



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Settlement Agreement between the Central Bank of Ireland and MOD Financial Services Limited

The Central Bank of Ireland (the “**Central Bank**”) has entered into a Settlement Agreement with effect from 21 June 2013 with MOD Financial Services Limited (the “**Firm**”), a regulated financial services provider, in relation to a breach of the European Communities (Insurance Mediation) Regulations 2005 (the “**2005 Regulations**”).

Reprimand and fine

The Central Bank reprimanded the Firm and required it to pay a monetary penalty of €420.

Breach

The breach related to the Firm’s failure to hold satisfactory professional indemnity insurance on a continuous basis in accordance with Regulation 17 of the 2005 Regulations.

Background to the breach

The breach was detected arising out of a themed inspection by the Consumer Protection Directorate of the Central Bank in relation to insurance intermediaries and their professional indemnity insurance cover.

Penalty decision factors

Professional indemnity insurance provides cover for loss suffered by customers as a result of professional negligence in relation to, for example, advice or services provided by a firm. The Central Bank views non-compliance with the statutory requirement to hold professional

indemnity insurance seriously, as professional indemnity insurance is an important protection for customers when dealing with regulated financial service providers.

In deciding the appropriate penalty to impose, the Central Bank has taken the following into account:

- the Firm took appropriate action to rectify the breach once made aware of it and now has satisfactory professional indemnity insurance in place; and
- the cooperation of the Firm during the Central Bank's investigation and in settling at an early stage in the Administrative Sanctions Procedure.

The Central Bank confirms that the matter is now closed.