



Kieran O' Donnell T.D.
Leinster House
Dublin 2
D02 XR20

9 December 2021

Re: Follow-on query to response to questions raised by the Committee during the Central Bank's appearance before the Select Committee on 24 November 2021.

We are getting a lot of queries on the ground, the lack of available of insurance cover, obviously it very much falls, in terms of applying for licenses to operate in this jurisdiction - it comes through the Central Bank. The question I am asking is, where do you see, do you have many applications coming in for people to become insurance companies, as such, in Ireland, where do you see that market developing because there are two components arising, one is a component where a lot of the service providers in the we'll say non-mainstream areas; leisure and so forth, they pull from the market, the likes of Sava and those, they haven't been replaced.

It is important to note that the provision of insurance in Ireland can be either from:

1. Irish insurance undertakings (i.e. insurers established in Ireland and authorised by the Central Bank of Ireland); or
2. Cross border insurance business (i.e. insurers that operate in Ireland, but are authorised in other EU jurisdictions).

The Central Bank is responsible for assessing applications for authorisation, and revocations of licences from insurers in the first category.

The Central Bank authorised one non-life insurance undertaking in 2021 and no non-life insurance undertakings' authorisation were withdrawn by the Central Bank during this period.

In terms of the second category (cross border insurance business), the number of firms volumes writing General Liability in Ireland has not decreased during the period 2018 – 2020.

A key change in the market during this period is that location of the firms has changed from the UK to other EU countries, with firms implementing Brexit plans.

Note that the statistics provided above cannot provide a complete picture with regard to availability of insurance cover in Ireland. Firms, either as part of a strategic review or as part of business as usual underwriting reviews, may decide not to make full use of the authorisation they have and place limits on the types of risk or sectors where business is written.



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

And the second thing is arising as well is that many of the companies are now coming up to their normal annual renewal date, would be the end of December, insurance is normally on a calendar year basis and many of those are worried that, and a lot of insurance brokers are telling me, they are finding it difficult, and it would probably be only for a period of time, but they are finding it difficult to get cover, even for mainstream businesses. And it's about in one way managing risk, Brexit, and whether that is a real or illusionary factor and then the whole area in terms of those particular underwriters pulling out of that insurance market. Has the Central Banks engaged with or would you engage, or is that the case, with the underwriters in the UK, many of them in the Irish market would be from the UK, so you might just give me your perspective on that area because it is coming up quite a lot and with great frequency:

The Central Bank's mandate precludes any role in the development or promotion of financial services in Ireland.

However, where approached by prospective applicants for authorisation, the Central Bank will engage in an open and constructive manner, providing information regarding the application process, information required in support of any application, as well as our supervisory expectations. This includes UK firms wishing to establish a third country branch in Ireland.

Central Bank of Ireland