Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

# Insurance Newsletter



SEPTEMBER 2022


# Sustainable Insurance

*In September 2021, the Central Bank of Ireland (the Bank) published its [new strategy for 2022-2026](). Climate change features as a strategic priority under the theme "future-focused". On 3 November 2021, we issued a [letter to all Chairs and CEOs]() of regulated financial service providers (RFSP) setting out our supervisory expectations in relation to climate and other Environmental, Social and Governance (ESG) issues. In addition, our [Consultation Paper on Guidance for (Re)insurance Undertakings on Climate Change Risk]() was published for consultation on 3 August 2022. This Guidance seeks to clarify the Bank's expectations for the assessment and ongoing management of climate change risk by (re)insurers.*

## Climate Change Risk in the ORSA

As climate change risk moves from emerging risk management to key risk management for many (re)insurers, the Bank undertook a thematic review of a sample of Own Risk and Solvency Assessments (ORSAs) to:

- Understand (re)insurers' considerations of and exposure to climate change risk; and
- Communicate feedback to industry, as appropriate.

In total, 39 (re)insurers were selected for our review across the life, non-life, and reinsurance sectors. From the review, we saw that some (re)insurers had made a material improvement in their assessment of climate change risk in the ORSA compared to previous years, and other (re)insurers carried out quantitative analysis for the first time.

We acknowledge that (re)insurers are at different stages of development in relation to their management of climate change risk and that this development is an iterative process that will improve over time. Notwithstanding this, based on our review, there is still scope for the majority of (re)insurers to be more ambitious in their consideration of climate change risk.

In particular, the Bank would remind (re)insurers of [recent amendments to the Solvency II Delegated Regulations]() requiring (re)insurers to identify and assess sustainability risks within the ORSA. The Bank will share with you the common areas where improvement is needed so that you can consider these in the future. The following observations are reflected in the proposed Guidance on Climate Change. It is intended they are applied in a manner that is proportionate to the nature, scale, and complexity of the climate change risks inherent in your business.


**Observation 1 - (Re)insurers need to adopt a holistic approach to understand their potential climate change risk exposures**

It is imperative that (re)insurers do not solely focus on only one aspect of climate change risk (such as physical or transition risk, including litigation risk), but rather consider the risk in its entirety and examine material aspects further through stresses and/or scenarios. In particular, a more complete and well-documented materiality assessment is expected when assessing exposure to climate change risk. In general, it was found that (re)insurers had considered specific aspects of climate change risk within the ORSA, such as physical or market transition risk. However, (re)insurers that considered a holistic approach to climate change risk and their secondary impacts had a better understanding of potential risks to their business, their materiality, and areas requiring further focus. Examples of good practice observed include:

- Carrying out a qualitative assessment of potential climate change risks and mapping these to prudential risks, as explained in the [EIOPA Opinion on the Supervision of the use of Climate Change Risk Scenarios in the ORSA](); 

- Considering both first order (e.g. increased frequency/severity of physical risk events or reduction in asset values) and second order climate change risks (e.g. availability of reinsurance or potential changes to business model); and
- Carrying out appropriately severe stress and scenario tests, specific to climate change, to quantify the potential impact of the risks that are material to the (re)insurer.

In certain instances, (re)insurers concluded that particular aspects of climate change risks were immaterial to their business. However, in many cases, there was a lack of justification for the apparent immateriality of climate risk. Some (re)insurers adopted a best practice approach to justifying the immateriality of a particular aspect of climate change risk by including a qualitative assessment and, where appropriate, a supporting stress test to demonstrate this immateriality.

### Observation 2 - (Re)insurers should consider climate change impacts beyond the current planning period

Recent reports from multiple agencies clearly indicate that climate is no longer an 'emerging risk' but rather it is already having an impact on the insurance sector globally. Although the impact of catastrophe and market risk events similar to those experienced historically may not be material, the scientific consensus is that climate change and climate adaptation measures will have a highly material impact on society in the next 100 years. In recognition of this, the Bank expects that (re)insurers should take a forward-looking perspective on climate change risk over the short, medium, and long term. We consider short term to be 5 -10 years, medium term 30 years (mid-century), and long term 80 years (end century).

The Bank acknowledges that considering climate change risk over the long-term may be challenging for some (re)insurers. However, (re)insurers that consider climate change risk over different time horizons have a better understanding of potential risks and how they may emerge in the future. This can help to inform strategic planning. Examples of good practice observed include:

- (Re)insurers considering climate change risks that could emerge beyond the short term;
- (Re)insurers using available industry resources, such as the IPCC Representative Concentration Pathways and Network for Greening the Financial System (NGFS) reference scenarios, to inform stress testing of potential exposures; and
- (Re)insurers considering the potential business model impacts that could occur in the longer term as a result of climate change risk, e.g. as a result of policy changes.

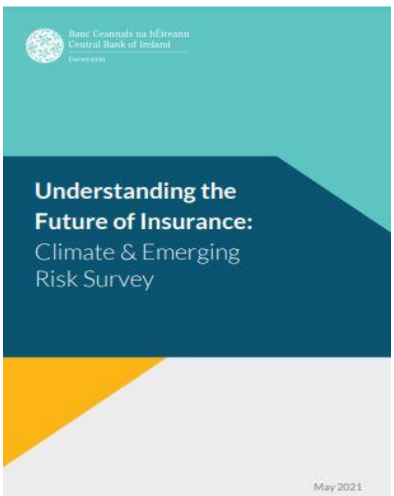
We accept that initially, long-term analysis may be more exploratory and qualitative in nature. However, it is important to consider the extreme long-term impacts of climate and over time, build up a stronger understanding of the possible impacts.

### Observation 3 - (Re)insurers should link climate change risk assessments to strategy and business planning

In general, (re)insurers appear to be monitoring rather than managing or mitigating potential climate change risks and the associated impacts.

# Sustainable Insurance

In the ORSAs reviewed, the Bank observed limited examples where climate change risk had been integrated into a (re)insurer's business planning and strategic thinking, as is expected under Regulation 47(7) of the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. No. 485 of 2015). This echoes feedback in the Understanding the Future of Insurance: Climate & Emerging Risk Survey published by the Bank in May 2021.




Examples of good practices observed include:

- Embedding the consideration of climate change risk into risk management processes within the (re)insurer, e.g. updating risk management policies based on conclusions of assessments carried out;
- Developing a sustainability strategy to define the (re)insurer's objectives in respect of climate change; and
- Identifying potential opportunities that arise and ways to develop business models in the future as a result of climate change.

The Bank expects (re)insurers to integrate findings and conclusions from risk and scenario analysis into their future strategy to ensure a sustainable business model, e.g. by updating their risk appetite, setting key performance indicators in respect of climate change risk, etc.

This will help to inform (re)insurers of how the exposures identified are changing.

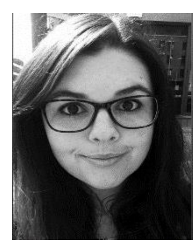
Further information on EIOPA's application guidance on climate scenarios in the ORSA can be found on Page 5 of this newsletter.

### Previous Communications on Climate Risk

Listed below are communications previously issued by us in respect of climate change risk and sustainability:

- Letter from the Governor of the Central Bank, November 2021
- Central Bank of Ireland Strategy 2022-2024, September 2021
- Understanding the Future of Insurance: Climate & Emerging Risk Survey, May 2021
- Guidance for (Re)insurance Undertakings on Climate Change Risk
- Insurance Industry Newsletter, December 2021
- Insurance Industry Newsletter, June 2021
- Insurance Industry Newsletter, December 2020
- Insurance Industry Newsletter, September 2020


Rebecca Prouse,
***Actuarial Function***,
**Insurance Supervision Directorate**

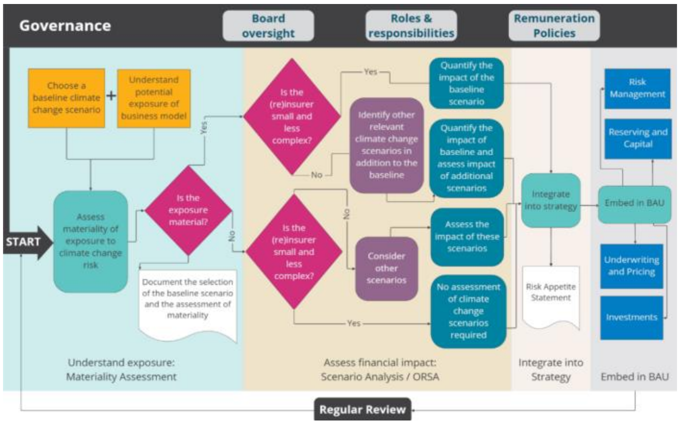
# Sustainable Insurance

## CP 151 - Guidance for (Re)insurance Undertakings on Climate Change Risk

On 3rd August 2022 we published Consultation Paper 151 - Guidance for (Re)insurance Undertakings on Climate Change Risk. The Paper seeks stakeholders' views on the proposed Guidance for (re)insurance undertakings on Climate Change Risk. The proposed Guidance aims to clarify our expectations on how (re)insurers address climate change risks in their business and to assist them in developing their governance and risk management frameworks to do this.

Recognising that individual (re)insurers may be at different stages of maturity in their approach to managing climate change risk; the proposed guidance is based on a set of overarching principles and sets proportionate expectations dependent on the nature, scale and complexity of the (re)insurer.
Interested stakeholders are invited to provide feedback on or before 26 October 2022.

We have also created an infographic to provide a visual overview of the approach to the assessment and ongoing management of a (re)insurer's exposure to climate change risk set out in the Guidance.




We have initially developed guidance for the (re)insurance sector, given the key role insurance plays in assessing and managing climate change risk as part of its core business activities. We will consider adapting the guidance for other sectors in due course.

## Updates to Solvency II to integrate sustainability

The EU Commission published amendments to the Solvency II Delegated Regulations in April 2021 regarding the integration of sustainability risks in the systems of governance of insurance and reinsurance undertakings, including changes to requirements related to risk management, actuarial function opinion on underwriting policy, remuneration and the prudent person principle. The amendments came into force on 2nd August 2022.

## EIOPA application guidance on climate scenarios in the ORSA

On 2nd August 2022, EIOPA published the final version of the application guidance on climate change materiality assessments and climate change scenarios in the Own Risk and Solvency Assessment (ORSA) following a public consultation. The application guidance provides (re)insurers with detailed and practical guidance on how to address climate change risks and includes examples using mock life and non-life companies.

# Insurance Insights

## Digitilisation in Insurance industry

It seems likely that the next decade will be characterised by rapid technological changes in our economies and in the financial system. The speed and scale of technological change will bring significant opportunities, matched by significant risks. Indeed, the COVID-19 pandemic has increased reliance on technology, which in turn may accelerate the pace of disruption to insurance business models.

In recent years, we have considered how we best engage with technological innovation so that the financial system that we regulate best serves the interests of consumers and the wider economy. One of our strategic priorities is to address the challenges and opportunities posed by technological innovation for the financial system in order to fulfil our mission.


As part of our 'Future Focused' strategic theme, a proactive and forward looking approach will be adopted when it comes to digitalisation related topics. The Bank is looking to fully understand risks, opportunities and challenges presented by innovation (including FinTech developments and any innovation adopted by incumbent firms) and the rapidly evolving technological landscape within which authorised firms operate.

In 2022, the Insurance Supervision Directorate partnered with Insurance at SETU Carlow to enhance supervisory capabilities with respect to technology and digitalisation related risks.

SETU Carlow provided insights regarding trends witnessed in the InsurTech market, as well as case studies of innovation in action.

The Bank will continue to monitor the ongoing digitalisation of the insurance sector. As was previously announced in [March 2022 issue](#) of this newsletter, we intend to issue a digitalisation survey to a sample of Irish undertakings during Q4 2022. The results of the survey will inform further supervisory work in this field.


Moreover, we will continue to use the Central Bank's Innovation Hub to enable us to identify financial technology innovations in the various financial market sectors at an early stage, and to assess their implications for both insurers and consumers. Through the Innovation Hub, firms have the opportunity to demonstrate their product to the Bank. While the Innovation Hub cannot provide legal advice, firms are able to discuss the Bank's regulatory framework and approach to digitalisation, including our authorisation and registration processes.

Firms wishing to discuss financial innovation can contact our Innovation Hub via email at fintech@centralbank.ie

## Outsourcing and Underwriting – Managing General Agents ('MGAs')

A thematic inspection of governance and oversight controls in relation to (re)insurers' use of underwriting Managing General Agents ('MGAs') was recently conducted by the Governance & Operational Risk Division of the Bank. The six firms inspected have received feedback, but as many of the findings are relevant to the wider industry, and to all outsourcing arrangements, a summary of the common themes and key issues is provided below. The Bank found that the governance and the quality of the oversight controls over MGAs needs to be enhanced, with the specific risks arising from MGAs not being adequately assessed, or independently tested, and the procedures relating to the monitoring of MGAs being either non-existent, incomplete, or lacking adequate detail.

### Background

Many (re)insurance undertakings delegate underwriting and pricing duties to MGA partners. By using the MGA model, the (re)insurance company is outsourcing and delegating critical activities which require adequate oversight and monitoring. Past failures of this operating model have had common threads which include, a lack of expertise, understanding or visibility of the risks being written by the MGA, and poor governance and oversight by the (re)insurance company of their key outsourced activities. Delegation of such activities to a third party results in significant operational risk for the (re)insurer. In particular, deficiencies in relation to operational systems and processes, pricing assumptions and data quality, bordereaux management and reporting have been the root cause of many issues. We expect that (re)insurance undertakings align their approach to the governance and oversight of underwriting MGAs with the Solvency II requirements on the outsourcing of critical or important operational functions or activities.

During the thematic inspection, we noted that the actual governance of underwriting MGAs is typically not performed at Board level, but at other forums. We also noted that much of the key oversight of the MGAs is conducted by the Operations/Delegated Authority Underwriting teams, which tend to be part of the wider group of the (re)insurance companies and located outside Ireland. Under Solvency II insurance and reinsurance undertakings remain fully responsible for discharging all of their obligations when they outsource functions.


### Issue 1 - Outsourcing Procedures & Critical or Important Functions or Activities ('CIFA') Notifications

The outsourcing procedures provided by the companies (which applied to underwriting MGAs) were below the required standard. This was in terms of a lack of detail, a failure to clearly define 'critical' for CIFA reporting purposes, poor inter-linkages with other procedures and inconsistency in the frequency at which the procedures are reviewed. There is clear guidance for all companies on the expectations in relation to outsourcing from all the European Supervisory bodies, including the Central Bank's '2016 Notification Process for (Re)Insurance Undertakings when Outsourcing Critical or Important Functions or Activities under Solvency II', in particular sections 5.2, 5.3 & 5.4.

### Issue 2 - Inclusion of Underwriting MGA Risks in Risk Framework

Whilst accepting that underwriting MGAs may only form part of a company's business, they are often a key strategic partner to generate growth to achieve business plans. As a result, we expect that there would be clear references to the risk of using underwriting MGAs in key risk management documents. Many of the companies inspected had no direct reference to underwriting MGAs in their Risk Appetite Statement or Own Risk and Solvency Assessment.

### Issue 3 - Risk and Compliance Role in monitoring MGAs

The Bank expects that independent assurance testing, of the controls in relation to the oversight and management of underwriting MGAs, is conducted by key control functions such as Risk and Compliance (the second line). It is evident from the thematic inspection that the Risk and Compliance functions are typically only involved in the initial due diligence phase and carry out high level monitoring thereafter. Articles 44.1 and 46.2 of Solvency II clarify what is expected from the Risk and Compliance functions in this regard.

### Issue 4 - Due Diligence

We observed evidence that all companies included in the thematic inspection conduct due diligence of MGAs in advance of entering into a contractual agreement. However, the policies and procedures in place for assessing initial and on-going due diligence varied across all companies inspected. A common theme was that while due diligence processes were in place, these were not adequately documented for initial and on-going due diligence. In addition, the roles and responsibilities of those involved in the process were not consistently documented. Finally, while the companies set out suitability and capability criteria that they assess when deciding to approve an MGA, the companies did not document how the assessment of reputation and culture is completed.

### Issue 5 - Monitoring Procedures

The majority of companies in the review focused solely on the on-boarding of new MGAs and renewal of existing MGAs, and did not provide detail on how current underwriting MGAs are monitored and controlled. Most companies had a single Delegated Underwriting Authority Framework or manual, which either lacked clarity or sufficient detail on governance, oversight and monitoring or was incomplete regarding the bordereau process, roles and responsibilities of the areas involved and data controls.

### Conclusion

EIOPAs System of Governance, Guideline 61, states that: *"When an insurance intermediary, who is not an employee of the undertaking, is given authority to underwrite business or settle claims in the name and on account of an undertaking, the undertaking should ensure that the activity of this intermediary is subject to the outsourcing requirements."* (Please refer to '***Outsourcing – Developments***' on Page 11).

Consequently, all (re)insurance undertakings, which delegate underwriting activities to MGAs, should identify, mitigate and monitor the specific risks arising from these outsourcing arrangements. There is ample guidance available in relation to regulatory expectations and good practice, in the management of outsourcing arrangements from the Central Bank and the European Supervisory bodies. It is our expectation that (re)insurance undertakings should ensure that this guidance is fully applied to all outsourced activities, and in particular to all underwriting MGA arrangements.

Les Bermingham
***Risk and Inspections Manager***
**Governance and Operational Risk Division**

## Impact of Covid-19 on Operational Resilience and the Potential for Consumer Detriment

In December 2021 the Bank published Cross Industry Guidance on Operational Resilience outlining how to prepare for, respond to, recover and learn from an operational disruption that affects the delivery of critical or important business services. It was evident during the Covid-19 pandemic that the non-life insurance sector, along with other business sectors, experienced resourcing and operational challenges. The Bank subsequently undertook an analysis of the six most significant players in the domestic non-life insurance sector in order to better understand the key operational challenges facing regulated firms, including any resulting consumer detriment, and how firms responded to these challenges. While the findings from our analysis identified some positive practices implemented by firms, a number of common themes were identified which we believe remain relevant to ensuring appropriate levels of customer service, and we have set out our supervisory expectations, which are captured under three key areas:

### Digital Delivery

We identified that, in order to combat resourcing constraints and Covid-19 restrictions, some firms increased the availability of online offerings and services. While this can be viewed as beneficial to customers, firms must ensure that the design and provision of services in this manner takes due consideration of the needs and best interests of consumers, and that they are only provided to consumers for whom they are suitable.

### Resourcing

We noted that in-scope firms have encountered resourcing challenges in customer-facing roles. While firms confirmed that they broadly managed to maintain sufficient levels of customer service resourcing in spite of the challenges experienced, some firms highlighted increased levels of attrition and an ongoing difficulty in filling vacancies due to labour market forces, longer lead-in times for new joiners and onboarding issues. The Central Bank expects firms to ensure that sufficient resources are deployed to deliver a high quality service to consumers on an ongoing basis and that firms' recruitment strategies should be reviewed to ensure current market factors are adequately considered.

### Complaints and Errors

It was observed that Covid-19-related complaints were generally low in volume, and all firms outlined their approach to complaints as a result of the impact of Covid-19. However, we also observed considerable variation between firms in respect of the number of complaints and errors that are being recorded. Firms are reminded of the importance of having processes in place that ensure compliance with Chapter 10 of the Consumer Protection Code. Where robust and consistent complaints and errors management processes are not in place, there is a potential risk of some consumers being negatively impacted. This is an issue that will form part of our supervisory work going forward, given the importance of firstly; addressing all complaints in a consistent consumer-focussed manner, and secondly; ensuring firms can accurately complete trend analysis and understand the common complaints, issues and errors that are arising in relation to the service provided to their consumers.

While our analysis focused on the operational resilience of non-life insurers, the key findings are applicable to all regulated firms providing products and services to retail customers. Consequently, the Bank expects that regulated firms provide a good quality service that places the best interests of consumers at the centre of their decision-making. On this basis, all firms should ensure that the necessary resources, processes, information, technology, facilities, and third-party service providers required to deliver critical or important business services remain resilient.

Clive Duignan,
***Supervisor***,
Consumer Protection Directorate

# Insurance Updates

## Recent Stakeholder Engagement

***Under the "Open & Engaged" theme of our organisational strategy, the Central Bank of Ireland undertakes regular speaking engagements, providing an opportunity to engage with our stakeholders, to outline forthcoming regulatory developments and supervisory plans, to highlight emerging risks, and to summarise the key findings and required actions arising from recent review work. A summary of speeches and briefings from Q3 2022 is provided below.***

Domhnall Cullinan, Director of Insurance Supervision, attended the 15th Annual International Insurance Regulatory Dialogue in Brussels, organised by the Association of Bermudian Insurers and Reinsurers on 9 September. This event provided a valuable opportunity to engage with international firms with operations in Ireland.

Domhnall participated in a panel discussion on coverage issues which have affected the insurance market, including recent experiences related to Business Interruption Insurance during the COVID-19 pandemic and ongoing efforts to assess protection gaps in relation to cyber and climate related risks. Panelists discussed the role that the (re)insurance industry could play in meeting these coverage challenges, alongside government agencies, capital markets and individuals.

*Pictured L to R at the ABIR 15th Annual International Insurance Regulatory Dialogue: Jad Ariss, Managing Director of the Geneva Association; Chris Schaper, CEO of AIG Re; Domhnall Cullinan, Director of Insurance, Central Bank of Ireland; and David Almaier, Insurance Commissioner for the State of Florida.*

Domhnall also presented to a group of life company c-suite executives on Thursday 15 September. Topics discussed included the Central Bank's strategy, the importance of robust 'gatekeeping' to the protection of consumers, as well as issues affecting the domestic life sector, including insurer's obligations in relation to unclaimed life policies, and the current focus across Europe on the value for money of unit linked products.

## CP 150 - Guidance for (Re)insurance Undertakings on Intragroup Transactions and Exposures

On 4 July 2022 the Bank published Consultation Paper 150 - Guidance for (Re)insurance Undertakings on Intragroup Transactions and Exposures. Given the significant level of intragroup activity engaged in by Irish regulated (re)insurers, we have considered the treatment of intragroup transactions (IGTs) by regulated (re)insurance undertakings in terms of whether adequate consideration is given to the nature and extent of the risks they pose to the Irish firm. Furthermore, and supported through findings of thematic work performed over the last number of years, the Bank has reviewed and assessed whether the fundamentals of the governance and the management of risks introduced by IGTs, as well as the treatment of these items by firms, are sound.

The proposed Guidance sets out our expectations with regard to intragroup transactions & exposures of (re)insurance undertakings and focuses on three key exposures namely: (i) intragroup assets; (ii) intragroup reinsurance; and (iii) cash pooling/treasury function arrangements as these are the most significant exposures observed by the Bank. Interested stakeholders are invited to provide feedback on or before 23 September 2022. Should you require any further information, please contact insurancepolicy@centralbank.ie

# Insurance Updates

## Outsourcing – Developments

EIOPA recently published its [Peer Review Report on Outsourcing]() ('the report'). There were two recommendations arising for Ireland, and by extension the Central Bank. The first recommendation for the Bank, regarding the establishment of an Outsourcing register is underway. The second recommendation for the Bank, is to "*clarify with the market the understanding set out in [Guideline 61 of EIOPA Guidelines on the System of Governance]()*".

[Guideline 61 - Underwriting](), requires the undertaking to ensure that the activity of an insurance intermediary (as outlined in the Guideline) is subject to the outsourcing requirements, and therefore may be subject to notification if considered a critical or important function or activity.

The Bank has an "[Outsourcing Registers – Submission Requirements]()" webpage to assist undertakings that are required to upload their outsourcing register returns through ONR.

## Inflation adjustments to fixed amounts in Solvency II Directive

In line with Article 300 of the Solvency II Directive, the amounts expressed in euro presented in the Directive shall be revised every five years. [The revised amounts in euro]() were published by the Commission in October 2021 and are due to be transposed in Ireland by the 19th October 2022, at which point they will come into force.

In particular:

- Article 4: The threshold for automatic inclusion within the scope of Solvency II will have to be measured by reference to the updated amounts as of 19 October 2022

- Article 13: Large risks will have to be measured by reference to the updated amounts as of 19 October 2022

- Article 129: For MCR calculations for Q4 and YE 2022, and any other calculation of the MCR that might need to be done after 19 October 2022, the updated amounts will have to be used

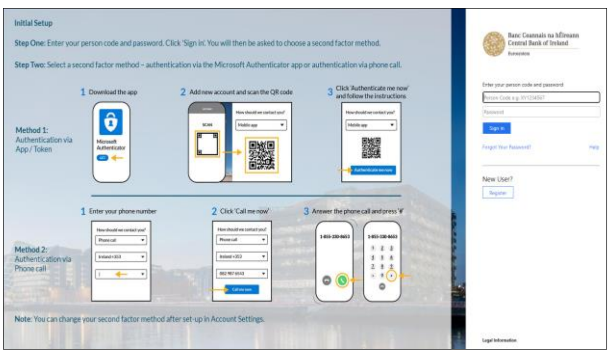
## EIOPA consultation on a supervisory statement on the use of governance arrangements in third countries

On 1 August 2022 EIOPA launched a [consultation relating to a draft supervisory statement on the use of governance arrangements in third countries](). The objective of the statement is to ensure appropriate supervision and monitoring of the compliance of insurance undertakings and intermediaries with the requirements of the relevant EU legislation, specifically Solvency II and the Insurance Distribution Directive in relation to their governance arrangements in third countries. The statement reiterates the need for insurance undertakings to demonstrate an appropriate level of corporate substance, proportionate to the nature, scale and complexity of their business. The expectation is set out that the use of a third country branch, or similar governance arrangement should not impair the system of governance, increase operational risk or undermine policyholder protection. The supervisory statement was developed in the context of a range of governance structures being put in place by undertakings as a result of the UK's departure from the EU, but the principles are applicable to all third countries. EIOPA welcomes any feedback on the consultation and the questions set out within it by 31 October 2022.

# Insurance Updates

## CBI Portal Updates - Single Sign-on for ONR & Changes to the F&P Process

Since 27 June 2022, the Online Reporting (ONR) system is accessed via the Central Bank of Ireland Portal. ONR users can now link their ONR account to their Portal account. To do so, please login to the Central Bank Of Ireland Portal, select account settings by clicking on the arrow beside your name in the top right corner of the screen, and then select the ONR accounts menu option. If you have already linked your ONR account to your Portal account please login to the Central Bank Of Ireland Portal to view and perform any returns related actions.




*Pictured above: Central Bank of Ireland Portal landing page*

If you have not previously registered to create a portal user account for the Portal, please do so at the New User registration site. Once you have registered, please request your firm's Portal administrator to add you to the firm's Portal account. When this is done you can then link your existing ONR account to the new Portal account.

**Changes to the Fitness & Probity application process**

- The Central Bank of Ireland Portal will be enhanced to facilitate the submission of applications to become a holder of a Pre-Approval Controlled function (PCF). Individual Questionnaires will no longer be submitted via the Online Reporting System (ONR), but will instead be submitted via the Central Bank of Ireland Portal.
- Further details on the new system will be communicated to users in January 2023.
- The changes will go live in Q1 2023 and will provide applicants with an enhanced process for submitting PCF applications.

## Insurance Miscellaneous Provisions Act 2022

In June 2022, the Insurance Miscellaneous Provisions Act was signed into law and the majority of the legislation has now commenced. The Act provides for the following measures:

- It enables the collection by the Bank of certain information regarding deductions by insurance undertakings from amounts paid in respect of claim settlements, and for that purpose, amends the Central Bank (National Claims Information Database) Act 2018;
- It introduces a new requirement on the Bank to provide a report to the Minister for Finance about steps taken to address the practice of price walking, and related measures, following the Bank's review of differential pricing and subsequent Regulations;
- It provides for technical drafting amendments to the Consumer Insurance Contracts Act 2019 in order to clarify certain issues that arose following the enactment of this legislation. It further amends this legislation to provide a new provision for disclosure of information by insurance undertakings in relation to deductions from amounts paid in respect of claim settlements; and
- protects existing Irish policyholders, amendments to the European Union (Insurance and Reinsurance) Regulations 2015 that established the temporary run-off regime (TRR) in light of the UK's departure from the EU. The amendments provide for technical changes in order to ensure that certain insurance firms that provide reinsurance, and firms in liquidation, can use the TRR to run-off their existing Irish insurance contracts.

# Forward Planner

## Upcoming Dates

**23 September 2022 –** Closing date for feedback on CP150

**4 November 2022 –** Q3 Solo Returns submission deadline date


**26 October 2022 –** Closing date for feedback on CP151

**December 2022 –** Publication of Q4 Insurance Newsletter

## Upcoming Surveys/Information Requests

| Topic | Details/Purpose | |
|---|---|---|
| **Outsourcing Register Submission** | To enable identification of critical and important service providers. | Submission Deadline is 13 October 2022 |
| **Digitalisation Survey** | To collect information on the extent to which Irish insurers are adopting innovative technologies, managing associated risks. | Consultation – Q3 2022<br>Survey Issues – Q4 2022 |

## Contact Us

Queries on insurance supervision matters should be sent to: insurance@centralbank.ie

Queries on regulatory reporting should be sent to: InsuranceRegulatoryReportingQueries@centralbank.ie

Queries on insurance policy matters should be sent to: insurancepolicy@centralbank.ie