

Action Plan for Insurance Reform

Submission to the Department of
Finance Public Consultation

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Coimisiún um
Iomáiocht agus
Cosaint Tomhaltóirí

Competition and
Consumer Protection
Commission

Introduction

The Competition and Consumer Protection Commission ('the CCPC') welcomes the opportunity to respond to the Department of Finance consultation on a new Action Plan for Insurance Reform ('the Action Plan').

The CCPC has a statutory function under Section 10(3)(a) of the Competition and Consumer Protection Act 2014 to provide advice to policymakers on matters likely to impact on consumer protection and welfare, or competition. The CCPC also has specific functions under Section 10(3)(j) of the Act to provide information on financial services, including the associated risks and benefits and to promote the development of financial education and capability.

In addition, the CCPC published its Public Liability Insurance Market Study ('the Market Study') in December 2020, which assessed competition in the public liability insurance sector and made recommendations for reform. We have responded to questions from the consultation reflecting our remit and mandate and informed by the findings of the Market Study.

Question 1. Areas for further development – What challenges remain, and what additional reforms are needed?

Personal Injury reforms

The Market Study recommended enhancing and expanding the role of the Personal Injuries Assessment Board ('PIAB') to become the main personal injury settlement channel in the State. The CCPC considered that this would deliver significant benefits for insurers, insured organisations and claimants due to the reduced time and cost of settling claims through PIAB. In order to strengthen the functions of PIAB, the CCPC recommended allocating it a range of additional functions such as mediation and/or quasi-judicial powers. The CCPC welcomed the reforms contained in the Personal Injuries Resolution Board Act 2022 ('the 2022 Act'). The 2022 Act enhanced the functions of the Injuries Resolution Board including by providing it with a function to facilitate mediation.

The introduction of the Judicial Council Personal Injuries Guidelines to replace the Book of Quantum should over time provide more consistency in awards for injury claims. The

CCPC notes the judgment of the Supreme Court in *Delaney v The Personal Injuries Resolution Board & Ors* which confirmed the constitutionality of the guidelines. While the Injuries Resolution Board applies the guidelines consistently it is unclear to what extent awards are made in line with the guidelines in early settlements or settlements in the litigation channel. In addition, a lack of written judgments in the District and Circuit Court makes it difficult to assess how they are being applied in Court awards. It is suggested that a greater level of granular information should be captured and published by the Courts Service to provide insights into the application of the guidelines by the Courts¹.

The CCPC notes the publication by the Judicial Council of the draft revised Personal Injuries Guidelines and in particular the decision of the Personal Injuries Guidelines Committee to provide for an uplift in award levels in line with the Harmonised Index of Consumer Prices². As the review is conducted every three years it has resulted in a revision of the award levels following a recent period of high inflation. The Judicial Council noted that due to the low number of written judgments in the superior courts it had not been possible “to carry out any meaningful analysis of the quantum of court awards given under the Guidelines to date that might inform this review”. In line with the approach taken for the first edition of the guidelines, and that adopted in Northern Ireland and England and Wales, the point of reference was consumer inflation indices to determine the degree to which an increase in award levels should be made. One drawback from using the HICP is that it contains both ‘core’ and ‘non-core’ items. Non-core items such as energy, food or alcohol can fluctuate to a greater degree than other items, and in the case of alcohol is significantly affected by Government policy decisions (such as the minimum price provisions).

The CCPC recommends that the methodology for reviewing the guidelines should in future focus on core inflation to ensure that is reflective of the medium-term trend in price inflation. In addition, in order to provide for an assessment of awards made by the courts

¹ The OECD has previously identified a need to capture more granular information on the functioning of the courts. The CCPC is aware that this is being actively considered in the delivery of the recommendations of the Judicial Planning Working Group report.

² <https://judicialcouncil.ie/assets/uploads/documents/Personal%20Injuries%20Guidelines%20-%20Draft%20Amendments%20as%20modified%20by%20the%20Board.pdf>

and to provide for greater certainty in the application of the guidelines, the review period should be extended from three years to five years.

Recent data demonstrates the success of the Injuries Resolution Board's model, which is resolving claims on average 3.5 years faster than litigation³, and for €17,000⁴ less in legal costs. The phased roll out of mediation services since 2024 is expected to further increase the speed by which the Injuries Resolution Board processing claims by offering parties a structured forum to speedily resolve disputes.

Despite these reforms the proportion of claims settled through the Injuries Resolution Board remains consistently low. The CCPC recommends that consideration be given to how the Injuries Resolution Board can retain a greater proportion of claims for assessment. This could include changes to the law to allow for cases to be remitted back to the Injuries Resolution Board (for example, where new evidence is introduced during proceedings in the litigation channel which wasn't provided to the Injuries Resolution Board during the assessment).

Private Health Insurance

The CCPC welcomes the Action Plan's focus on affordability and accessibility, and recommends it also address these issues in the private health insurance sector, which was not covered in the previous plan. 46% of Ireland's population is covered by a private health insurance policy and have faced significant increases to premiums. In 2024 the average price of individual policies increased by 12.2%⁵.

The sector is characterised by a small number of providers who collectively offer 338 health insurance plans that vary in coverage and price. Providers tend to maintain or increase the price of existing plans and continue to bring new plans to market. Therefore, consumers who actively engage in the market can get good deals, while the less engaged consumers are not protected.

³ [Employers' Liability, Public Liability and Commercial Property Insurance Report 4](#) National Claims Information Database (NCID)

⁴ Injuries Resolution Board Annual Report 2023

⁵ [Health Insurance in Ireland Market Report 2024](#), the Health Insurance Authority

Many consumers find it difficult to make informed comparisons of available plans, citing the complexity of coverage details and the increasing number of plans. These market features inhibit effective consumer choice and reduce competitive pressure on providers. The evidence suggests that older consumers are facing a tougher market compared to younger cohorts, with people over 65 paying on average 44% more⁶. Older consumers tend to be on plans with higher cover and are less likely to switch plans, despite prices of existing plans continuing to rise.

Interventions to increase consumer engagement with the market and encourage switching behaviour, and/or interventions to limit providers' conduct (for example, limiting the number of plans, price increases, price structure complexity) should be considered to address the inefficiencies and inequities in the health insurance sector.

Transparency and affordability

Q.1 How can we strengthen transparency in insurance pricing, policy terms, awards and legal costs to ensure fair treatment of consumers and businesses?

Transparency in the legal sector

The CCPC supports the focus on strengthening the Injuries Resolution Board as part of a new Action Plan. As noted above, facilitating the resolution of personal injury claims outside of litigation delivers benefits for all parties involved, including speedier resolution and lower legal costs. However, data from the Central Bank indicates that a substantial proportion of claims (68% in 2023) continue to be settled through litigation, despite the higher associated legal costs. The data also shows that these legal costs are rising, even as the level of damages awarded is declining, placing additional financial pressure on claimants and respondent insurance companies.⁷ With these trends in mind, the CCPC continues to advocate for increased transparency regarding legal costs to support consumer decision-making regarding insurance related litigation.

The Central Statistics Office produces a Service Producer Price Index (SPPI), which measures the changes in the average prices charged by domestic service producers to

⁶ [Health Insurance in Ireland Market Report 2024](#), the Health Insurance Authority

⁷ [Employers' Liability, Public Liability and Commercial Property Insurance Report 4](#), National Claims Information Database (NCID)

other businesses. Currently, legal cost information is published in a bundle with other professions, thus preventing analysis of legal costs specifically. The CCPC considers that the data collected in the SSPI survey could be released more publicly, noting there is precedent in other Euro Area member states (Latvia and Lithuania).

Competitiveness and Availability

Q.2 How can we improve the availability of insurance and encourage greater competition across different sectors, particularly those facing challenges in accessing coverage?

The Market Study considered the level of competition in the public liability insurance market. It found that the market was somewhat concentrated, however there was limited data available to the CCPC to inform this assessment⁸. The CCPC notes that there has been new entry into the non-life and health insurance markets in Ireland in recent years⁹. This increase in the number of competitors is very welcome.

The Market Study found that most organisations that required insurance coverage for their activities were able to secure it. Some sectors had a limited choice of provider and may have been paying higher premiums. NCID data suggests that this pattern has persisted, with over a quarter of organisations in the Arts, Entertainment and Recreation sector paying premiums above €5,000 per annum. The CCPC notes that this is the case despite reforms to lower the level of awards through the Personal Injury Guidelines, lower volumes of claims in the past decade and amendments to the Occupier's Liability Act 1995 intended to limit the liability of occupiers of premises for injuries or damage caused by dangers on their property.

Increased data availability

The CCPC acknowledges the significant contribution of the National Claims Information Database (NCID) in enhancing transparency within the non-life insurance market, particularly in relation to claims trends and the use of the different settlement channels.

⁸ Assessing market concentration is one means by which to establish the degree to which a market is competitive.

⁹ This has included the entry of Outsurance in the private motor and home insurance markets, Revolut in private motor insurance in partnership with AIG, and Aviva in the health insurance sector (trading as Level Health).

The availability of this data has provided valuable insights for policymakers, and a range of stakeholders. The CCPC welcomes the Programme for Government commitment to more frequent publication of NCID data, which aligns with our longstanding position that timely access to such information is essential to support a transparent and competitive insurance market.

The CCPC reiterates its recommendation in the Market Study that NCID data be published at insurer level. Publishing insurer-level data would enable more detailed assessments of market size, share, and profitability, and would support analysis of market dynamics such as entry and exit. The CCPC acknowledges that to progress this recommendation, legislative change is likely to be required to the Central Bank (National Claims Information Database) Act 2018.

As noted in the Market Study, improving insurers' ability to assess risk is important. Underwriting relies on access to good quality data to inform risk assessment. The action plan should explore how to improve data availability across sectors to support accurate and efficient underwriting. The Market Study suggested that data collected by the Injuries Resolution Board could be used to provide greater market transparency for claims costs. More data availability should help to inform more accurate underwriting by insurers. In that regard the CCPC welcomes the Injury Resolution Board's publication of reports on trends in awards, as well as assessments of the types of risks arising across insurance lines.

In January 2025 the Injuries Resolution Board published a report on public liability accidents from 2019 to 2023 which documented significant reductions in the incidence of claims as well as identifying the types of environments which are associated with the majority of claims¹⁰. Greater levels of granular information should help to inform the underwriting practices of insurers and ensure that they are accurately pricing risk and ensuring that premiums reflect that risk.

The CCPC is committed to enhancing consumer protection and promoting fairness in the financial services sector. We acknowledge the barriers that individuals with a history of serious illness, such as cancer, have faced when accessing financial products including

¹⁰ Available here: <https://www.injuries.ie/eng/about-injuries-resolution-board/reports/public-liability-accidents-report-2019-2023.pdf>

insurance. At European Union level, the ‘Right To Be Forgotten’ is increasingly recognised as a necessary safeguard for equitable access to financial services. In 2022, the European Parliament adopted a resolution calling for all EU citizens to have the right to have past cancer diagnoses disregarded when applying for financial products¹¹. This principle is now reflected in Article 48 of the Consumer Credit Directive (CCD2)¹², which requires Member States to ensure that insurance policies linked to credit agreements are not based on personal data concerning a consumer’s cancer diagnosis after a defined period following the end of treatment. This period must not exceed 15 years and is to be determined by each Member State.

In Ireland, the voluntary code introduced by Insurance Ireland—which asks insurers to disregard cancer diagnoses where treatment ended more than seven years ago (or five years for childhood diagnoses)—is a positive development. However, the CCPC is of the view that voluntary measures are insufficient to ensure consistency and fairness across the market. Statutory provisions are necessary to provide legal certainty, promote uniformity in underwriting practices, and protect consumers from potential discrimination. The CCPC therefore supports the intention to legislate for the ‘Right To Be Forgotten’ for cancer survivors as part of a new Action Plan.

Innovation and Skills

Q.1 How can innovation support the long-term growth of Ireland’s insurance industry?

Competition is a key driver of innovation. Continued entry and expansion of firms in the insurance sector should lead to greater innovation as firms compete to attract and retain customers. Policy and regulation should also be designed to encourage innovation. The CCPC notes that the Central Bank of Ireland has established its first Innovation Sandbox Programme and international examples suggest that a regulatory sandbox approach is helpful in encouraging new technologies, as well as identifying and mitigating potential risks¹³.

¹¹ [Strengthening Europe in the fight against cancer](#), European Parliament February 2022

¹² [CCD2 DIRECTIVE](#) (EU) 2023/2225 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 October 2023

¹³ See 2023 research by the OECD available [here](#)

The CCPC understands that the forthcoming EU Financial Data Access (FIDA) Regulation should enable consumers and firms to better control access to their financial data in a range of financial services. This will make it possible for consumers and firms to benefit from financial products and services that are tailored to their needs based on their data. As highlighted in the Market Study, and in the FIDA Regulation, such data sharing could support more accurate pricing in insurance markets¹⁴, as well as data-driven innovation in products and services.

Climate Protection Gap

Q.1 What steps can be taken to reduce Ireland's climate protection gap and improve insurance coverage for flooding and other climate-related risks?

The insurance industry plays a vital role in protecting consumers and businesses from the impact of destructive climate related events, such as floods. While EU data shows Ireland has above-average flood cover, the CCPC notes that a Central Bank study found about 1 in 20 buildings in Ireland have limited access to flood insurance.¹⁵ As the Central Bank notes, Ireland is likely to see significantly more rainfall in the future due to climate change, increasing the likelihood of flood events and potentially widening the flood protection gap. The CCPC notes that a number of measures have been taken to mitigate the effects of flooding. As such protection gaps in flood cover are likely to present in many other countries, the Action Plan could include a commitment to a review of practices elsewhere to inform policy in Ireland.

ENDS

¹⁴ See Recital 14 here: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52023PC0360>

¹⁵ See, Central Bank of Ireland 2024 Flood Protection Gap report, available [here](#)



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