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Central Bank of Ireland

Eurosystem

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Paschal Donohoe TD
Minister for Finance
Department of Finance
Upper Merrion Street
Dublin 2

03 October 2025

Dear Minister,

Re: Insurance Compensation Fund (the Fund)

Pursuant to Section 6(8) of the Insurance Act 1964 (the Act) the Central Bank of Ireland (Central Bank) has reviewed the state of the Fund in September 2025 to determine whether financial support from insurers should continue to be provided for the Fund.

Until all advances outstanding from the Exchequer to the Fund are fully repaid, continued financial support for the Fund from insurers will be required. Pursuant to Section 6(8)(b) of the Act, the Central Bank is of the opinion that financial support should continue but at a reduced rate of one percent until the next anniversary of the review of the state of the Fund.

Based on the information currently available, including estimates of the income and outgoings to the end of 2026, and reserves already available to the Fund, a revenue surplus may exist by the end of 2026. Accordingly, the Central Bank is not currently recommending any further advance to the Fund by the Minister under section 5(1) of the Act at this time.

The Central Bank has incorporated all currently anticipated calls on the Fund from insurance companies already in administration or liquidation. The Central Bank has assumed the relevant premium received by insurers in 2025 and 2026 will be similar to 2024 with no growth included in the projections.



The rate reduction reflects the fact that, based on the latest projection, a rate of one percent is likely to be sufficient to repay the outstanding loan balance and cover anticipated calls on the Fund. However, unanticipated calls could be made by insurance companies that are in, or may go into, administration or liquidation between now and the end of 2026. Any such calls may need to be offset by further advances into the Fund yet to be determined and a continuation of the levy beyond 2026.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'S. Cunningham'.

Seána Cunningham
Director of Insurance
Central Bank of Ireland