Terms of Reference for the Office to Promote Competition in the Insurance Market

16 December 2020

Introduction

The 2020 Programme for Government (PfG) document contains a number of commitments relating to insurance reform and in particular commits the Government to ***"increase transparency, tackle anti-competitive behaviour and foster competition by: (inter alia): Creating an office within Government tasked with encouraging greater competition in the Irish insurance market."***

Broad Themes

The Government's efforts to reduce insurance costs and increase the availability of cover by promoting competition in the Irish insurance market can be grouped into two broad themes:

1. Encouraging greater competition between existing insurers in the Irish market, including through expanding product offering. Encouraging new entrants to enter the insurance market, be they new domestic companies, companies "passporting" in from EU/EEA member States, or from other third countries outside the EU/EEA.
2. Considering new initiatives by the State to assist in advancing the above objectives.

In working to promote competition in the Irish insurance market, regard has to be taken of the EU Directives pertaining to insurance, EU state aid rules, EU and national competition law and the statutory independence of the relevant State bodies.

Guiding Principles

1. Develop a more strategic approach to promote greater competition in the insurance sector.
2. Take account of the Government's strategy for the development of Ireland's International Financial Services (IFS) Sector to 2025 – Ireland for Finance – and the role played by the Minister of State for Financial Services, Credit Unions and Insurance at the Department of Finance.
3. Take account of the views of other State bodies that do not have a competition mandate, but do have longstanding expertise and experience of the insurance market in Ireland.
4. Avoid duplication of purpose with regard to existing Government Offices/Agencies that have a competition remit.

1. Specific Responsibilities of the Office

The Office to Promote Competition in the Insurance Market, established under the responsibility of the Minister of State at the Department of Finance, will:

- Advance the Government's work on insurance reform so as to encourage greater competition in the Irish insurance market;
- Develop a strategic approach to the promotion of insurance competition – in this context a work plan for 2021 will be developed, in consultation with relevant Department/Agencies, so as to ensure coherency and consistency in approach between relevant State bodies;
- Promote transparency and championing the provision of information in relation to the insurance market and various insurance products;

- Tailor its approach reflecting the particular circumstances pertaining in the business sector and that of the wider consumer market which may have different priorities;
- Provide for more joined-up policy thinking and communications; and
- Report to the *Cabinet Sub-Group on Insurance Reform* on the work of the Office.

2. Composition of the Office

The Office will include:

1. Chair (Minister of State for Financial Services, Credit Unions and Insurance at the Department of Finance, Seán Fleming T.D.)
2. Relevant Officials from each of the following:
    - The Department of Finance (D/Finance)
    - The Department of Enterprise, Trade and Employment (D/ETE)

Other Departments, Agencies, and stakeholders, that *inter alia* could assist the work of the Office, will be invited to update and advise the Office on insurance competition issues. In this regard, the following organisations will be invited to meet with the Office including the following:

- Central Bank of Ireland (CBI)
- Competition and Consumer Protection Commission (CCPC)
- IDA Ireland (IDA)
- Motor Insurers' Bureau of Ireland (MIBI)
- Personal Injuries Assessment Board (PIAB)
- State Claims Agency (SCA)
- Insurers, such as Irish Public Bodies (IPB) Insurance

The Secretariat of the Office will be based in the Department of Finance within the Financial Services Division. The Office will be given specific staffing resources to undertake the work, as outlined in the Programme for Government, and will work alongside existing staff within the Insurance Policy Section of the Department's Financial Services Division.

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