



About the Bulletin

The Central Bank of Ireland commenced collecting detailed consumer data from selected regulated firms in a number of sectors in 2013. This data is part of an overall risk function, with the aim of identifying potential and current consumer risks.

This fifth Consumer Protection Bulletin concentrates on data reported by 24 insurance companies providing motor insurance to Irish personal consumers¹. The data is submitted by insurance companies incorporated in Ireland and companies incorporated and prudentially regulated in other Member States of the European Economic Area².

Where are the motor insurance companies for Irish consumers based?

Nine of the reporting companies that provide motor insurance to Irish consumers are incorporated in Ireland and prudentially regulated by the Central Bank. A further four reporting companies are incorporated in the UK and have branches in Ireland, operating under Freedom of Establishment, and are prudentially regulated in the United Kingdom.

The remaining eleven reporting companies provide insurance to Irish consumers under Freedom of Services (i.e. without a branch in the State) and are prudentially regulated in the United Kingdom, Gibraltar, Denmark, and France. Under financial services legislation³ insurance companies must inform consumers of the name of the competent authority from which they obtained an authorisation and name of the country where they have their head office.

Key Points

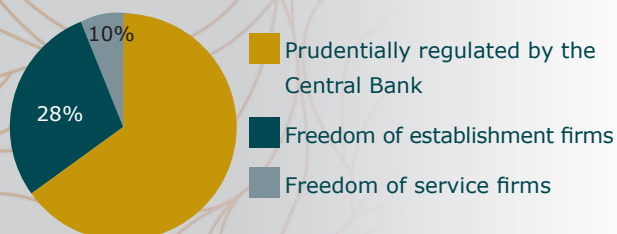
- The total number of live motor insurance policies as of 31 December 2016 was 2,134,553 with related total premiums of €1,020,263,279.
- 62% of policies are underwritten by companies prudentially regulated in Ireland, with 28% by firms operating here on branch basis and 10% by companies operating on a Freedom of Services basis.
- In H2 2016,⁴ the companies received a total of 11,502 complaints in relation to motor insurance; representing 0.5% of live policies during that period.
- The majority of these motor insurance complaints related to "Pricing" – this accounted for 52% of complaints.
- 99% of motor insurance complaints were resolved within 40 business days.
- Of the H2 2016 motor insurance complaints, 716 were made by consumers in relation to motor insurance claims. In H2 2016, there was total redress paid of €9,834 in respect of 44 motor insurance claims complaint cases.

Policies provided to Irish consumers by the reporting motor insurance companies⁵

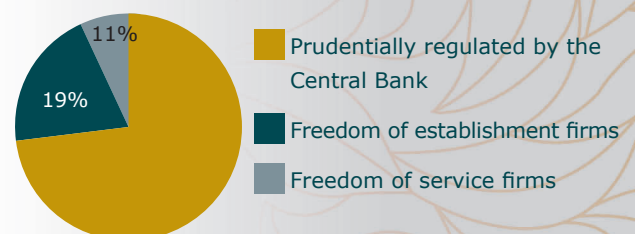
Motor insurance is one of the most widely held insurance products and is a product of key importance to Irish consumers. As at end H2 2016, the total number of live motor insurance policies reported by the reporting insurance companies was 2,134,553, with related total premiums of €1,020,263,279.

The charts below show these figures broken down based on whether the insurance company is incorporated in Ireland and prudentially regulated here, operates here on a branch basis or operates here on a Freedom of Services basis.

H2 2016 Number of motor insurance policies



H2 2016 Value of motor insurance policies



Conduct of Business Information

In addition to the above information on volume, the Central Bank requires the submission of information on product development. Since 2013, examples of this included developments in the area of telematics and changes in excesses in relation to claims.

The total number of motor insurance complaints⁶ reported for H2 2016 by the insurance companies currently providing motor insurance was 11,502 (representing 0.5% of live policies during that period). 99% of motor insurance complaints received in H2 2016 were resolved within 40 business days. This is the timeframe prescribed by the Consumer Protection Code 2012 within which a complaint must be resolved or, if not resolved, the complainant must be informed of the anticipated timeframe for resolution.

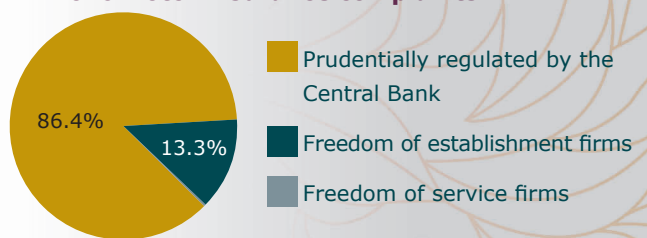
The table below shows the distribution of complaints according to complaint type.

The following graph shows the spread of these complaints, based on whether the insurance firm is incorporated in Ireland and prudentially regulated here, operates here on a branch basis or operates here on a Freedom of Services basis.

Complaint Type	Total	%
Pricing	6,000	52.2%
Customer Service	2,303	20.0%
Voiding/decline of policy/terms and conditions	1,456	12.7%
Claims	716	6.2%
Documentation Issues	652	5.7%
Payment direct debit issues	306	2.7%
Advertising	34	0.3%
Misselling	20	0.2%
Fees and commissions	15	0.1%

Looking to complaints on motor insurance claims specifically (a topic on which the Central Bank recently published the outcome of a thematic review)⁷, the insurance companies reported that 716 complaints were made by Irish consumers in relation to motor insurance claims during H2 2016. The firms also reported that, during this period, they paid a total of €9,834 in redress for 44 cases where the complaint centered around motor insurance claims handling.

H2 2016 Motor insurance complaints



- ¹ "Personal consumer" means a consumer who is a natural person acting outside his or her business, trade or profession as provided for under the Consumer Protection Code 2012.
- ² Insurance undertakings can write business in Ireland from another EEA state by either establishing a branch (Freedom of Establishment) or by writing business directly (Freedom of Services). This is referred to as 'passporting'.
- ³ Sections 4.10, 4.30, and 4.34 of the 2012 Consumer Protection Code and Regulation 193 European Union (Insurance and Reinsurance) Regulations 2015.
- ⁴ 'H2' refers to the second half of calendar year, i.e. 1 July until 31 December.
- ⁵ The Central Bank also publishes financial statistics on insurance firms on a yearly basis, the latest report being for 2015, available at <https://www.centralbank.ie/docs/default-source/statistics/statistical-publications/insurance-statistics/insurance-statistics-2015.pdf?sfvrsn=4>
- ⁶ Chapter 10 of the 2012 Consumer Protection Code contains a number of important requirements where consumer complaints are being handled. For example, each complaint must be acknowledged in writing within five business days of the complaint being received and regular updates on the progress of the investigation must be given at not greater than 20 day intervals. An up to date log of all complaints must be maintained.
- ⁷ <https://www.centralbank.ie/news-media/press-releases/review-of-motor-damage-claims-handling-published>

H2 2016 Data

Number of motor insurance policies	2,134,553
Related total premiums	€1,020,263,279
Number of motor insurance complaints	11,502
Percentage of complaints resolved within 40 business days	99%
Number of complaints relating to the handling of motor insurance claims	716
Number of consumer paid redress in relation to motor insurance claims complaints	44
Amount of redress paid to complainants in relation to motor insurance claims	€9,834

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