



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Conduct of Business Return – Insurance

Notes on Compilation

December 2017

Abbreviations

CBI	Central Bank of Ireland
COBR	Conduct of Business Return
CPD	Consumer Protection Directorate
ESAs	European Supervisory Authorities
PRISM	Probability Risk and Impact System

I. General Guidance

These notes are designed to help firms understand and complete the bi-annual Conduct of Business Return. The primary aims of collecting these data are to provide evidence-based intelligence on the potential occurrence of consumer detriment and to inform Consumer Protection policy-making.

Reporting institutions should complete the return in respect of *conduct of business activities undertaken in the Republic of Ireland only.*

i. General FAQs

What is the Conduct of Business Return ('COBR')?

The Central Bank Ireland ('CBI') has developed the COBR which is required to be completed on a bi-annual basis by selected financial services providers. The information the CBI is requesting relates to:

- general regulated entity details including compliance staff and MCC accreditation data;
- the regulated entities' book of personal consumer business;
- detailed complaints data;
- sales and strategy developments and
- Early encashment and advertising spend

Why is the Consumer Protection Directorate ('CPD') developing a COBR?

To date, the CPD has largely identified consumer risk by monitoring compliance with various conduct of business requirements including, amongst others, the Consumer Protection Code. This compliance monitoring is achieved primarily through activities such as themed inspections; mystery shop reviews; advertising monitoring; together with reviewing and analysing any other data, information and research which comes to our attention.

A new Market Intelligence function has been established in CPD to more formally capture relevant information and proactively research issues impacting consumer protection.

The COBR will be one of the key evidence sources which will help identify and analyse data and trends which may translate into conduct risk and result in poor outcomes for consumers. It is a strategic priority¹ for the CPD and will support proactive and early intervention supervision of firms.

The Central Bank's overarching aim in consumer protection is to *get it right for consumers*. This is underpinned in the 5Cs framework – Confidence, Compliance, Challenge, Culture and Consumers. This drives the Central Bank's consumer protection work to ensure that it continues to prioritise the interests of consumers of financial services. In order to achieve this, work is focused on setting standards for firms and monitoring and enforcing those standards. The introduction of the COBR is consistent with the 5Cs framework.

What will the COBR data be used for?

The introduction of the COBR is one key element of our overall market intelligence framework:

- The data from the COBR and additional sources (data from other agencies, research projects and results from thematic review and inspections etc.) will be analysed for issues of possible consumer detriment and fed into the CPD's bi-annual market intelligence report. This information will be used to influence and plan themed inspections, policy formulation, communication messages and possible enforcement actions.
- It is anticipated that the sourcing of such evidence-based information will enable the CPD to proactively anticipate and intervene earlier in key consumer risk issues.
- It is anticipated that data from the COBR will be used to source Key Risk Indicators to feed into PRISM in order to help supervisors score Conduct Risk for regulated entities.

How was the return developed and who did the CBI consult with?

The COBR was devised following:

- an extensive scoping exercise (of existing CBI regulatory returns, conduct of business data/returns in other jurisdictions)
- consideration of the European Supervisory Authorities (ESAs) future data reporting requirements
- Internal discussion.

The CBI considered the specific data requirements of CPD that would be needed to identify possible risks/issues of consumer detriment.

The CBI also consulted extensively with an Insurance Ireland working group to ensure that industry considerations were discussed and addressed.

Is there information in this return that is duplicated in other CBI supervisory reports?

No, this is a new reporting requirement based solely on personal consumer-related data. The CPD identified a gap in reporting which cannot be fulfilled by using information that is already being captured in other regulatory reports submitted to the CBI.

¹ High Level Goal 5 of the Central Bank's Strategic Plan 2013-2015 is: '*Protection of consumers of financial services*'

The focus of our return is specifically on conduct of business – this is the dedicated work of the CPD so we require specific information relevant to our key objectives. Where the COBR requests data on sales/product offerings, the nature of the data requested relates solely to *retail* product offerings. Existing CBI regulatory returns do not offer the retail/personal consumer breakdown of data which we now require in order to meet the overall objectives of the new Market Intelligence function.

What happens if I cannot make deadlines?

We are aware you may need time to consider our requirements within your current systems and any additional resources required to refine, categorise, collate and analyse information as well as the development of appropriate sign-off procedures. CPD has consulted with Insurance Ireland to come up with a practical deadline for you to provide the necessary detailed information to us and one which takes account of other priorities in the insurance sector at the moment. We are also providing you with this document to ensure that you understand what is required.

Are there plans to change the content of the report in the future?

There are no immediate plans to make any content changes to the COBR, however it is expected that any changes would be done with prior consultation with industry, as standard best practice.

Is participation mandatory?

The CBI is requiring regulated entities to submit the COBR data under Section 5C of the Central Bank Act 1942 and under Sections 22(1) and 22(3) of the Central Bank (Supervision and Enforcement) Act 2013. Data received will be used by the CPD as a supervisory tool.

Are there any definitions to help me clarify the Product and Problem codes?

Yes. In *“II. Detail on each section of the return”* of this document, we have clarified terms used in the COBR and have included product and issue definitions, to guide you and to ensure consistency of interpretation. This will enable you to provide us with the most accurate data. When collating data, industry should reference only the definitions used in this document.

How will data from the return be used? And will the information be made public?

Firm specific data will not be made public and is solely for internal use in the CBI. Aggregate data may be published, for example as part of the results/findings of a themed inspection. Any future changes to disclosure of the data will be done in liaison with industry representative bodies (IIF).

Where do I go if I need further information?

We hope that this FAQ addresses any questions you may have. If you have any further queries, please submit the queries using the *Submit a Request* function on the ONR.

ii. Reporting Frequency

The return must be completed on a bi-annual basis. The return must be submitted **20 business days** after the last day of the reporting period in question.

The first six-monthly return in a given year ('H1 Return') will report on the data applicable to the period 01 Jan to 30 June.

The second six-monthly return in a given year ('H2 Return') will report on the data applicable to the period 01 July to 31 December.

iii. Application

This return applies to the **regulated activities**² of **regulated entities**³ operating in the State, including:

- financial services providers authorised, registered or licensed by the Central Bank of Ireland; and
- Financial services providers authorised, registered or licensed in another EU or EEA **Member State** when providing services in this State on a branch or cross-border basis.

The COBR will initially be piloted to insurance providers that have a significant retail presence in the State. It is anticipated that all regulated entities, in due course, will submit conduct of business data.

Data submitted in the COBR must relate to **personal consumers** resident in the State only. As per the Consumer Protection Code 2012, a **personal consumer** is defined as: "**a consumer**⁴ who is a natural person acting outside his or her business, trade or profession". As such, data relating to the provision of financial products/services to any form of incorporated body is not required for the purposes of the COBR.

² "**regulated activities**" are the provision of products or services that are provided in this State by a **regulated entity** and which are subject to the regulation of the Central Bank of Ireland and a "**regulated activity**" is the provision of any one such product or service;

³ "**regulated entity**" means a financial services provider authorised, registered or licensed by the Central Bank of Ireland or other EU or EEA Member State that is providing **regulated activities** in the State;

⁴ "**consumer**" means any of the following:

- a **person** or **group of persons**, but not an incorporated body with an annual turnover in excess of €3 million in the previous financial year (for the avoidance of doubt a group of **persons** includes partnerships and other unincorporated bodies such as clubs, charities and trusts, not consisting entirely of bodies corporate) or
- incorporated bodies having an annual turnover of €3 million or less in the previous financial year (provided that such body shall not be a member of a **group** of companies having a combined turnover greater than the said €3 million);

Outsourcing:

Where a firm has outsourced the servicing of its book of business to a third party, the firm (not the third party) has responsibility to submit the COBR to the Central Bank and to ensure the accuracy and completeness of the data which is submitted.

Where a firm acts as an intermediary for an insurance underwriter, the firm who acts as the intermediary should not include any policies in their COBR submission, which are owned by the underwriting firms. To do so would result in duplication of data as those firms who own the policies (i.e. the underwriter) will also be required to submit a COBR to the Central Bank.

Where a firm acts as an intermediary for an underwriting firm, the intermediary firms should include any sales related problem codes within their own COBR submission, while the insurance underwriter should include any product related complaints within their COBR submission, irrespective of outsourcing agreements or internally agreed complaints handling procedures.

In addition, all underwriting firms must ensure that they contact all of their intermediaries for relevant complaints data (as outlined above), in order to ensure complete complaints data is provided to the Central Bank.

iv. Nature of the data

All data in the COBR are to be recorded as the outstanding “stock” (unless otherwise stated) at the end of the reporting period. Outstanding stock refers to all firm information, customer book data, product offerings data, complaints data, sales and strategy/business model data, which are outstanding on the last working day of the reporting period.

v. Currency/Value

All monetary values should be reported in euros. Firms should report the full euro value (excluding decimal points which should be rounded up or down), and not report the value in thousands ('000s)

vi. References to columns and rows

The guidance on compilation in Section II of this document is based on each cell of the return being identified by a specific Row and Column code combination. This is explained in each section below.

References to columns include brackets e.g. (180) and references to rows exclude brackets e.g. 180.

II. Detail on each section of the return

These Guidance Notes are designed to aid firms in the completion of each section of the COBR. **Any queries in relation to the Annual Return can be submitted using the *Submit a Request* function on the ONR.**

The COBR is broken down into five worksheets entitled:

- A. General
- B. New Complaints Received
- C. Complaints Resolution
- D. Complaints FSO Findings
- E. Complaints Redress
- F. Managing General Agents

All sections must be completed when submitting the return.

Product and Problem codes feature prominently in almost all sections of the return. These codes were devised in consultation with industry representatives as a means to provide standardised reporting on consumer issues (such as complaints and sales of retail products). The development of standardised codes was not designed to alter how firms currently record, manage and report data in-house. It was simply designed to provide high-level categorisations whereby firms' existing product and problem classifications could be mapped to.

The Product codes are high-level categorisations of retail products which are sold to personal consumers in Ireland. There are a total of 24 Insurance Product codes applicable to the COBR. For the purposes of capturing the data required to complete the COBR, each firm will map **all** their existing personal consumer retail product codes and classifications to the relevant code from the list of 24. Once submissions of data are received at each reporting period, the CBI may from time to time request from firms more granularity on the data that constitutes each Product code.

The Problem codes are high-level categorisations of the complaint *type* encountered by consumers in their interaction with financial services providers. There are a total of 12 Problem codes applicable to the COBR. For the purposes of capturing the data required to complete the COBR, each firm can map their existing problem codes and classifications to the relevant code from the list of 12. Once submissions of data are received at each reporting period, the CBI may from time to time request from firms more granularity on the data which constitutes each Problem code.

Product Codes:

Protection	01 - Life Assurance: Unit-Linked Protection 02 - Life Assurance: Non-linked protection 03 - Critical Illness (standalone insurance) 04 - Income protection (standalone)
Pensions	05 - PRSAs (including AVC PRSAs) 06 - Personal Pensions 07 - ARF / AMRF 08 - Buy-out bonds 09 - Annuities 10 - Other Pensions (including occupational pensions)
Investment	11 - Lump-sum with capital protection 12 - Lump-sum with no capital protection 13 - Regular premium savings
Non-Life	14 - Household 15 - Private Motor 16 - Pet 17 - Personal Accident 18 - Travel 19 - Payment Protection 20 - Legal Expenses 21 - Gadget 22 - Medical Expenses 23 - Health 24 - Marine & Transit

Problem Codes:

Sales	01 - Miss-selling 02 - Advertising
U/W	03 - Pricing 04 - Voiding/decline of policy/terms and conditions
Service/Admin	05 - Documentation Issues 06 - Customer Service 07 - Early redemption/ surrender/encashment issues 08 - Payment direct debit issues 09 - Fees and commissions
Claims	10 - Claim declined 11 - Claim dispute
Investment Performance	12 - Investment Performance

Sheet A. General

1. Entity Information

Row

Definition:

Row 10 Does your firm provide products/services to personal consumers resident in the Irish state? (Please refer to COBR industry guidelines for additional clarification).

Validation Rule for Row 10 : Yes or No must be selected

Row 20

Regulated Entity Name

The name of the **regulated entity** submitting the return. Returns must be submitted at individual regulated entity (i.e. **not Group**) level. However, certain data items (clearly listed on the return) may only be available at Group level. Where this is the case, the regulated entity should use the appropriate columns titled "Group Level" to signify that the data are unavailable at entity level.

Row 30

Firm's CBI Code

Your Central Bank of Ireland 'C' code which is designated to each regulated entity.

Validation Rule for Rows 10 – 30: All rows must be completed

Row 40

Total number of employees

The total number of employees at regulated entity level as at the end of the reporting period should be recorded in column 8. Contract workers should also be included in this figure. Employee numbers should be recorded in full-time equivalent (FTE) format. For example, an employee working three days per week should be recorded as a 0.6 FTE. If the total number of employees at regulated entity level is unavailable, firms should insert group level data in column 9.

Row 50

Total number of compliance staff

Column 8 must be populated with the total number of staff within the regulated entity's Compliance Function as at the end of the reference period. The definition of a Compliance Function is that which is used in the Fitness and Probity Regulations. If the total number of employees at regulated entity level is unavailable, firms should insert group level data in column 9.

Row 60

Total number of employees who are MCC accredited persons

Means accredited persons as defined in the Minimum Competency Code 2011. The only data to be provided here in Column 8 is the accredited persons number that appears on the firm's MCC register on the final day of the reporting period. If the MCC data are unavailable at entity level, firms should insert group level data in column 9.

Validation Rule for rows 40 – 60: A value must be entered for 40 (8), 50 (8) and 60 (8) or 40 (9), 50 (9) and 60 (9). Decimals are permitted for these cells, however numerical/percentage values entered elsewhere in the COBR should be integer values and not decimals.

Row 70 Compliance Officer: Name

The name of the person managing the overall compliance function.

Row 80 Compliance Officer: Contact Number

The contact number of the person managing the compliance function.

Row 90 Compliance Officer: Email address

The email address of the person managing the compliance function

Validation Rule for rows 70 – 90: A value must be entered for these cells.

2. Customer Book

This section is designed to capture a point-in-time snapshot of the regulated entities' personal consumer book of business. Aside from the total number of policies outstanding at the start of the period, closed during the period and outstanding at the end of the period (ss. 2.1 to 2.3), a complete breakdown of the end of period personal consumer book by product categories is required (section 2.4). All 24 product categories applicable to insurance providers are identified in rows 130 to 153 of section 2. Firms should insert data in the relevant columns 20 and 30 that are applicable to them. Some firms may not hold personal consumer policies that fall under the product categories. Where this is the case, firms should leave the relevant cells blank (i.e. there is no requirement to insert a zero value).

As per [General Guidance Section iii](#) of these notes, all 'Policies' referred to in this return relate to **Personal Consumers** as per the definition in the Consumer Protection Code 2012: a **personal consumer** is defined as: "*a consumer⁵ who is a natural person acting outside his or her business, trade or profession*".

⁵ "**consumer**" means any of the following:

- c. a **person** or **group** of **persons**, but not an incorporated body with an annual turnover in excess of €3 million in the previous financial year (for the avoidance of doubt a group of **persons** includes partnerships and other unincorporated bodies such as clubs, charities and trusts, not consisting entirely of bodies corporate) or
- d. incorporated bodies having an annual turnover of €3 million or less in the previous financial year (provided that such body shall not be a member of a **group** of companies having a combined turnover greater than the said €3 million);

Row/ (Column) guidance:

Row 100 (Column 10) 2.1 Total Number of Personal Consumer Policies at the start of the period

The total number of policies held by the regulated entity at the beginning of the reporting period.

110 (10) 2.2 Total number of Personal Consumer Policies closed in the period

The total number of policies closed/lapsed in the reporting period (i.e. the number of policies that were in place at the beginning of the period that are no longer in place at the end of the period for (whatever reason)).

Validation Rule applying to 110(10): $110(10) \geq \text{sum}(420(220):429(220))$

Please only enter full integer value; do not enter a decimal place

120 (10) 2.3 Total number of Personal Consumer Policies at the end of the period

The total number of policies held by the regulated entity at the end of the reporting period.

Please note that the total number of new personal customer policies taken out in the period will be captured in row 290 of the return (as part of the New Business section).

Validation Rule applying to 120(10): $\text{Sum}(100(10)+290(100)-110(10))=120(10)$

130-153 2.4 Number and Premium Value of Policies outstanding at period end.

This is a breakdown of all personal consumer policies held at the firm. The breakdown is per Product Code (i.e. breakdown per the list of 24 Product Codes that is contained in the return). Not all products will be applicable to all entities and where this is the case any relevant cells should be left blank. For example, if the entity does not hold any Pet Insurance for personal consumers at the end of the reporting period, all cells in row 145 can be left blank.

Validation Rule applying to Section 2.4: If value is entered into (20), a value must also be entered into (30), and vice versa. This rule is applicable to rows 130:153 inclusive.

Please only enter full integer value; do not enter a decimal place

An explanation of what must be inserted in each column is given here:

- In **column 20**, the total number of personal consumer policies in place at the end of the reporting period should be inserted.
- The total GWP/APE (EUR) of policies relating to the reporting period must be completed for column 30. It was agreed between the CBI and the IIF Working Group that for the purposes of calculating the value of policies, APE for Life and GWP for Non-Life applicable to the reporting period are the appropriate measures. Paid up policies will be entered as zero on the return. In addition, single premium business which was not sold in the current reporting period should

also be excluded from total GWP/APE calculations. Although these policies will counts towards the number of policies outstanding at period end, they should not form part of the GWP/APE calculation.

Validation Rule applying to 154 (20):

- The figure in 154 (20), must equal the figure in 120 (10)
- 154 (20) should equal to sum of 130:153 (20)
- 154 (30) should equal to sum of 130:153 (30)
- Please only enter full integer value, do not enter a decimal place

3. Complaints

The complaints section of the overview tab contains high-level complaints data. Detailed breakdowns of the complaints data are recorded in sheets B, C, D and E of the return (guidance is included in later sections of these notes). The definition of a complaint to be used when compiling this section of the return is:

“Complaint” refers to an expression of grievance or dissatisfaction by a *personal consumer*, either orally or in writing, in connection with:

- a. the provision or the offer of the provision of a product or service to a *personal consumer* by a *regulated entity*; or
- b. the failure or refusal of a *regulated entity* to provide a product or service to a *personal consumer*;

Firms must ensure that, where stated, all complaints are included in the COBR (regardless of, for example, the application of any internal ranking of the seriousness of the complaint or whether or not only a certain subset of complaints were subject to the firm’s complaints procedure).

As with all other parts of the return, the complaints sections should be completed with respect to **personal consumers** only.

Where a firm acts as an intermediary for an insurance underwriter, the firm who acts as the intermediary should not include any policies in their COBR submission, which are owned by the underwriting firms. To do so would result in duplication of data as those firms who own the policies (i.e. the underwriter) will also be required to submit a COBR to the Central Bank.

Where a firm acts as an intermediary for an underwriting firm, the intermediary firms should include any sales related problem codes within their own COBR submission, while the insurance underwriter should include any product related complaints within their COBR submission, irrespective of outsourcing agreements or internally agreed complaints handling procedures.

In addition, all underwriting firms must ensure that they contact all of their intermediaries for relevant complaints data (as outlined above), in order to ensure complete complaints data is provided to the Central Bank.

3.1 Complaints processed by the firm (rows 180-241)

This section deals with complaints that are processed “in-house” by the firm (i.e. all complaints that are **not** subject to referral from an Ombudsman/third party). Financial Services Ombudsman (FSO) complaints are reported on separately in section 3.2 of sheet A, as well as in sheet D of the return.

Note: In general, the COBR is only seeking data on **new** complaints as opposed to re-opened complaints (although Row 200 should contain the number of re-opened complaints in the period). The requirements in relation to specific complaints data that are to be submitted are outlined in the below sections.

Row 180 (column 40) 3.1.1 Total number of complaints outstanding at the beginning of the period

This is the total stock of complaints that are recorded on the firm’s complaints register as at the beginning of the reporting period. This figure should match the figure in row 220 from the previous reporting period.

190 (40) 3.1.2 Total number of new (i.e. excluding re-opened) complaints received in the period

This is the total number of brand new complaints (i.e. a complaint that was not previously opened) that have been received by the firm in the period. This figure should mirror the total complaints received figure as recorded in cell O34 of **Sheet B. New Complaints Received** of the COBR.

Validation Rule: This figure should mirror the total of new complaints received figure as recorded in cell O33 of Sheet B. Complaints Received of the return.

200 (40) 3.1.3 Total number of re-opened complaints in the period

This is total number of complaints that had been previously resolved/closed (regardless of when) but have been re-opened in the current reporting period.

210 (40) 3.1.4 Total number of all complaints resolved in the period

All complaints (i.e. new *and* re-opened regardless of when these complaints were opened) resolved in the period should be recorded here.

220 (40) 3.1.5 Total number of complaints outstanding at the end of the period

This is the total stock of complaints that are outstanding at the end of the reporting period. The figure in row 220 should be equal to: rows 180+190+200-210

Validation Rule applying to 220(40): $\text{Sum}(180 (40) + 190 (40) + 200 (40) - 210 (40) = 220 (40))$

230 (50) 3.1.6 Percentage of new complaints resolved within 40 business days of when complaint first made

This is the percentage of all **new** complaints resolved by the firm within 40 business days of when the complaint was first made.

The return seeks data in relation to complaints resolved within 40 business days in line with Provision 10.9 (d) of the CPC 2012: “the **regulated entity** must attempt to investigate and resolve a complaint within 40 **business days** of having received the **complaint**, [...]”.

Validation Rule applying to 230(50): Please only enter full integer value, do not enter a decimal place or include a percentage sign

240 (50) 3.1.7 Percentage of complaints upheld in favour of the personal consumer

This is the percentage of **all** complaints (i.e. new and re-opened complaints) closed by the firm in the period that were upheld/found in favour of the personal consumer. This figure includes both Upheld and Partially Upheld findings.

Validation Rule applying to 240(50): Please only enter full integer value, do not enter a decimal place or include a percentage sign

241 3.1.8 Total number and value of redress paid to complainants in the period

These data refer to redress paid to complainants in the period. The redress value is to be derived where the monetary value of the redress paid is easily identifiable by the firm. For example, ‘goodwill gestures’ to customers may not always have a monetary value attached and recorded by the firm. In these instances, it may not be possible to identify the monetary value and hence is not recordable. Firms should include in the COBR any guidance, such as how redress is reflected, to explain the nature of the data returned.

**Validation Rule: Sheet A ‘General’ D69 must equal Sheet E ‘Complaints Redress’ AC32
Sheet A ‘General’ F69 must equal Sheet E ‘Complaints Redress’ AB32**

241 (40) this is the total number of policies awarded redress as a result of a complaint in the reporting period.

241 (60) this is the total EUR value awarded as redress, relating to the number of policies stated in **241 (40)**, in the reporting period.

A detailed breakdown of redress by Product and Problem code combination is provided for in **Sheet E. Complaints Redress**.

Validation Rule: Please only enter full integer value; do not enter a decimal place

3.2 Financial Services Ombudsman (FSO) complaints: rows 250-280 (70)

Only FSO-related complaints should be captured in this section of the COBR. These complaints data are derived from instances where the FSO notifies the firm that a complaint has been raised with the FSO.

A detailed breakdown of FSO findings is provided for in **Sheet D. Complaints FSO Findings** of the return. This breakdown is on a Product and Problem combination and captures whether the FSO finding was: Upheld; Partially Upheld; or Not Upheld

250 (70) 3.2.1 Total number of complaints outstanding at the beginning of the period received from the FSO

The total number of complaints outstanding at the beginning of the reporting period that was received from the FSO.

260 (70) 3.2.2 Total number of complaints received from the FSO during the period

This field should be populated with the total number of FSO-notified complaints received during the reporting period.

270 (70) 3.2.3 Total number of complaints closed by the FSO with findings during the period

This is total number of complaints where the FSO issued a finding during the reporting period. This number should be equal to the total number of FSO closed complaints in **Sheet D. Complaints FSO Findings**. This field should include all FSO complaints which were closed by the FSO with findings, and should include findings which were upheld, partially upheld or not upheld.

Validation Rule: This number should be equal to the total number of FSO closed complaints in Sheet D. Complaints FSO Findings.

272 (70) 3.2.4 FSO Registered complaints settled with the firm during the FSO process

This is the number of FSO complaints which were settled between the regulated entity and the customer before the FSO issued a finding.

274 (70) 3.2.5 FSO registered complaints closed without finding

This is the number of complaints in the period notified by the FSO to the regulated entity where the FSO stated that it was closing the complaint (for whatever reason) without a finding being issued.

280 (70) 3.2.6 Total number of complaints outstanding at the end of the period that were received from the FSO

This is the number of FSO complaints outstanding at the end of the period.

Validation Rule for 280 (70): =sum(250(70)+260(70)-270(70)-272(70)-274(70)=280(70))

4. New Business/Strategy

This section is designed to capture data on the firm's new personal consumer business in the period as well as changes to its retail product offering and strategy. New business/sales data relate solely to **new** personal consumer policies taken out in the period, i.e. policy renewals are **not** to be included in new business/sales data.

4.1 Total number of new Personal Consumer Policies opened in the period

- 290 (100)** the total number of new policies across the firm's entire suite of personal consumer products that were opened in the reporting period. This number relates solely to brand new policy openings in the period. Renewals of existing policies should not be included.
- 290 (110)** the total GWP/APE value in the period of new policies taken out in the reporting period. Top-ups are **not** included in this value as the data in 290 (110) relate to new policies only.

Validation Rule for 290 (100): If value is entered for 290(100), value must also be entered for 290(110) and vice versa

Please only enter full integer value; do not enter a decimal place

Validation Rule for 290 (90): 290(100) >= sum (300(130):304(130))

4.2 Top Sales

This section captures data on the products that accounted for the greatest proportion of **new** business in the period. The top 5 products sold (by number of policies) in the period should be reported.

- 300 (120)** the top-selling product code in the reporting period above should be chosen from the drop down menu here (e.g. 01 – Life Assurance: Unit-Linked Protection).
- 300 (130)** the total number of new policies taken out in the period for the product code selected in column 120 should be inserted here. This number will be included in the overall total number of new accounts opened in the period that is captured in 290 (100).

The above should be replicated for rows 301-304.

Validation Rule for Section 4.2: If value entered for 300 (120), and/or 300 (130), then a value must be entered for 300 (120) and 300 (130). This validation applies to rows 300 – 304 inclusive.

4.3 Changes to Product Offering

Data on new personal consumer retail products offered in the period, personal consumer retail products withdrawn in the period and material changes to existing personal consumer retail products are to be captured here.

4.3.1 New products offered in the period

This section captures data on new personal consumer products that the regulated entity launched in the reporting period.

320 (140) the product code to which the new product belongs must be chosen from the drop down menu here. If even one product within a product category is introduced in the period, this should be recorded in the return. The name of the product(s) is not required to be recorded although the CBI may request information after the data are submitted as to what constituted the change recorded in the Product Code.

The above should be replicated for rows 321-329.

4.3.2 Products withdrawn in the period

This section captures data on new personal consumer products that the firm withdrew in the reporting period. These data relate to products that were closed to new consumers only (i.e. products which remain open to top-ups are not considered withdrawn).

340 (150) the product code to which the withdrawn product belongs to must be chosen from the drop down menu here. If even one product within a product category is withdrawn in the period, this should be recorded in the return. The name of the product(s) is not required to be recorded although the CBI may request info after the data are submitted as to what constituted the change recorded in the Product Code.

340 (160) a high-level business rationale for the withdrawal of the product to new customers should be recorded here. These cells allow for free-text.

The above should be replicated for rows 341-349.

Validation Rule for 4.3.2: If value is entered for either 340 (150) or 340 (160), then a value must be entered for 340 (150) and 340 (160). This rule is applicable to rows 340 – 349 inclusive.

4.4.3 Changes to terms and conditions of products in the period

This section captures data on changes to the terms and conditions of personal consumer products. Only material changes as those defined in the stated terms and conditions of the product should be reported.

360 (170) the product code to which the changed product belongs to must be chosen from the drop down menu here. If even one product within a product category is changed in the period, this should be recorded in the return. The name of the product(s) is not required to be recorded although the CBI may request info after the data are submitted as to what constituted the change recorded in the Product Code.

360 (180) this cell allows for a free-text explanation of what the change in the terms and conditions was.

The above should be replicated for rows 361-369.

Validation Rule for 4.4.3: If value is entered for either 360 (170), and/or 360 (180), then a value must be entered for 360 (170), and 360 (180). This rule is applicable to rows 360 – 369 inclusive.

4.4 Retail Product Development

Please give details (as at the last day of the reporting period) of your product pipeline (for launch) in the next six months. Only high-level detail is required here. A new product may typically be flagged for launch when the product proposal has been accepted and signed-off by the appropriate level of management. If the proposed launch date of the new/amended product is within six months of the last day of the reporting period, this new product should be captured in this part of the COBR.

380 (190) the relevant product code to which the product intended for launch relates to must be chosen from the drop down menu here.

380 (200) a high-level description of the product should be inserted here.

The above should be replicated for rows 381-389 (if applicable).

Changes to existing products, such as new funds added or changes to the investment mandate of a fund, are not required to be captured.

Please note that it is acknowledged that the product pipeline may, for whatever reason, change from what is reported in this section. What is reported in this section is not viewed as any commitment to the actual launch of the product(s).

Validation Rule for 4.4: If value is entered for either 380 (190), and/or 380 (200), then a value must be entered for 380 (190) and 380 (200). This rule is applicable to rows 380 – 389 inclusive.

5. Early Encashment and Advertising Spend

5.1 Early Encashment/Withdrawals from Savings and Investment Products

This section is designed to capture data where consumers are exiting products and suffering penalties (which are stated in the terms and conditions of the product) when doing so. Retail personal consumer savings and investment products may not be designed for early encashment and a penalty will apply if a consumer chooses to exit early from the product. The product's terms and conditions will specify the time period from when early withdrawal fees/charges apply. Encashment that occurs during the statutory cooling-off periods is not required to be reported. Early withdrawals which result in both funds remaining with, and leaving, the firm should be captured here (a breakdown between these two categories is not required). Products that are encashed resulting in a payment to the client which is less than the amount invested due to reasons of market fluctuation or other charges should not be included. Only those encashments which incur specific early withdrawal penalties should be reported.

The section is divided into two parts: one detailing encashment that occurred in full (i.e. the total amount invested in the product was withdrawn) and the other detailing partial encashment (i.e. less than the total amount invested in the product was withdrawn).

5.1.1 Full Early Encashment/Withdrawal

This should detail all products that were encashed/withdrawn in full and where an early withdrawal/encashment charge was applied regardless of the rationale i.e. routine business reasons or otherwise (tax, legislative, natural ending).

420 (210) the Product code that was subject to the greatest number of early encashments during the reporting period must be chosen from the drop down menu here. If even one product within a product category suffered full early encashment/withdrawal, this should be recorded in the return. The name of the product(s) is not required to be recorded on the return. The CBI may request info after the data are submitted as to which product names constituted the full early withdrawal recorded in **420 (210)**.

420 (220) the total number of policies that early encashed in full the product code recorded in 420 (210) should be reported here.

The above should be replicated for rows 421-429. For example, row 421 will detail the Product Code that was subject to the second greatest number of early encashments during the period. Row 422 will detail the third greatest number and so on.

Validation Rule for 5.1.1: If value is entered for either 420 (210), and/or 420 (220), then a value must be entered for 420 (210) and 420 (220). This rule is applicable to rows 420 – 429 inclusive.

5.1.2 Partial Early Encashment/Withdrawal

This should detail all products that were partially encashed and where an early withdrawal/encashment charge was applied regardless of the rationale i.e. routine business reasons or otherwise (tax, legislative, natural ending).

440 (210) the Product code that was subject to the greatest number of partial early encashments during the period must be chosen from the drop down menu here. If even one product within a product category suffered full early encashment/withdrawal, this should be recorded in the return. The name of the product(s) is not required to be recorded although the CBI may request info after the data are submitted as to which product names constituted the full early withdrawal recorded in **440 (210)**.

440 (220) the total number of policies that early encashed in full the product code recorded in 440 (210) should be reported here.

The above should be replicated for rows 441-449. For example, row 441 will detail the Product Code that was subject to the second greatest number of partial early encashment during the period. Row 442 will detail the third greatest number and so on.

Validation Rule for 5.1.2: If value is entered for either 440 (210), and/or 440 (220), then a value must be entered for 440 (210) and 440 (220). This rule is applicable to rows 440 – 449 inclusive.

5.2 Advertisement expenditure

This section is designed to show which product categories (using product codes) the firm is focusing its advertising spend on.

Firms should break down their overall advertising spend for the period by Product Code (choose from drop-down list in rows 460-464, column 230) and allocate the appropriate percentages of each in column 240. Where these data are only available at Group level (i.e. not available at regulated entity level), firms should break down their overall advertising spend for the period for Product Code in rows 465-469 and allocate the appropriate percentages of each in column 240.

The definition of an advertisement is that which is contained in the Consumer Protection Code 2012: **“advertisement”** means any commercial communication in respect of a **regulated entity**, which is addressed to the **consumer** public or a section of it, the purpose being to advertise a **regulated activity** or a **regulated entity** excluding name plaques, **sponsorship material** and a prospectus drawn up in accordance with the Prospectus Directive (2003/71/EC).

- **Firms must complete either 5.2.1 Entity Level or 5.2.1 Group Level**
- **Validation Rule for 5.2.1 Entity Level: If firm enters value for 460 (230), the firm must also enter a value for 460 (240) and vice versa. This rule is applicable to rows 460 - 464 inclusive**
- **Validation Rule for 5.2.1 Group Level: If firm enters value for 465 (230), the firm must also enter a value for 465 (240) and vice versa. This rule is applicable to rows 465 - 469 inclusive**
- **Validation Rule: Please only enter full integer value, do not enter a decimal place or include a percentage sign**

The remaining sections of the return (sections B-E) provide for a detailed breakdown of complaints data.

B. New Complaints Received

6. New Complaints Received in the Period by Product and Problem Code

A complete matrix of all **new** complaints received by the regulated entity in the reporting period must be captured in this section of the return. In order to complete this and subsequent sections of the return, each complaint that is received by the firm will have a Product and Problem code attached to it.

To complete section 6 the firm should:

- Choose the relevant Product/Problem Code combination from the matrix. For example, to record complaints about Unit Linked Protection (product code 01 - Life Assurance: Unit-Linked Protection) where the problem identified related to pricing (problem code 03 – Pricing), the regulated entity should record the relevant number of complaints associated with this code combination in **600 (423)**.
- It is not necessary to input zero values where the code combinations are not applicable – firms should simply leave these cells blank.

For validation purposes the firm must input the total number of complaints on a Problem and Product basis at the bottom and side of this section of the COBR.

For validation purposes the firm must input the total number of complaints on a Problem and Product basis at the bottom and side of this section of the COBR.

Validation Rule: The total number of new complaints recorded in O33 of Sheet B should match the figure recorded in 190 (40) of Sheet A.

C. Complaints Resolution

7. Speed of resolution of complaints

This section of the return is designed to capture the percentage of ***new*** complaints that are resolved within 40 business days of the complaint having been received. Please note that the resolved complaint could have been received in a previous reporting period (i.e. the data do not solely relate to new complaints received ***and*** resolved in the same reporting period).

To complete section 7 firms should do the following:

- 1) The first Product Code on the sheet that is applicable should be chosen. For example, if there were new complaints about travel insurance ***resolved*** in the period, the firm should go to **18 – Travel** in row 717.
- 2) The total number of new complaints resolved by the firm within 40 business days in the reporting period that relate to the Product code chosen in step 1 above should be recorded in **column 450**. For example, if there were 50 new complaints about travel insurance resolved within 40 business days of receipt, the firm should enter 50 in **717 (450)**.
- 3) The number of complaints resolved within 40 business days and recorded in step 2 above, as a percentage of the total number of new complaints resolved in the period for the product code chosen in step 2, should be recorded in column 451. Continuing the above example, if there were a total of 60 new complaints resolved for travel in the period, with 50 resolved within 40BD, firms will input 83 (per cent) in cell **717 (451)**.

Firms should replicate the above steps for all applicable Product Codes of Sheet C

It is not necessary to input zero values where the code combinations are not applicable – firms should simply leave these cells blank.

Validation Rule for Sheet C: If value is entered for (450), value must also be entered for (451) and vice versa. This rule is applicable to rows 700 - 723 inclusive.

Validation Rule: Please only enter full integer value, do not enter a decimal place or include a percentage sign

D. Complaints – FSO Findings

8. FSO Findings Issued

This section of the return is designed to capture the breakdown of FSO findings issued in the period on a Product/Problem code combination. **Please note that section 8 is the only section of the COBR where the data fields are dynamic, i.e. additional rows can be selected by firms.** Firms should select from the drop-down list any additional rows required to capture all FSO findings issued.

To complete section 8 the regulated entity should do the following:

- 1) The first Product Code from the drop-down list that is applicable should be chosen in **column 460**. For example, if the FSO issued a finding about household insurance in the period, the firm should select 14 – **Household** from the drop-down list (**460**).
- 2) The first relevant Problem Code that is associated with the Product Code in column 460 in step 1 above should be chosen from the from the drop-down menu in **Column 461**. For example, if the FSO issued a finding about a claim declined on household insurance, the firm will select Problem Code **10 – Claim Declined** from the drop-down menu in column 461. The number of complaints (which have the Product/Problem code combination outlined in steps 1 and 2 above) which the FSO upheld in favour of the customer in the period should be captured in **column 462**.
- 3) The total value of awards which the FSO made (which have the Product/Problem code combination outlined in steps 1 and 2 above) on upheld cases during the reporting period should be captured in **column 463**.
- 4) The number of complaints (which have the Product/Problem code combination outlined in steps 1 and 2 above) which the FSO partially upheld in favour of the customer in the period should be captured in **column 464**.
- 5) The total value of awards which the FSO made (which have the Product/Problem code combination outlined in steps 1 and 2 above) on partially upheld cases during the reporting period should be captured in **column 465**.
- 6) The number of complaints (which have the Product/Problem code combination outlined in steps 1 and 2 above) which the FSO did not uphold in favour of the customer in the period should be captured in **column 466**.

Firms should replicate the above steps for all applicable Product/Problem code combinations in additional rows by selecting from the drop-down lists in columns 460 and 461.

Validation Rule for FSO Findings:

- If a value is entered for any cell in row 11, a value must also be entered for all other cells in that row.
- This rule is applicable to all other rows which may be created during the submission process
- Only integer values may be entered here

E. Complaints Redress

9. Complaints Redress

This section of the return is designed to capture the breakdown of redress offered to complainants (by the firm) on a Product/Problem code combination in the reporting period. FSO awards are **not** included in this section.

To complete section 9 the regulated entity should do the following:

- 1) The first Product Code (from rows 900-923) where redress was paid in the period the relevant cell in the matrix should be chosen. For example, if there was redress paid on personal pensions in the period, the firm should go to row 905 where **06 – Personal Pensions** redress data can be entered.
- 2) The applicable Problem Code related to the redress offered on the Product Code chosen in step 1 above should now be selected. For example, if redress was paid on complaints relating to **01 – Miss-selling** on personal pensions, go to columns 470 and 471 (row 905) to insert data relating to this Product/Problem code combination.
- 3) The EUR value and number of personal customer accounts/policies of the redress offered relating to the complaint detailed in steps 1 and 2 above can now be inserted. For example, if redress of EUR 5,000 was paid on 10 policies relating to Personal Pensions/Miss-selling in the period, please insert 5,000 in **905 (470)** and 10 in **905 (471)**.

Firms should replicate the above steps for all applicable Product/Problem code combinations of Sheet E.

It is not necessary to input zero values where the code combinations are not applicable – firms should simply leave these cells blank.

For validation purposes, please input the total value and number of redress cases on a Problem and Product basis at the bottom and side of this section of the COBR.

For validation purposes, please input the total value and number of redress cases on a Problem and Product basis at the bottom and side of this section of the COBR.

- If a value is entered for Value (470), a value must also be entered for No. of Accounts (471) and vice versa. This rule is also applicable to all other Value/No. of accounts columns on this sheet.
- $AB8 = \text{sum}(D8+F8+H8+J8+L8+N8+P8+R8+T8+V8+X8+Z8)$
- $AC8 = \text{sum}(E8+G8+I8+K8+M8+O8+Q8+S8+U8+W8+Y8+AA8)$
- $D32 = \text{sum}(D8:D31)$ – this is applicable for all other row totals from D32:AA32
- $AB32 = \text{sum}(AB8:AB31)$
- $AC32 = \text{sum}(AC8:AC31)$
- Please do not enter decimal places, only integer values may be entered here

Sheet F. General Managing Agents

10. Managing General Agents

This section of the return is designed to capture the reporting firm's use of Managing General Agents to distribute insurance products to personal consumers. The information disclosed in this section should relate only to personal consumer business in the Republic of Ireland.

To complete section 10 the regulated entity should do the following:

- Select "Yes/No" from the drop down menu indicating whether or not the reporting firm utilised any Managing General Agents during the reporting period. This information should only relate to Managing General Agents used to distribute personal consumer products in Ireland.
- Enter the number of Managing General Agents used during the reporting period.
- Enter the name (including trading names) of each of the Managing General Agents used by the firm in the reporting period and the corresponding level of business for each of these entries. Please use premium value as done so for Sheet A, Section 2 'Customer Book'.

Validation rule for Managing General Agents:

- Cell B2 is mandatory. "Yes" or "No" must be selected from the dropdown.
- If "No" is selected in Cell B2, then all other cells in the worksheet must be left blank.
- If "Yes" is selected in Cell B2, then a value must be entered in Cell B3 and in at least one pair of Cells from Row 6 to Row 15.
- If a value is entered in a cell in Column A from Row 6 to Row 15, then a corresponding value must be entered into Column B, i.e. if a Managing General Agent's name is specified then a monetary level must also be specified.

ENDS (last updated December 2017)