

## **CP124 - Second Consultation on Non-Life Insurance Amendments to the Non-Life Insurance (Provision of Information) Renewal of Policy of Insurance) Regulations 2007**

- 1. Do you agree that insurers should include the premium paid by the motor policyholder for the previous year in renewal documentation for comparison purposes? Please outline the reasons for your view**

We agree with the principle of displaying last year's premium paid vs current renewal offer provided this is clear to the consumer. It will help the consumer make an informed decision when shopping for their insurance.

- 2. Do you agree that last year's premium should also be provided in renewal documentation for other classes of non-life insurance that fall within scope of S.I. No. 74? Please outline the reasons for your view**

Yes. In line with the answer to question 1 above, this information will allow the consumer to make an informed decision when shopping for their insurance.

- 3. With regard to mid-term adjustments, do you consider that insurers should provide a policyholder with the premium paid at the inception of the policy and the amount of any mid-term adjustment, as set out at Option 1 above, or the provision of an annualised premium on renewal, as set out in Option 2 above? Please outline the reasons for your view.**

We consider option 1 to be the most suitable. The insured should receive the original inception premium and the cost of the mid-term adjustment at the time of the mid-term adjustment. The information provided should be clear, and note that the mid-term adjustment cost is set out on a pro-rata basis for the remaining period of cover.

With regard to Option 2, we consider that this could cause significant confusion for the policyholder as insurers would be providing, a 'what might be' price on the annual premium as a result of the mid-term adjustment.

This also poses significant implementation challenges, as insurer rating changes throughout the term of the policy. Providing a 'what might be' price based on today's rates would require insurers to link back to multiple rating tables throughout the course of the policy in order to give the consumer a price that a) the customer may not necessarily avail of b) serves as information only. Also providing the annualised premium at the time of the mid-term adjustment, may set the consumer's expectation of premium at renewal which may not be realistic.

- 4. Is there any other appropriate manner of disclosing last year's premium where a midterm adjustment occurred that would provide consumers with an accurate comparison? Please outline the reasons for your view.**

We consider Option 1, in question 3 above, to be the most suitable.

- 5. What do you consider to be an appropriate lead-in time for any necessary system changes in order to provide last year's premium? Please outline the reasons for your view**

With regard to the significant development and training required to implement the change, a lead in time of 12 months would be appropriate.