

# CBI Letter on Consumer Protection Risk

The Central Bank of Ireland (the “CBI”) published a new “Dear CEO” Letter dated 29<sup>th</sup> August 2024 addressed to insurance firms (the “Letter”) on “Targeted Consumer Protection Risk Assessment: Consumer Protection Risk Management Frameworks in Insurance Firms”. The letter outlines a range of related expectations of the CBI to be considered by firms with a requirement for plans to be put in place to ensure compliance with these expectations no later than 30 June 2025.

### Background

The CBI publishes Dear CEO letters from time to time to clarify various aspects of its interpretations of regulations applicable to financial services companies and its related expectations. The Letter was issued in the aftermath of a recently completed Consumer Protection Risk Assessment (“CPRA”) of insurance firm’s consumer protection risk management frameworks. It builds on the CPRA Guide issued in 2017 by the CBI to insurance companies, banks and financial services firms.

### CBI Expectations

The Letter makes clear the obligation of insurance firms to have a consumer risk focussed culture which must be underpinned by an effective consumer protection risk management framework. Firms are required to review the expectations, findings and notable practices set out in the Letter and complete a gap analysis of their existing consumer protection risk frameworks to identify any areas where additional work is required to ensure their framework meets the standards set out for compliance.

### Timing

The Letter clarifies that Update Plans should be put to the board no later than 30 November 2024 with timelines for implementation no later than 30 June 2025. However, firms are expected to send the CBI details of the individuals in PCF roles with accountability for related deliverables by 30 September 2024.

### Other Updates

The CBI has confirmed that it is also in the process of updating the Consumer Protection Code to ensure firms are securing customers interests and delivering positive outcomes. Once issued, this should also be reflected in the Risk Management Framework and other relevant policies.

### How Clerkin Lynch Can Help

Clerkin Lynch’s regulatory team can assist with the preparation of policies and procedures to ensure compliance with regulatory requirements of the CBI. Contact us for more information.



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