



Rialtas na hÉireann  
Government of Ireland

# Action Plan for Insurance Reform

December 2020



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## Foreword by An Tánaiste, Leo Varadkar T.D.



**This Action Plan for Insurance Reform is being published at a crucial time for Ireland’s economy and society. As we re-open our economy once more, businesses and families will face financial pressures, including that of insurance, and it our intention to alleviate that over the coming period. There is a shared determination across Government to remove the impediment that high insurance costs have on our economy. There is a strong emphasis on it in the Programme for Government also.**

Insurance is an essential financial service for businesses, consumers and voluntary and sporting groups across Ireland. It allows them to carry out their activities with the confidence that they are protected in the event of something unforeseen happening. This is of particular importance to SMEs.

Insurance is also a major employer of people here, with the Irish insurance industry ranking as one of Europe’s largest. Nonetheless, there have been a number of well publicised issues surrounding the high cost of and difficulty getting insurance in recent years, and if this continues it could cause great harm to both society and our national competitiveness.

This Action Plan sets out the range of work that Government is taking on. It crosses over different policy areas such as justice, finance, competition and is focused on reducing costs and fraud, and increasing transparency. Each important on their own; put together will ensure the change we all want. A number of principal actions which I consider to be of particular importance are set out in section 1.3. Where possible, the Plan sets out timeframes to implementation. It is my firm intention to have updates on these timelines on a quarterly basis.

The insurance reform agenda will be overseen by the Cabinet Committee on Economic Recovery and Investment’s Sub-Group on Insurance Reform, which I chair.

The Government wants a competitive, stable and consumer-friendly insurance environment. We will work hard to ensure that the actions outlined in this Plan are implemented and make a real difference to lives and livelihoods.

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*Leo Varadkar, T.D.*

**Tánaiste and Minister for Enterprise, Trade and Employment**

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## Joint opening remarks by Minister of Finance, Paschal Donohoe T.D. and Minister of State, Seán Fleming T.D.



Insurance reform is a key priority for the Government and this is evidenced by the whole of Government approach through the establishment of the Cabinet Committee Sub-Group on insurance reform. This Action Plan demonstrates our commitment to seek further improvements in this area.

Policy developments in the insurance sector in recent years have undoubtedly been a factor in helping to reduce motor premiums since the peak in 2016. The most recent Central Statistics Office data indicates that the cost of motor insurance is now almost a third lower than July 2016. The downward trend in earned premium is confirmed by the Central Banks of Ireland's second National Claims Information Database motor insurance report.

However, many still continue to struggle to obtain affordable insurance cover, notably certain smaller businesses - particularly those with high footfall, such as those involved in hospitality, leisure and tourism, among others. The very businesses severely impacted by the COVID-19 pandemic. The Programme for Government prioritises improving the insurance environment as part of the recovery agenda as insurance cover is important in supporting businesses to develop and expand.

We look forward to working with our Government colleagues to ensure that all the actions in this document are implemented in a timely manner. Part of this will include the establishment of an office to encourage competition in the Irish insurance sector, which will take a strategic focused view of existing barriers to greater competition.

We also look forward to continued positive engagement with stakeholders who have an interest or role in this area, including individual insurers, industry bodies and interest groups. This will allow us to listen to their concerns while also seeking to promote a stable and competitive insurance environment.

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*Paschal Donohoe, T.D.*

**Minister for Finance**

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*Seán Fleming, T.D.*

**Minister of State with special  
responsibility for Financial Services,  
Credit Unions and Insurance**

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## **Section 1 – Overview of Government’s Insurance Reform Agenda**

### **1.1 The Sub-Group of the Cabinet Committee on Economic Recovery and Investment**

To ensure that the implementation of these commitments takes a “whole-of-Government” approach, the Government has already set up a Sub-Group on Insurance Reform within the Cabinet Committee on Economic Recovery and Investment (CCERI). This was formally established in September 2020 and is chaired by An Tánaiste. Membership includes the Ministers for Finance; Public Expenditure and Reform; Justice; Children, Equality, Disability, Integration and Youth; the Minister for State at the Department of Finance with responsibility for Financial Services, Credit Unions and Insurance; and the Minister for State at the Department of Enterprise, Trade and Employment with responsibility for Trade Promotion, Digital and Company Regulation.

In addition, there are other initiatives already underway including the Central Bank of Ireland’s Review on Differential Pricing in the Insurance Sector, and the Competition and Consumer Protection Commission’s Market Study into the Public Liability Insurance Sector. The outputs of these initiatives will inform the overall work of the Sub-Group on Insurance Reform.

The Sub-Group is meeting on a regular basis to drive this agenda forward and consider the progress that each Minister is making in implementing the specific actions for which they have responsibility.

### **1.2 Overview of the Action Plan**

The first task of the Sub-Group has been the development of this Action Plan, to reflect the commitments made in the Programme for Government, relevant Government Departments and/or Agencies/Bodies, and the associated timeframes for delivery of the commitments. It is intended that this Action Plan will reflect future issues that may arise and the Government’s response to them. The Sub-Group will also oversee and monitor other related developments such as outstanding recommendations arising from the Reports of the Cost of Insurance Working Group and Personal Injuries Commission.

The next phase of the process will be the implementation of this Action Plan. The Sub-Group will publish six-monthly reports on the progress of the implementation of the Action Plan and these will be published on the Government’s website.

## 1.3 Principal Actions

- Commence the Consumer Insurance Contracts Act 2019 with most provisions coming into effect from 1 Sept 2020 and remaining ones to come into effect and be overseen from 1 Sept 2021.
- Make relevant legislative amendments to the Judicial Council Act 2019 to have the Personal Injuries Guidelines adopted by 31 July 2021.
- The Judicial Council to adopt and publish Personal Injuries Guidelines to replace the Book of Quantum.
- Commence Sections 98 and 99 of the Judicial Council Act 2019. These will provide that: (a) the Personal Injuries Assessment Board (PIAB) will no longer be responsible for preparing a Book of Quantum, and (b) the court shall, in assessing damages in a personal injuries action, have regard to the Personal Injuries Guidelines and, where it departs from those Guidelines, state the reasons for such departure in giving its decision.
- Report on the implementation and early impact of the Personal Injury Guidelines and examine relevant policy response.
- Enhance and reform the role of the Personal Injuries Assessment Board including through legislative proposals.
- Examine changes to the Occupiers' Liability Act 1995 to strengthen waivers and notices to increase protections for consumers; businesses. Taking account of the Programme for Government commitment, make proposals to Government to implement any changes deemed necessary.
- Provide recommendations regarding changes to be made to reduce insurance fraud. This will include examination of penalties for insurance fraud.

And

- Implement recommendations including through the introduction of legislation if required.
- Enact and commence the Perjury and Related Offences Bill 2018.

- Examine and provide recommendations regarding changes to ensuring that fraudulent claims are forwarded to the Director of Public Prosecutions.

And

- Implement recommendations including through the introduction of legislation where required.
- Legislate to provide for the reform of competition enforcement including the transposition of the ECN+ Directive which makes national competition authorities more effective enforcers. Included in the provisions are a new civil enforcement regime for the Competition and Consumer Protection Commission (as well as ComReg) with the power to levy significant administrative sanctions, arrange for statutory immunity and leniency and other measures.
- Examine the Central Bank's Review of Differential Pricing in the Motor and Home Insurance Markets and take any appropriate actions as deemed necessary in light of the findings of the Central Bank of Ireland in their final report.
- Establish an office within Government to encourage greater competition in the insurance market.

## Section 2 – Delivering Reform Programme for Government Commitments

The following table lists the Programme for Government (PFG) commitments relating to insurance reform, identifies the actions being led by Ministers and their Departments or bodies along with implementation timelines.

PFG Commitment	Actions to facilitate delivery	Responsible Body	Timeline
<b>Establish a ‘whole-of-Government’ approach to oversee the implementation of the insurance reform agenda.</b>	1. Establish a Sub-Group of the Cabinet Committee on Economic Recovery and Investment.	Department of An Taoiseach	Done
	2. Sub-Group of the Cabinet Committee on Economic Recovery and Investment to agree and publish an Action Plan.	Department of An Taoiseach; Department of Finance; Department of Enterprise, Trade and Employment; Department of Justice	December 2020
	3. Sub-Group of the Cabinet Committee on Economic Recovery and Investment to make a report to Government on progress by end of 2020.	Department of Enterprise, Trade & Employment	December 2020
	4. Sub-Group of the Cabinet Committee on Economic Recovery and Investment to meet regularly, engage with stakeholders and publish progress of actions every six months.	Department of An Taoiseach; Department of Finance; Department of Enterprise, Trade and Employment; Department of Justice	Ongoing

PFG Commitment	Actions to facilitate delivery	Responsible Body	Timeline
<p><b>Work to protect customers during and after the COVID-19 crisis, with particular emphasis on business disruption insurance, travel insurance and rebates for motor insurance customers.</b></p>	<p><b>5.</b> Commence Consumer Insurance Contracts Act 2019 with most provisions coming into effect from 1 Sept 2020 and remaining ones to come into effect and be overseen from 1 Sept 2021.</p>	<p>Department of Finance</p>	<p>Done</p>
	<p><b>6.</b> Publish Oireachtas Post-Enactment Scrutiny Report in relation to the Consumer Insurance Contracts Act 2019.</p>	<p>Department of Finance</p>	<p>December 2020</p>
	<p><b>7.</b> Engage with industry and consumer stakeholders to ensure issues arising from implementation of the Act are examined.</p>	<p>Department of Finance / Central Bank of Ireland</p>	<p>Ongoing</p>
<p><b>Support the Central Bank's direction on compensating businesses with disruption cover for infectious diseases.</b></p>	<p><b>8.</b> Continue to engage with the insurance industry in relation to how it responds to the needs of its customers during the pandemic, particularly with regard to the handling of business interruption claims and forbearance measures to consumers.</p>	<p>Department of Finance / Central Bank of Ireland</p>	<p>Ongoing</p>
	<p><b>9.</b> Support the Central Bank's COVID-19 and Business Interruption Insurance Supervisory Framework. This sets out the Central Bank of Ireland's expectations of insurance firms in handling related claims and seeks early identification and resolution of issues which have the potential to cause customer harm, bringing clarity to affected businesses as quickly as possible.</p>	<p>Department of Finance / Central Bank of Ireland</p>	<p>Ongoing</p>
	<p><b>10.</b> Monitor developments, including relevant legal cases, and respond accordingly.</p>	<p>Department of Finance / Central Bank of Ireland</p>	<p>Ongoing</p>

PFG Commitment	Actions to facilitate delivery	Responsible Body	Timeline
<p><b>Recognising the work of the Personal Injuries Guidelines Committee, under the Judicial Council, in providing guidance on personal injury claims.</b></p>	<p><b>11.</b> Make relevant legislative amendments to the Judicial Council Act 2019 to have the Personal Injuries Guidelines adopted by 31 July 2021.</p>	Department of Justice	Done
	<p><b>12.</b> Report to the Cabinet Committee Sub-Group on the progress made on preparing the new Personal Injuries Guidelines by the Judicial Council.</p>	Department of Justice	November-December 2020
	<p><b>13.</b> The Judicial Council to adopt and publish Personal Injuries Guidelines to replace the Book of Quantum.</p>	Judicial Council	July 2021
	<p><b>14.</b> Commence Sections 98 and 99 of the Judicial Council Act 2019. These will provide that: (a) the Personal Injuries Assessment Board (PIAB) will no longer be responsible for preparing a Book of Quantum, and (b) the court shall, in assessing damages in a personal injuries action, have regard to the Personal Injuries Guidelines and, where it departs from those Guidelines, state the reasons for such departure in giving its decision.</p>	Department of Justice	July 2021
	<p><b>15.</b> Report on the implementation and early impact of the Personal Injury Guidelines and examine relevant policy response.</p>	Department of Justice	December 2021

PFG Commitment	Actions to facilitate delivery	Responsible Body	Timeline
<b>Enhancing and reforming the role of the Personal Injuries Assessment Board.</b>	<b>16.</b> Report on future role of the Personal Injuries Assessment Board (PIAB).	Department of Enterprise, Trade and Employment / PIAB	Done
	<b>17.</b> Develop proposals for reform and enhancement of the PIAB.	Department of Enterprise, Trade and Employment / PIAB	December 2020
	<b>18.</b> Commence Public Consultation.	Department of Enterprise, Trade and Employment	March 2021
	<b>19.</b> Enhanced role in place and legislative proposals.	Department of Enterprise, Trade and Employment / PIAB	June 2021
<b>Regulating claims management companies and claims harvesters.</b>	<b>20.</b> Set out proposed methods to regulate claims harvesters / claims management companies.	Department of Finance / Department of Justice	June 2021
	<b>21.</b> Introduce legislation if required.	Department of Finance / Department of Justice	January 2022
<b>Considering changes to the Occupiers' Liability Act and the Civil Liability Act (duty of care) to strengthen waivers and notices to increase protections for consumers,</b>	<b>22.</b> Examine changes to the Occupiers' Liability Act 1995 to strengthen waivers and notices to increase protections for consumers; businesses.	Department of Justice	December 2020
	<b>23.</b> Indicate Preferred Policy Proposals to Government.	Department of Justice	February 2021

PFG Commitment	Actions to facilitate delivery	Responsible Body	Timeline
<b>businesses, sporting clubs and community groups.</b>	<b>24.</b> Taking account of the PFG commitment, make proposals to Government to implement any changes deemed necessary.	Department of Justice	June 2021
<b>Strengthening the Solicitors Advertising Regulations 2019.</b>	<b>25.</b> Reinforce the existing ban on solicitors advertising 'no win, no fee' cases in the Solicitors Advertising Regulations 2019.  <b>26.</b> The Legal Services Regulatory Authority (LSRA) to introduce new regulations in this area.	Department of Justice  LSRA	Ongoing  December 2020
<b>Considering the need for constitutional amendment to enable the Oireachtas establish guidelines on award levels.</b>	<b>27.</b> Law Reform Commission Report on Capping Award Levels published.  <b>28.</b> Report to Cabinet Committee Sub-Group on matters arising from the Law Reform Commission's report and proposals on how to implement them.  <i>See also Action 15</i>	Department of Justice  Department of Justice	Done  November/December 2020
<b>Seek to increase coordination and cooperation between An Garda Síochána and the insurance industry. We will seek to expand the Garda Economic Crime Bureau, which deals with fraud.</b>	<b>29.</b> Further increase coordination and cooperation between An Garda Síochána (AGS) and the insurance industry.  <b>30.</b> Examine the role and requirements of the Garda Economic Crime Bureau. Under new structures, it will train and support Gardaí in every division, to ensure that expertise and skills are disseminated across the State.	Department of Justice / AGS  AGS	Ongoing  Ongoing

PFG Commitment	Actions to facilitate delivery	Responsible Body	Timeline
<b>Reviewing and increasing the penalties for fraudulent claims.</b>	<b>31.</b> Provide recommendations regarding changes to be made to reduce insurance fraud. This will include examination of penalties for insurance fraud.	Department of Justice	June 2021
	<b>32.</b> Implement recommendations including through the introduction of legislation if required.	Department of Justice	December 2021
<b>Placing perjury on a statutory footing, making the offence easier to prosecute. We will broaden the scope of the Perjury and Related Offences Bill, ensuring that the maximum penalty for indictment should be harmonised with the equivalent maximum penalties for largely similar offences in the Civil Liability and Courts Act 2004.</b>	<b>33.</b> Publish Committee Stage amendments to the Perjury and Related Offences Bill 2018. Ensure that the maximum penalty for perjury is harmonised with the equivalent maximum penalties for similar offences in the Civil Liability and Courts Act 2004.	Department of Justice	January 2021
	<b>34.</b> Enact and commence the Perjury and Related Offences Bill 2018.	Department of Justice	March 2021
	<b>35.</b> Once enacted, the Department to communicate changes to relevant stakeholders within relevant sectors.	Department of Justice	March 2021
<b>Ensuring that fraudulent claims are forwarded to the Director of Public Prosecutions (DPP).</b>	<b>36.</b> Examine and provide recommendations regarding changes to ensuring that fraudulent claims are forwarded to the Director of Public Prosecutions.	Department of Justice	June 2021
	<b>37.</b> Implement recommendations including through the introduction of legislation where required.	Department of Justice	December 2021
<b>Publishing insurance fraud data.</b>	<b>38.</b> Examine and provide recommendations regarding changes to ensuring insurance fraud data is published.	Department of Justice	June 2021

PFG Commitment	Actions to facilitate delivery	Responsible Body	Timeline
	<p><b>39.</b> Implement recommendations including through the introduction of legislation where required.</p>	Department of Justice	December 2021
<p><b>Exploring the feasibility of obliging fraudulent claimants to pay the legal expenses for defendants.</b></p>	<p><b>40.</b> Examine and report on the feasibility of obliging fraudulent claimants to pay the legal expenses for defendants.</p> <p><b>41.</b> Implement recommendations including through the introduction of legislation where required.</p>	<p>Department of Justice</p> <p>Department of Justice</p>	<p>June 2021</p> <p>December 2021</p>
<p><b>Giving the Competition and Consumer Protection Commission (CCPC) more effective enforcement powers to punish and deter anti-competitive conduct.</b></p>	<p><b>42.</b> Provide legislative recommendations in relation to strengthening Competition and Consumer Protection Commission (CCPC) enforcement powers.</p> <p><b>43.</b> Legislate to provide for the reform of competition enforcement including the transposition of the ECN+ Directive which makes national competition authorities more effective enforcers. Included in the provisions are a new civil enforcement regime for the CCPC (as well as ComReg) with the power to levy significant administrative sanctions, arrange for statutory immunity and leniency and other measures.</p>	<p>Department of Enterprise, Trade and Employment</p> <p>Department of Enterprise, Trade and Employment</p>	<p>December 2020</p> <p>February 2021</p>
<p><b>Requesting the industry and stakeholders to give an assessment of the expected impact on premium levels of the key reforms being fully introduced.</b></p>	<p><b>44.</b> Industry and stakeholders requested to give an assessment of the expected impact on premium levels arising from key Action Plan reforms being fully introduced.</p>	Department of Finance	December 2020

PFG Commitment	Actions to facilitate delivery	Responsible Body	Timeline
<p><b>Expanding, with urgency, the National Claims Information Database to employer liability and public liability to track the level of claims.</b></p>	<p><b>45.</b> Central Bank of Ireland to expand the scope of the National Claims Information Database (NCID) to allow it to begin gathering data on both Employer and Public Liability insurance.</p>	<p>Department of Finance / Central Bank of Ireland</p>	<p>Done</p>
	<p><b>46.</b> Central Bank of Ireland to publish the second Private Motor Report by the NCID, and where necessary the Department of Finance to make recommendations to the Cabinet Committee Sub-Group on foot of key findings.</p>	<p>Department of Finance / Central Bank of Ireland</p>	<p>Done</p>
	<p><b>47.</b> Publish the first Report by the NCID on Employer and Public Liability Insurance Claims.</p>	<p>Central Bank of Ireland</p>	<p>June 2021</p>
	<p><b>48.</b> Central Bank of Ireland to engage with relevant stakeholders on reviewing the NCID with a view to developing the NCID going forward.</p>	<p>Central Bank of Ireland (Department of Finance, Department of Enterprise, Trade and Employment, PIAB, State Claims Agency, CSO)</p>	<p>Ongoing</p>
	<p><b>49.</b> Central Bank of Ireland to publish the third Private Motor Report of the NCID.</p>	<p>Central Bank of Ireland</p>	<p>October 2021</p>

PFG Commitment	Actions to facilitate delivery	Responsible Body	Timeline
<b>Establishing a databank within the Central Bank for new entrants.</b>	<b>50.</b> Explore and develop options on establishing an insurance databank for new entrants within the Central Bank of Ireland, including what information it should hold.	Department of Finance / Central Bank of Ireland	June 2021
	<b>51.</b> Determine next steps on establishing such a databank based on the options analysed.	Department of Finance / Central Bank of Ireland	December 2021
	<b>52.</b> Taking account of the NCID reports and stakeholders consultations, highlight the costs that insurers incur, including claims costs, brokers fees/commissions, reinsurance costs, MIBI costs, legal costs and other costs, etc., and other factors that are currently influencing the cost of motor and public liability insurance premiums.	Department of Finance (Central Bank of Ireland, PIAB, State Claims Agency)	December 2021
<b>Prioritising the establishment of a fully functioning European-wide single insurance market.</b>	<b>53.</b> Support the establishment of a fully functioning European-wide single insurance market by actively participating in the review of the Solvency II Directive.	Department of Finance / Central Bank of Ireland	Ongoing
<b>Working to remove dual pricing from the market.</b>	<b>54.</b> Review of Differential Pricing in the Motor and Home Insurance Markets – Central Bank of Ireland to complete its first phase of the review.	Central Bank of Ireland	Done
	<b>55.</b> Central Bank of Ireland to complete its Review of Differential Pricing in the Motor and Home Insurance Markets and publish final report.	Central Bank of Ireland	September 2021

PFG Commitment	Actions to facilitate delivery	Responsible Body	Timeline
	<p><b>56.</b> Examine the Central Bank's Review of Differential Pricing in the Motor and Home Insurance Markets and take any appropriate actions as deemed necessary in light of the findings of the Central Bank of Ireland in their final report.</p>	Department of Finance	December 2021
<p><b>Creating an office within Government tasked with encouraging greater competition in the Irish insurance market.</b></p>	<p><b>57.</b> Make proposals to the Cabinet Committee Sub-Group in relation to creating an office within Government tasked with encouraging competition in the Irish insurance market, on the basis of a joint-Department of Finance/Department of Enterprise, Trade and Employment paper.</p> <p><b>58.</b> Establish an office within Government to encourage greater competition in the insurance market.</p> <p><b>59.</b> Competition and Consumer Protection Commission (CCPC) to publish its Market Study on public liability insurance.</p>	<p>Department of Finance; Department of Enterprise, Trade and Employment</p> <p>Department of Finance</p> <p>CCPC</p>	<p>Done</p> <p>December 2020</p> <p>December 2020</p>

## Section 3 – Further Actions to be Taken

The eleventh and final Cost of Insurance Working Group Progress Update Report was published in October 2020. The remaining actions arising from the work of the Group will be reported on a regular basis to the Cabinet Sub-Group as appropriate.

Steps Necessary for Delivery	Timeline	Lead Policy Department and Relevant Bodies
<b>60.</b> Publish <i>Eleventh and Final Progress Update Report of the Cost of Insurance Working Group</i> .	Done	Department of Finance
<b>61.</b> Ascertain and set out the measures necessary to implement Pre-Action Protocols for personal injury cases.	September 2021	Department of Justice
<b>62.</b> Examine the impact of legal and other fees on personal injury awards, using both the National Claims Information Database reports and Office of the Legal Costs Adjudicators data.	June 2022	Department of Justice
<b>63.</b> Examine the setting of the discount rate (in personal injury lump sum awards), without prejudice to the outcome of relevant proceedings, review it at regular intervals thereafter.	June 2021 (ongoing)	Department of Justice
<b>64.</b> Explore the feasibility of establishing a fully functioning integrated insurance fraud database for industry to detect patterns of fraud.	June 2021	Department of Justice

Steps Necessary for Delivery	Timeline	Lead Policy Department and Relevant Bodies
<p><b>65.</b> Oversee and monitor the implementation of the remaining Personal Injury Commission's recommendations by relevant bodies including standardized approach to reporting of soft tissue injuries, relevant injury data to be collated and reported by relevant bodies, adoption of internationally recognized injury coding system by insurers and other relevant parties, establishment of a national medical research study on soft tissue injuries.</p>	<p>Ongoing</p>	<p>Department of Enterprise, Trade and Employment</p>
<p><b>66.</b> Monitor developments in relation to updating relevant civil justice legislation and procedures and examine any potential impacts they may have on the insurance reform agenda.</p>	<p>Ongoing</p>	<p>Department of Justice</p>



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