



Our Ref FIN-MoS-00088-2022

29 June 2022

[mary@crni.ie](mailto:mary@crni.ie)

Dear Mary,

Thank you for your letter received in this office on 2 June 2022 relating to insurance and the reform agenda.

While neither the Minister for Finance, nor the Central Bank of Ireland, can interfere in the provision or pricing of insurance products, I can assure you that this Government is committed to improving the cost and availability of insurance for all consumers, businesses and community groups, including the community and voluntary sectors.

Among the key developments so far are the implementation of the new Personal Injury Guidelines, which significantly reduce award levels for many categories of common injuries, particularly those of soft tissue. Recent data from the Personal Injury Assessment Board (PIAB) show that award levels have fallen by an average of 40 per cent, providing stability and certainty to the claims environment.

As part of the effort to increase competition, the Department of Finance is working closely with the IDA to bring new entrants into the Irish insurance market, including in areas which have been identified as 'pinch-points' in the Irish market, such as your own. The IDA is currently commencing a multi-phased engagement process with these targeted underwriters and will seek to leverage the achievements of the Government insurance reform agenda to date.

The recent National Claims Information Database (NCID) report also contains much that is encouraging. It demonstrates that 57% of "packaged" EL/PL/commercial property policies had premiums of less than €1,000 and 92% less than €5,000. Only 2% had premiums over €25,000. It is also important to emphasize that, once again, the report shows that settlements settled through the Personal Injuries Assessment Board (PIAB) are faster and have lower legal costs than those settled by litigation, despite having similar award levels for claimants.

In terms of upcoming issues, rebalancing the duty of care is now a high priority action for Government and is being led by the Department of Justice. Overhauling this legislation should help to address the issue of "slips, trips and falls", which are particularly prevalent in high-risk/heavy-footfall areas such as shops and retail, as well as other public-facing sectors.

Although not part of the *Action Plan*, the *Insurance (Miscellaneous Provisions) Bill* has now passed all stages in the Oireachtas. This is a pro-consumer piece of legislation that enhances customer protection and provides greater transparency in a number of areas, and I expect it to be enacted by early July.

It is my belief that the overall implementation of the *Action Plan* should help to improve both the cost and availability of insurance. Recent data from the Central Statistics Office shows that average private motor insurance prices have fallen by 41 per cent since their peak in July 2016, and it is my hope that these ongoing reforms will bolster this downward trend in the wider insurance market, to the benefit of consumers, businesses and community groups.

I trust the above is of assistance.

Yours sincerely,



Sean Fleming, TD

Minister of State for Financial Services, Credit Unions and Insurance