

Central Bank Consultation Paper CP83 – Fitness and Probity regime for Credit Unions that are also authorised as Retail Intermediaries

Submission from Chapter 13 Credit Unions

1. Introduction

The following is the response from Chapter 13 having reviewed Consultation Paper CP 83.

Insurance is a small part of Credit Union business within this Chapter as a percentage of its total income.

- It is important to note that there is no monetary incentive to an individual staff member who operates at the front line to proffer any individual product versus another product, and in addition to that, in the global sense the amount of income generated is not sufficient to influence decision making at Board Level.

2 Response

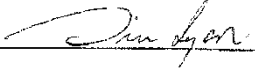
- We believe that the pre approved functions of individual Credit Unions were chosen for very good strategic reasons as they are the persons principally responsible for the Governance, Strategic direction and day to day operations of the Credit Union and they are also the people who link the operational and strategy workings of a Credit Union
- We believe that the Governance responsibility of any individual credit union in terms of providing insurance services as distinct to providing an insurance advisory service is to ensure that front line staff who deal with our members on insurance matters are suitably qualified and participate in up to date training on a regular basis.
- In most cases Credit Union involvement in Insurance matters is confined to offering one specific product for one specific purpose or for making members aware that other products are available and that they should investigate them and or seek advice before making a decision to purchase any product.
- We believe there is no need for pre approved functions other than what is already provided for in current Legislation and if any other regime is introduced it should be based on a risk analysis/profile of any additional service being offered by the Credit Union.

3 Summary

- Having reflected upon the operations of 30+ credit unions in our Chapter, we are satisfied that the current arrangements and the recently revised tailored approach proposed by the Central Bank is entirely more appropriate than any catch all fitness and probity regime which would involve all Directors and Board Oversight members who clearly have no involvement in operational matters.

We would also have a serious concern that if this process becomes excessively bureaucratic that Credit Unions will give up providing access to insurance cover to the detriment of the members.

Signed on behalf of Chapter 13



September 29th, 2014.

Tim Ryan Chairperson