



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

T +353 (0)1 224 6000

Bosca PO 559  
Baile Átha Cliath 1

PO Box 559  
Dublin 1

[www.centralbank.ie](http://www.centralbank.ie)

Chairman

Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach

Leinster House

Dublin 2

D02 XR20

06 May 2022

**Your Ref: JCFPERT-I-0497**

**Re: Detailed Scrutiny of the Judicial Council (Amendment) Bill 2021**

Dear Chairman,

Thank you for your letter of 5 April in which the views of the Central Bank are sought on the Judicial Council (Amendment) Bill 2021. I note that the overall intention of this Bill is to increase transparency by demonstrating the impact that the Personal Injuries Guidelines (“the Guidelines”) would have on claims costs and premium rates and to ascertain whether reductions in claims costs are being passed on by insurers to policyholders.

The Central Bank is very supportive of increasing transparency in relation to the cost of insurance claims. The National Claims Information Database (NCID) was established to improve transparency in the Irish insurance claims environment and to support data driven policy-making.

The annual NCID reports will continue to provide detailed information on trends and developments on claims costs, premiums and profitability, and these will provide important insights into the impact of the Guidelines. Starting with the 2022 Motor Insurance Report, new data will be provided on claims settled under the Guidelines or the previous regime, (through the Book of Quantum). This will provide insight into the initial impact of the Guidelines, including how claims are settled and the



cost of settlement. While such insight will have material limitations – for example due to the difficulty in isolating the drivers of changes in premiums as such changes may be as a result of multiple factors difficult to disentangle – we consider it to be an appropriate, consistent, and resource-efficient means of addressing the issue.

In relation to the Central Bank’s specific observations on the Bill, we note that here too there are likely to be difficulties in isolating the application of the Guidelines on premiums. The additional overall costs involved in this approach would seem likely to be material. To the extent that they fall upon the Bank, these will of course be subject to the rules on monetary financing.

In summary, the Central Bank continues to improve the transparency and insight that can be provided through the NCID Reports. This includes additional settlement data being collected following the implementation of the Guidelines. The Central Bank also intends to start collecting and publishing settled claims and average premium data for private motor insurance and settled claims data for Employers’ and Public Liability insurance on a bi-annual rather than annual basis. We consider the ongoing development and enhancement of the NCID to be a more appropriate mechanism to increase insights into the impact of the Guidelines on claims costs and premiums.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Gerry Cross'.

Gerry Cross

Director Financial Regulation, Policy and Risk