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THE WHEEL'S SUBMISSION TO THE PUBLIC CONSULTATION ON THE ACTION PLAN FOR INSURANCE REFORM

May 2025

Insurance Crisis for the Community and Voluntary Sector

Despite many positive reforms in areas such as judicial guidelines, occupiers' liability and the work of the Injuries Resolution Board, the cost of insurance continues to rise for many community and voluntary organisations across Ireland. This is having a significant impact on their ability to provide essential services and supports. Some particular types of organisations, such as community centres and childcare facilities, are struggling to keep their doors open in the face of rising costs.

The breadth of the community and voluntary sector in Ireland is far reaching. Organisations provide vital services and supports in areas such as health and social care, community development, children and family services, and integration. They are at the forefront of the work to address the climate crisis and to advocate for human rights. The sector plays an integral role in meeting the most important societal challenges as well as providing essential public services.

Insurance costs are negatively impacting organisations across the sector. In terms of the long-term damage being done, if a community and voluntary organisation closes up, it will not necessarily reopen when the insurance problem is finally resolved. It often requires enormous voluntary momentum, generations of community work and broader state support to get a not-for-profit organisation up and running. Thus, the cost of insurance is not sustainable at its current levels, is damaging the fabric of Irish society and needs to be resolved as a matter of extreme urgency.

The most recent Report of the Injuries Resolution Board shows significant reduction in public liability claims, yet insurer profits remain high, and savings are not being passed on to customers. In our [annual survey of members](#), insurance costs continue to rank as a major concern.

The Programme for Government makes some significant commitments on insurance, to “Publish a new Action Plan for Insurance Reform with a focus on encouraging further competition in the market and working with stakeholders to enhance transparency and affordability across all types of insurance” .

It is essential that this is progressed through the new Action Plan. We need insurance reforms that will quickly reduce liability premiums to affordable levels and keep them there, enabling community and voluntary organisations to carry out their vital work.

Areas for further development – What challenges remain, and what additional reforms are needed?

The last government delivered a strong programme of reform. Key structural changes were introduced such as the development of the Personal Injury Guidelines and reforms to the Injuries Resolution Board and to Occupier's Liability.

Central Bank (NCID) and Injury Resolution Board data indicate the reforms have had a positive impact in reducing settlement volumes and the cost of claims. However, to date, our members have seen no meaningful reduction in their premiums reflective of these savings. Conversely, insurers are currently enjoying record-level profits, far above international norms (NCID Liability Report, 2023).

Whilst the following recommendations will enhance affordability and transparency for policyholders, we make clear that sufficient reforms have been introduced such that access to more affordable cover should have been forthcoming at this stage and the government needs to continue to press for its delivery. Therefore, whatever new actions are included in the final report, it is essential that they are accompanied by a robust delivery focus to ensure savings are passed on to policyholders.

The five main challenges that remain are:

- a. Prioritising increased competition in the market.
- b. Tackling legal costs by moving to set fee scales.
- c. Improving access to (affordable) cover.
- d. Increasing the volume of cases resolved at the Injuries Resolution Board, and
- e. Amending the legislation that underpins the Personal Injury Guidelines, with reviews of award levels to be carried out every seven years instead of every three. A personal injury commission/committee should also undertake these reviews, as it is not appropriate for the judiciary to both set award levels and apply them. Other stakeholders should have their views heard (including policyholders).

Priorities for the 2025-2029 Action Plan – What key measures should be included in the next phase of insurance reform?

See Answer 1 above.

Transparency & Affordability – Clearer, Fairer, and More Accessible Insurance. How can we strengthen transparency in insurance pricing, policy terms, awards and legal costs to ensure fair treatment of consumers and businesses?

The following are intended to address both the transparency and affordability questions in this section and more generally (including Q. 2 above).

1. Personal Injury Guidelines

The current three-year review cycle for the Personal Injury Guidelines needs to be extended to at least every seven years for market certainty. Such reviews should not be conducted by the same body that administers awards (i.e. the judiciary). It is not enough to incorporate the views of the Injuries Resolution Board either. Broader perspectives, including those of policyholders – should also be represented. Given the many stakeholders involved, we recommend the establishment of a personal injuries commission/committee to make recommendations to government on the adequacy and appropriateness of personal injury awards.

2. Legal Costs

We urge Government to implement binding controls on legal fees in the Circuit and High Courts, via a system of fixed fees based on the model in the District Court; and to apply a similar model to ADR. Fee

scales should be implemented within the lifetime of the current programme for government in respect of personal injury litigation and can be extended to other areas of civil litigation subsequently.

3. Injuries Resolution Board

The Injuries Resolution Board is the preferred vehicle for settling claims in this country. Award levels are the same as in other channels, but the process is considerably faster and less costly (as legal fees are negligible). Regrettably, too few cases are settled there meaning additional reforms are required. We recommend the following initiatives:

- a. Transfer responsibility for Insurance Link from Insurance Ireland to the Injuries Board, as more impartial custodians of this important data.
- b. Set new targets to decrease settlement times further.
- c. Have settlements from all settlement channels recorded at the Injuries Board to monitor and assess consistency of application of the Guidelines across channels.
- d. Assess the current business model and whether it needs to be adapted to increase settlement rates.
- e. Publish research examining why a large volume of claimants opt to settle in litigation rather than at the Injuries Board.

4. Miscellaneous

- a. Ensure Central Bank NCID reports are published within 12 months.
- b. We believe there needs to be a change in the definition of ‘consumer’ for the purposes of engaging with the Ombudsman, from an organisation with a turnover of €3 million to €10 million.
- c. Establish an equivalent of the UK Financial Conduct Authority whose sole focus is the best interests of consumers. We believe it is difficult for the CBI to do so effectively as their priority is solvency and market stability not policyholders.
- d. Whilst NCID and Injury Resolution Board data is very helpful, there remains a lack of transparency in how insurers report on their profits. Solvency 2 moved financial services insurance regulation from P&L/BS to BS only, and the CBI Blue Book was discontinued circa 2016, despite protestations opposing such a move. The Blue Book provided granular P&L data on the underwriters operating in the Irish market, ensuring that by showing profitability as adjusted by management fees and re-insurance costs, it was relatively easy to see actual profitability versus post transfer pricing profitability. The veil needs to be lifted on any tactical use of remittances, reserving and reinsurance, and an alternative, post Solvency 2 means of providing this data is required. This initiative accords with previous recommendations of the CCPC when it examined the liability market in 2019.

What measures are needed to enhance affordability, particularly in high-cost areas, and to ensure past and future reforms result in lower premiums?

Previous answer addresses this question also.

Competitiveness & Availability – A More Dynamic and Resilient Market. What barriers prevent new entrants from competing effectively in the Irish insurance market, and how can Ireland remain internationally competitive to attract international capital?

Competition in the liability market has not improved in over a decade. Increased competition has the potential to drive down premiums and improve the quality of cover. Its importance should therefore be reflected in how the Department of Finance approaches the issue. We would like to see 1) significantly increased resources put into it, 2) with ongoing support from across government departments and the semi-state sector, 3) published plans, 4) tangible metrics for assessing improvements in competition in various market segments, and 5) annual reports against sensible KPIs on progress made, to be published annually.

We also believe the CCPC should conduct a review of the liability market (to include brokers), post the introduction of the last series of insurance reforms and that all outstanding recommendations from the CCPC's previous liability market report (2019/2020), be introduced.

The Injuries Board should be the repository of the Central Claimant Database (often referred to as Insurance Link) since they already have all the injury data. This would also tackle concerns raised previously in the context of Insurance Ireland undertakings to the EU Commission arising from anti-trust concerns as recently as 2021. Notwithstanding various oversights and safeguards now in place, it is not appropriate that this database would be managed by those who have significant vested interests in how it operates and who has access to it.

The high level of legal costs and the length of time it takes to settle a majority of claims remains a significant deterrent to new entrants and needs to be addressed.

Award stability is necessary for insurance market stability and accurate forecasting. Extending the review period re the Personal Injury Guidelines to 7 years will improve this.

How can we improve the availability of insurance and encourage greater competition across different sectors, particularly those facing challenges in accessing coverage?

We recommend the following:

- a. Take steps to increase competition across market segments (see above).
- b. Commission academic research focusing on international best practise in addressing sectors with few underwriters or limited access to affordable cover.
- c. Establish a fund to support community and voluntary initiatives.
- d. Expand the role of the IPB.
- e. Examine the use of existing insurance levies in addressing some of the challenges.

Devise suitable metrics re how increased competition in various market segments amongst incumbent insurers can be independently verified. The level of competition in various markets needs to move from the anecdotal to the quantifiable.

Fraud – Tackling Misuse for a More Sustainable System. What further reforms are needed to address fraudulent insurance claims and reduce their impact on costs, including legal expenses?

- a. Frequent public awareness campaigns emphasising how fraudulent and exaggerated claims are not a victimless pursuit. It needs to become more socially unacceptable.
- b. A stricter approach to costs following the event and financial provision made for defendant costs where successful in a lower court before claims can be pursued on appeal.
- c. Greater resources and commitment afforded to detecting and pursuing insurance fraud across all insurance companies.
- d. Defamation: The volume of defamation claims in this country is on a par with England notwithstanding our population being only one twelfth of theirs. Defending such an inordinate volume of claims is expensive and time consuming; causing insurance premiums for small businesses (particularly those involved in retail) to become increasingly expensive. It is not enough to say the courts will deal with vexatious complaints, as to do so costs a considerable amount of money and retailers (or their insurers) should not be expected to dole out large sums of money defending themselves in the absence of any realistic prospect of recouping these monies having mounted a successful defence.

Defamation legislation is currently being amended and in order for it to be effective, we believe express provision should be made for the following:

- The inclusion of a serious harm test.
- Specific protections for retailers. Qualified privilege will not prove effective in this regard.
- The “manifestly unfounded” test must be removed from the current draft of the legislation.
- The application of penalties as an anti-SLAPP measure.

- Limiting leave to appeal without first paying, or making adequate provision for, the costs of the defence to date.

How can data-sharing, technology, and international best practices strengthen fraud prevention?

AI is the future of fraud but also the future of fraud prevention. AI can be used to detect bots, false claims, false documents, false information, use of same 'experts', identify where language / scripts are used by experts in claims, identify ghost brokers using internet / social media to advertise. AI could specifically assist with:

- a. Data Analysis & Pattern Recognition
- b. Natural Language Processing (NLP)
- c. Improved Fraud Detection
- d. Link Analysis & Network Mapping
- e. Faster Case Resolution
- f. Enhanced Collaboration
- g. Regulatory Compliance & Reporting.

What additional measures are needed to address issues such as uninsured drivers and ghost brokers?

AI would be an invaluable tool in identifying ghost brokers. In addition, insurance companies must share the intelligence they have with each other and with law enforcement. There is also likely considerable efficiency to be generated were insurance companies able to check No Claims Bonus (NCB) certs before they accept them. A lot of what insurance companies report is people submitting false no claims bonus certs to reduce the price. This is how ghost brokers work. If the previous insurance company could share the NCB cert with the new insurance company and not the applicant submitting it, then no false ones would be submitted. AI could be used to identify ghost brokers as it could be used to identify where the same I.P.s are being used, where payments are coming from the same accounts, where same emails addresses are being used, etc.

The Wheel is Ireland's national association of charities, community groups and social enterprises. Our membership includes thousands of nonprofit organisations of all types and sizes, including most of Ireland's leading charities.

As a representative voice, we provide leadership to the charity and community sector and we advocate on behalf of our growing community of members.

As a supportive resource, we offer advice, training and other opportunities to people working or volunteering in the charity and community sector.

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