so.

In general this a very broad provision and it is not clear to us what type of activity the Central Bank is seeking to restrict. It is also important to remember the cooling-off rules. We would be happy to discus this in more detail as to whether there is any applicability to the insurance sector.

Before offering, arranging or recommending an investment product the regulated entity must provide the consumer, where relevant, with information (32)

Again, we assume that this does not apply to life assurers as they are covered by the Life Disclosure Regulations.

Additional requirement re quotes (51) (5.2 of the old code)

This adds a requirement that the information given must be to 'a level that enables the consumer to make an informed choice'.

What is the interaction of this provision with the provisions of the Life Disclosure Regulations?

PHI (55) (5.6 of the old code).

The list of items to be explained has been extended to include exclusions.

Although general exclusions can be explained at the point of sale customer specific exclusions imposed by underwriters will not be known at that stage.

Where an insurance undertaking refuses to quote for motor insurance (58)

This should not refer to the Declined Cases Committee (DCC) "of the Irish Insurance Federation". The DCC exists because of successive Declined Cases Agreements between all motor insurers (not just IIF members) and relevant Minister. We service the DCC but it is not "of the IIF". Ref to the "Declined Cases Committee" is sufficient.

Additional information where premium is subject to review (61)

Whilst we would accept that it is important that every customer is fully informed of the possibility of future increases, we would suggest that this is best addressed in the policy literature. The requirement to put a warning on an application form can cause problems as typically application forms can be used for a number of products including ones where the premiums may be fixed.

The wording of the warning is very inflexible. Individuals may opt for an indexation option where premiums will increase annually. It may also be the case that premiums may increase in the event of changes requested by the consumer. We would suggest that more flexibility is given about the wording.

A regulated entity must issue policy documents to the consumer within 10 business days of all relevant information being provided by the consumer and cover being underwritten. This provision also applies in the case of renewals (57)

The timeframe needs to be consistent with the nonlife Renewal Regulations which state 15 days. Issuing policy documents at renewal is unnecessary and adds cost without adding consumer benefit. This should be removed.

INFORMATION ABOUT CHARGES

Information about charges (71) (2.44 of the old code)

Again we would query the interaction of this with the Life Disclosure regulations, PRSA Disclosure Regulations, and Occupational Pension Schemes Disclosure regulations.

A regulated entity must display a schedule of its fees in a public area of its premises. (80)

Is it intended that this should apply to insurers? Why? What types of fees are covered?

CHAPTER 5
KNOWING THE CONSUMER AND SUITABILITY

A regulated entity must gather and maintain a record of details of any material changes to a consumer's circumstances before providing that consumer with a subsequent product or service. Where there is no material change, this must be noted on a consumer's records. (2)

The requirement that no material change must be noted adds administrative burden on insurers without improving consumer protection. Surely the absence of record of material change should be enough to show no material change has occurred.

A regulated entity must ensure that, where a consumer refuses to provide information... (5.3)

This states that a provider cannot offer a product where a customer refuses to provide the information sought. Is this the CB's intention? The previous requirement was that if the consumer refuses to provide the information this would be noted on the consumer's records. It should be up to the consumer to determine what information he/she wishes to divulge and whether or not he/she wants to proceed with the product in such cases. As well as falling foul of Data Protection legislation the provision may restrict customer choice. We would therefore suggest that the text revert to the previous version. Please also see our comments in the introduction.

We understand that this provision does not apply at all to motor or household insurance.

CHAPTER 6

Statements must be available electronically (1)

The language here is unclear. Does it impose an obligation on providers always to make statements available electronically on request by the consumer or only where their systems so permit? If insurers do not currently have systems permitting electronic statements (in a suitable encrypted form) this seems an unnecessary burden to place on them. Surely if consumers demand it and some providers are able to provide it then this should be a matter for competition in the market place.

Does 6.3 requiring joint statements to be issued on joint accounts, apply only to bank accounts? Why is this deemed necessary? It would seem to put providers to unnecessary expense in relation to the production and posting of the statements.

Investment products

A **regulated entity** must issue statements for each **investment product held...** (11)

. We would like clarification that this will not apply where there is existing statutory communication requirements for customers i.e. Life Disclosure Regulations, PRSA, SORP

CHAPTER 8

REBATES AND CLAIMS PROCESSING

Premium rebates (1 & 2)

Five business days is too short and a more reasonable period – such as 10 days – cannot be said to disadvantage the consumer in any way.

Can we confirm that the provisions relating to rebates do not apply to life assurance? The terminology is not used in the life assurance industry. Although there may be occasional situations where a refund of premiums may be made this is done directly to the client and not through a broker's client account.

Rebate of €10 or less (5)

This is an proposal will clog up the administration process and significantly increase costs within companies. It is also regrettable that it makes no reference to a minimum threshold.

It is current industry practice for insurers not to raise a debit where it is less than a certain threshold amount and not to refund a premium where the amount is less than this threshold. As the amounts are so small, it makes sense to operate this way. The cost involved of producing payments for less than these amounts would be excessive and would make the administrative process very inefficient.

For a number of insurers mid term alterations result in a small increase in premium which falls under a threshold amount that the Company has set and as such, the debit for this premium is not raised resulting in a benefit to the consumer. If companies were compelled to refund every amount no matter how small, it is likely that the they would subsequently be compelled to charge an extra premium where the alteration necessitates no matter how small.

This provision would be enhanced if it was amended so that a Company does not need to refund an amount less than €10, with the proviso that a Company must also not raise a debit of less than €10 where this is the case.

Rebate cheque (6)

It should not be the responsibility of the Company to send constant reminders to a consumer to cash their rebate cheque. It should be the consumer's responsibility to cash / lodge them. Also, as cheques go out of date after 6 months, it is likely that if a consumer does not cash their rebate cheque until after this time has elapsed they would most likely contact the Company who would then reissue a new cheque. This process should be sufficient to deal with un-cashed rebate cheques and we would request that the Central Bank reconsider this proposal.

Claims processing (9)

non-life

9.a is rather extreme. Insurers should not be required to forward literature on making a claim before a claim is made.

non-life

With regard to non-life insurance insurers seek to settle claims directly with claimants on behalf of policyholders and, therefore, they should not be required to advertise PIAB before they have an opportunity to settle the claim directly.

9.b: We are not clear as to what the CB is trying to achieve. Where the insurance position is known to the Company, claimants (typically their own insured) are advised at present, but often the insurance position is not known to the Company. Also, how could the Company know about the insurance position of other potential claimants or defendants?

Loss adjustor / expert appraiser (11)

Non-life

Informing claimants that loss adjustors work for the insurer should not require a separate piece of correspondence. Is there evidence that claimants believe that the loss adjustor works for anyone else? This provision is bound to add significant extra cost and may cause delay in processing a claim for no benefit.

Similarly a requirement to inform claimants of their right to engage a loss assessor is simply adding costs.

In the case of motor insurance and property insurance claims, and other claims where relevant, the regulated entity must inform the claimant in writing that the claimant may appoint a loss assessor to act in their interests and that any such appointment shall be at the claimant's expense. (12)

We believe that 'where relvant' should be deleted. The phrase is too general and allows for too wide an interpretation. Does it apply, for example, to the appointment of an investigator in a liability claim, the appointment of a doctor in a personal accident claim, etc.

Is it possible that 11. and 12. could be incorporated into terms and conditions for consumers. Insurers should have no such obligations towards claimants who are claiming against their customers.

but impose a short time limit for reply – often less than 10 days. A claimant against an insurer's customer is not a customer.

Claim settlement offer (16)

Non-life

8.16 is not necessary as insurers already use this and other methods to contact claimants about the claims decisions. There already technologies (such as phone and email) that are both more convenient to the customer and recordable by the insurer to confirm that offers have or have not been made to claimants. We do not believe that the requirement to make an offer in writing and allow the claimant at least 10 days to respond is realistic. Much business is transacted by phone, including the making and accepting of settlement offers. An inability to conduct business in this manner would is anti-consumer. It would delay settlements and add cost.

Applied to 3rd party claimants the rules is unworkable – many such claimants employ legal representation. Third party claims are settled all the time during meetings between the parties with claimants receiving all necessary legal advice to enable an informed decision to be made. Also in many 3rd party claims issues of quantum or liability are far from clear cut and it is completely legitimate that an Insurer might make an offer to avoid additional costs being incurred

CHAPTER 9

Arrears Handling

We would like confirmation that this chapter does not apply to insurance.

CHAPTER 10

ADVERTISING

Design and presentation of a advertisement (6)

Key information (6)

The requirement to show key information appears from the wording to be aimed primarily at banks for whom it seems to be more more suited. It would be very challenging in relation to an insurance products to provide key information in the way proposed by the draft Code.

Warnings (7) The requirement to show warnings alongside the benefits would not seem necessary in product literature which may have a number of pages describing the benefits of the products. It should be sufficient in such cases for the warnings to be placed in an appropriate place.

Advertising which names the product / service only (16)

10.16 states that advertising aimed at general awareness does not need to not to contain the required warnings. Presumably the requirement to include "key information" also does not apply in these circumstances. Please confirm.

Minimum price or potential saving (18)

Advertising – references to min. price or potential savings must be available to at least 50% of target market (Chapter 10.18) This may have serious implications for non-life products and may be an unwarranted interference with the market.

Advertising Savings and Investments (29, 30 & 31)

30. An advertisement for a product where the promised 'return of capital' is only applicable on a specific date, must contain the following warning: (30)

Warning: If you cash in your investment before (specify the particular date) you may lose some or all of the money you put in.

An advertisement for a product where there is no access to funds for the term of the product must contain the following warning: (31)

Warning: If you invest in this product you will not have any access to your money for (insert time required before the product matures).

Provisions 30 & 31, require a time or date to be inserted in the warning which is not practical or possible to apply in a generic way. This would create significant difficulties and we suggest instead that the warnings state "before the maturity date" as this could vary for different consumers e.g. retirement dates.

CHAPTER 11

ERRORS AND COMPLAINTS

A regulated entity must speedily, efficiently and fairly, correct an error that has resulted or may result in consumer detriment. All such errors must be fully resolved within six months of the date the error was first discovered, including…: (3)

See our answers to Qs. 17 – 20.

A regulated entity must not benefit from any balance arising out of a refund, which cannot be repaid, in respect of an error. (4)

A regulated entity must inform the Central Bank, in writing, of any errors that have resulted or may result in consumer detriment that have not been resolved in accordance with provision 3 or are not likely to be resolved within one month. (5)

See our answers to Qs. 17 – 20 and comments on Ch. 8. The wording in provisions 3 and 5 appear to be at odds with one another in terms of reporting timeline. Provision 5 states that reporting is only required where the error has not been handled in line with Provision 3 (i.e. resolved within 6 months) or not likely to be resolved within one month.

CHAPTER 12

Record keeping – documentation of instructions (2 & 3)

See comments on page 4.

CHAPTER 13

DEFINITIONS

"Consumer"

The definition is unchanged. See our comment on page. 14. We would like to highlight the need to address occupational pension schemes and trustee status in the review of definition of consumer and in the context of the proposed provisions as the Code does not appear to properly cater for such structures.

"employee" means a person employed under a contract of service or a person otherwise employed by a regulated entity

We do not understand how an insurer can have an employee who is not under a contract of service.

"fair analysis of the market"

The definition seems to be very subjective and we are not clear as to its usefulness. The CB might consider an approach that uses quantitative thresholds such as numbers producers, market share or a a combination of the these.

"limited analysis of the market"

Similarly 'limited' is defined in terms of the definition of "fair". As with the definition of "Fair", the CB might consider an approach that uses quantitative thresholds such as numbers producers, market share or a a combination of the these.

"Investment Product"

We note that the definition of "investment product" has been revised to include life assurance investment products (and pensions?). Again it is not clear to us how this amendment is intended to interact with the existing legislative

requirements.

In respect of the Investment Product definition and the inclusion of life policies – it should be pointed out that this is at odds with the MiFID legislation which excludes life policies as investment instruments.