

ALLIANCE FOR INSURANCE REFORM



1-PAGE MEMBER UPDATE – 6th May 2021

There has been considerable progress on insurance reform in the last 4 months but it remains to be seen whether any of the ongoing reforms will apply downward pressure to liability or motor premiums.

To use a sporting analogy, we are 2 points up with 5 minutes to go and frankly, anything could happen. It is now beholden on the Alliance and its members to apply particular pressure in the following target areas to ensure that all the reforms deliver affordable insurance and keep it that way.

1. **General damages for minor injuries must be dramatically reduced:** The new judicial guidelines on personal injury guidelines were implemented on Saturday 24th April. While the [new guidelines](#), do not deliver the 80% reduction in minor injury damages that is necessary to bring us close to comparable jurisdictions, they do deliver an estimated 50% reduction, which is still significant if delivered consistently in insurer settlements, court awards and PIAB assessments.
2. **Re-balance the “common duty of care”:** Two proposed methods of rebalancing the duty of care have been sent to the Attorney General to be “fleshed out”. The intention is that draft legislation will be brought back to Cabinet by the end of the year for possible implementation next year.
3. **Establish a formal Garda response to insurance fraud:** 4 years after the Cost of Insurance Working Group first addressed this issue and despite commitments from An Garda Síochána in 2019 to a division-led approach, we still do not have a formal Garda response to insurance fraud.
4. **Reform of the Personal Injuries Assessment Board:** The Alliance and many of our members made comprehensive submissions to the Department of Enterprise’s consultation on the reform of PIAB. Draft legislation is expected in the autumn.
5. **Reduce insurance costs:** Given that insurance premiums are calculated on future risk, the substantial personal injury damages reductions in the new guidelines must immediately be passed on to policyholders by insurers and if they aren’t, ask your insurer and local politicians why not.
6. **Increase Insurance Competition:** For the many sectors now unable to get insurance cover or down to one underwriter, we expect Minister Sean Fleming’s Insurance Competition Office to highlight all the reforms now implemented or pending, to insurers currently not offering cover in Ireland with a view to getting new underwriters into the Irish market urgently.

There are 66 actions in the [Government’s Action Plan on Insurance Reform](#), but unless these 6 issues are fully addressed this year, then 2021 will go down as the year insurance could have been sorted, but wasn’t.

Peter Boland, 6th May 2021