Society of Actuaries in Ireland
General Insurance Committee Newsletter

May 2025

Foreword

Dear Member

It has been busy start to 2025 for General Insurers. The GI committee has met 3 times this year to discuss items with a General Insurance focus. We meet regularly with the Central Bank of Ireland to discuss areas of mutual interest. We welcomed the insights provided by the full and half year NCID reports and our members continue to work on sustainability and climate change reporting for affected companies.

The GI committee held its annual GI forum in November in the Alex Hotel on 29th November. During the forum, the CBI shared updates from their 2024 regulatory work, there was a panel discussion on actuarial reports and effective Board communication along with presentations on the impact of geo-political tensions on the Irish economy, expert judgement within model risk management and use of marketing technology to maximise growth.

A very topical and very well attended webinar was held on 6th February in light of the publication of the revised Personal Injury Guidelines. Following this, we have recently set up a working group to look at benchmarking third party injury claims. This working group will review publicly available information from Ireland and abroad and will endeavour to present their findings at the GI Forum in November.

We also have another working group looking at availability and affordability of insurance in Ireland and how other countries have sought to solve these problems through risk pooling and public private partnerships. We hope to share findings from our analysis with you in due course. The Non-Life HOAF forum has met twice this year (once being a combined HOAF/INED forum) and provides a good forum for non-life HOAFs to exchange views and discuss important topics. More detail on this forum's work is included later in the newsletter.

Our next big event will be the annual GI seminar in the Shelbourne hotel on Wednesday 11th June and will include the following topics among other items;

- Climate change considerations for assessing NatCAT Risk
- Macroeconomic and Geopolitical Implications for GI Insurers
- A Holistic Approach to Combat Non-Life Insurance Claims Fraud
- Update on CBI Pricing thematic review

We have welcomed several new members to the Committee in 2024 as some members have left the committee. We strive to ensure the make-up of the Committee is appropriate and that there is a good diversity of members across all areas.

We hope you find that this newsletter provides valuable insights to the work done by the Committee. We are constantly looking to improve on how we communicate with members to support you on what is an ever-changing world. If you have any feedback on this, or suggestions for other areas of focus, please do not hesitate to contact any of the Committee members or email the Society directly at info@actuaries.ie

GI Committee

Committee Members

Noel Garvey (Chair)
Aaron Kenny (Deputy Chair)
Holly Rankin (Secretary)
Suzanne Bradley
Graham Crowley
Enda Fagan
Nigel Finlay

Mark Hardy
Tom Heduan
Emma Kelly
Joanne Lonergan
Aoife O'Brien
Tiago Pedro
Gerard Power

Ursula Sherlock
Andrew Smyth
Vaibhav Tyagi
Shane Walsh
Michael Sharpe (Exec. Support)

An Interview with Aaron Kenny, Deputy Chair of the GI Committee

1) Can you provide us with a short summary of how you began your non-life actuarial career?

I started my career at Allied Risk Management (now part of Artex Risk Solutions) after graduating from Dublin City University in 2014. I was very fortunate to work in a small team alongside a very experienced actuary who gave me great exposure to all sorts of actuarial work at the start of my career. This was a time of a great change in the insurance industry as the market was preparing for the impending Solvency II regime, which generated a lot of opportunities for actuaries to add value outside of their traditional core activities.

2) What do you like about your current role?

Since 2022, I've been a Partner in the Capital Solutions team at McGill & Partners, where we structure and place complex reinsurance transactions for a global client base. The best thing about my current role is the opportunity to work with some of the most well-known (re)insurers in the world on executing large deals which are often strategic in nature. There is a lot of variety in terms of transaction motivations, objectives and subject business and it is always exciting to work creatively alongside various stakeholders to solve the unique challenges presented by each transaction.

3) How are you enjoying your time as Deputy Chair of the GI committee?

Working as Deputy Chair on the GI Committee has been a great opportunity for me to collaborate with a group of actuarial experts with diverse backgrounds across the non-life industry in Ireland. In my time as Deputy Chair, I have developed a huge appreciation for the level of commitment shown by committee members and other volunteers across the SAI in highlighting various important issues in the market and ensuring the membership is kept updated on these issues. The committee also represents the Irish non-life actuarial community in working with other stakeholders on market developments with a focus on areas of public interest such as the ever-changing personal injury environment.

4) What do you think are the main challenges facing the non-life insurance industry?

The non-life industry has faced a myriad of different challenges in recent years, such as Covid-19, heightened inflation and the impact of various insurance reforms in the Irish market. The most topical challenge at present is the ongoing geopolitical instability which could have wide-reaching implications for non-life insurance such as the potential for tariffs to impact the cost of claims. The speed and unpredictability with which this environment is changing presents an opportunity for actuaries to help others in the industry understand this uncertainty in order to make more informed decisions in mitigating these risks.

5**) What advice do you have for actuarial students or newly qualified actuaries?**

The main advice I'd give to actuaries in the early stage of their career would be to push yourself outside of your comfort zone and try to challenge yourself to work on your weaknesses. This might seem clichéd, but it is easy to gravitate towards tasks which best showcase our strengths and neglect those areas which need improvement. Actuaries have such a strong skillset that can be utilised in many different ways and there are always opportunities to become a more rounded professional by working on different projects with different people across the industry.

6**) What are some of your passions outside of work?**

I spend a lot of my free time travelling; my wife is a pilot so I often find myself struggling to keep up with all the travel she has planned for us! I'm also a keen sports fan and love to attend live sports events of all types when I have the time.

CBI Regulatory & Supervisory Outlook

The Central Bank of Ireland's Regulatory & Supervisory Outlook Report for 2025, published on February 28, 2025, provides an overview of the current financial landscape, identifies key risks, and outlines the Bank's regulatory and supervisory priorities for the coming years.

The report highlights the increasingly fast-moving, interconnected, and uncertain global environment shaped by geopolitical tensions, regional conflicts, and global power shifts. These factors contribute to a complex financial landscape requiring vigilant supervision.

The CBI identifies three broad categories of risks influencing its supervisory focus:

- **Macroeconomic and Geopolitical Risks:** These include asset valuation and market risks, liquidity challenges, and leverage concerns, all exacerbated by current geopolitical tensions.
- O**perational and Conduct Risks:** Risks arising from operational resilience, risk management practices, and the growing reliance on third-party service providers, which may expose firms to new vulnerabilities.
- **Structural and Long-Term Risks:** These encompass environmental-related risks, financial crime risks, and the challenges posed by technological advancements like artificial intelligence, which require firms to adapt proactively.

In response to these risks, the Central Bank has established several supervisory priorities for 2025 and 2026:

- **Consumer and Investor Protection:** Ensuring that regulated firms uphold their obligations to consumers and investors, maintaining trust and integrity in the financial system.
- **Robust Risk Management:** Assessing and enhancing firms' risk management frameworks to ensure they can effectively identify, assess, and mitigate various risks.
- **Operational Resilience:** Focusing on strengthening operational resilience, including cyber-related resilience, to safeguard against disruptions and maintain continuous service delivery.
- **New Supervisory Approach:** Implementing an integrated approach that combines conduct, integrity, and prudential supervision, moving beyond the previous PRISM framework to address the evolving financial environment effectively.

The report also introduces "Spotlight" chapters on consumer protection, artificial intelligence, and geopolitical risks, emphasizing their growing significance in the financial sector.

Overall, the 2025 Regulatory & Supervisory Outlook underscores the Central Bank's commitment to adapting its supervisory practices to a rapidly changing financial landscape, ensuring that regulated entities are resilient, consumer-focused, and prepared for emerging challenges ahead.

Key supervisory activities 2025/26

Supporting EIOPA's 2025 Union-wide strategic supervisory priorities in relation to risk transfers and value for money, and reviews of pricing discipline, adequacy of reserves and capital. Specific GI supervision focusing on:

- Governance practices for business models and strategies exhibiting significant growth.
- Reviewing manual processes in pricing.
- Assessing reliance on parent groups for services and capital support
- Assessing the level of customer service provided by firms, including the complaints handling process across relevant channels.
- Assessing the embedding of DORA requirements and adherence to the Central Bank's Cross Industry Guidance on Operational Resilience.
- Monitoring firms' climate risk exposures and integration within governance and risk management frameworks.
- Reviewing the use of AI in pricing and underwriting processes.

NCID Reports

The National Claims Information Database (NCID) is a repository for aggregate claims data. The purpose of the NCID is to increase transparency surrounding the cost of claims. Aggregate data is collected from insurers, including premium, policy and claims data.

This allows the Central Bank to publish regular reports containing analysis of the cost of claims, the cost of premiums, how claims are settled, how settlement costs vary depending on how claims are settled and an analysis of the various types of cost that make up claim settlements.

The latest Motor report available is the Year End 2023 report (released in October 2024) which can be read at **Private Motor Insurance Report 6 - National Claims Information Database**.

The high-level key findings are:

- Since Q4 2018 the average earned premium per policy has decreased by 21% to €557 in Q4 2023 (which was 2% lower than in 2022).
- Across all channels 63% of all injury claimants settled in 2023 settled under the Personal injuries Guidelines (PIG) including 23% of litigated claims.
- 86% of claims that settled through the Injuries Resolution Board (IRB) in 2023 settled under PIG. The average cost of claims was 22% lower for claims settled under PIG in 2023 compared to those settled with reference to the Book of Quantum in 2020.
- 90% of the claims that settled directly before IRB with the insurer in 2023 settled under PIG and the average cost of these claims was 38% lower compared to those settled with reference to the Book of Quantum in 2020.
- 74% of the claims that settled directly after IRB settled under PIG and the average cost of these claims was 39% lower compared to those settled with reference to the Book of Quantum in 2020.
- In 2022 only 6% of litigated claims were settled under PIG but this has increased to 23% in 2023.

The latest EL/PL report available is the Year End 2023 report (released in March 2025) which can be read at **Employers' Liability, Public Liability and Commercial Property Insurance Report 4**.

The high-level key findings are:

- In 2023 the average premium for a package policy increased by 4% to €2,908. The average premium for a package policy has increased every year since 2013.
- The claims frequency in 2023 was 4% higher than the 2022 claims frequency.
- For claims settled through the IRB, the average cost was 18% lower for claims settled under PIG in 2023 compared to those settled with reference to the Book of Quantum in 2020.
- For claims settled directly before the IRB, the average cost was 33% lower compared to those settled with reference to the Book of Quantum in 2020.
- For claims settled directly after IRB, the average cost was 36% lower compared to those settled with reference to the Book of Quantum in 2020.

To date for both Motor and EL/PL there has been a relatively low level of litigated claims settled under PIG and therefore the impact of PIG on litigated claim settlements cannot yet be determined.

More recently the CBI has published a **Mid-year 2024 report for Private Motor** which highlighted a 9% average written premium increase in H1 2024 relative to 2023.

EIOPA Consumer

EIOPA published the 2024 Consumer Trends Report in January this year.

Key findings from the report were published via a heatmap considering materiality and impact, noting findings have been identified at the European level. Seven key findings were included, with those relevant to general insurance summarised below:

- **Value for Money:** NCAs report continued presence of some products offering low value for money, causing consumer detriment and diminishing consumer trust. NCAs also noted instances of high costs and product complexity.
- **Digitalisation**: Consumers are increasingly using digital tools. It is noted this offers benefits such as enhanced comparability, however introduces risks such as uninsurability due to personalized pricing. Existing risks such as aggressive sales tactics it is noted may be amplified by digitalisation.
- **Claims Management:** Issues with payment delays and poor customer service in the claims management are noted to linger, with AI applications offering the potential to streamline claims management.
- **Products with Sustainability features:** Awareness of insurance products with sustainability features has remained stable. However more consumers reported considering purchasing such products in 2024 (16%) compared to 2023 (13%). Increased sale of products with sustainability features is noted as a positive development, yet with risk of greenwashing.
- **Cross-border business:** The provision of insurance on a cross-border basis has been increasing moderately. It is noted some consumers are not aware insurance can be sold cross-border (12%) or do not trust providers offering products on a cross-border basis (18%). NCAs also indicate there are challenges in supervising cross-border business.
- **Business Model & Distribution:** NCAs continue to see issues around cross-sold products due to aggressive sales techniques and overall business models that are often built around the sale of products which provide low value for money or contribute to over-insurance. It is noted Solvency II data shows claims ratios are lower and commission rates higher for non-life products distributed by banks and other distributors than those distributed directly by insurers.

Irish Motor Insurance Database 2025

Since Monday 31st March 2025, it's now a legal requirement for insurance providers to capture and validate the driver number for all drivers insured on a motor policy. To facilitate this, customers will be asked to provide driver numbers when purchasing or renewing a policy. The driver names and licence numbers are linked to the insured vehicle's registration number and added to IMID (Irish Motor Insurance Database) as part of the second phase of the IMID project.

The first phase went live in early 2024 and shares data with the Department of Transport and An Garda Síochána under Section 78A of the Road Traffic Act. Managed by MIBI (Motor Insurers Bureau of Ireland), this development will help An Garda Síochána in their efforts to enhance road safety by providing additional information that can be read using ANPR (Automated number Plate Recognition) software on their smartphones. This allows them to identify vehicles that are not insured without needing to check the insurance disk.

A recent press release from MIBI states that the proportion of uninsured cars has reduced from 8.3% in 2022 to 4.2% in 2024 as a result of the first phase of the IMID project.

This phase will build on the momentum from phase one and allow An Garda Síochána to check that a individuals stopped at checkpoints are insured to drive the stopped vehicle. Claims against uninsured and untraced drivers are currently handled by MIBI who are in turn funded by insurers operating in the Irish market by way of an annual fee linked to the insurers motor written premium. The development of IMID should improve the identification of uninsured drivers, facilitating intervention such as impounding the vehicle which will reduce the potential for these drivers to cause accidents.

In addition, the simplicity and reach of the Garda ANPR app has already acted as a deterrent against driving uninsured, resulting in additional vehicles becoming insured and additional premium for the industry. Consequently, the MIBI fee should reduce to reflect this in the future.

While this development is positive, there remains a considerable volume of uninsured drivers. There may be several reasons for persistent levels of uninsured drivers including attitudes to risk-taking and authority or due to challenges in obtaining insurance at an acceptable price, either because of their negative insurance risk characteristics restricting insurance options or resulting in high premiums, or because of low incomes. Bringing these formerly uninsured drivers into the market will require a collaborative approach across government, garda and the insurance industry.

Non - Life HoAF Forum

2024 year-end reporting is now firmly in the rearview mirror for Non-Life HoAFs and their teams, and we hope everyone managed to recharge the batteries over the Easter break. As always, there is plenty going on to keep everyone busy:

- Storm Éowyn reached Ireland in the early hours of Friday 24th January, bringing very strong winds with sustained wind speeds of over 140 mph, and, a peak wind gust of 184 km/h at Mace Head, a record for Ireland. It is the most severe storm in Ireland since Storm Darwin in 2014 with estimated industry loss figures in excess of €300m. With a surge in demand for contractors for repairs, it may take some time to see a full picture of this event.

- Just before Christmas, there was a recommendation from the Board of the Judicial Council for increases in awards levels of 16.7% which added further uncertainty to reserving for injury claims, and to the "success" of the Personal Injuries Guidelines.

- The Central Bank of Ireland recently amended the requirement for External Audit of Solvency II Regulatory Returns and Public Disclosures for captive (re)insurance undertakings (link here: **The Central Bank's Requirement for External Audit of Solvency II Regulatory Returns / Public Disclosures**.)

- Process transformation and efficiency, and the use of AI continue to be a topics of interest in the market.

- Inflation remains high up on the agenda with the impact of potential tariffs to be carefully considered by HoAFs.

There has been one Non-Life HoAF Forum so far this year covering Cyber reserving (by Paul Goodenough and Chekak Jain, from AXA XL) and an update from SAI DAR Review Working Group (by Gary Stakem of Finalyse).

This year we are planning two joint HoAF Forums with our Life colleagues. The first will be on Friday 23rd May at the Shelbourne Hotel and will be our first combined HoAF and Directors forum - members of the SAI HoAF Forums, member Executive Directors, as well as member / non-member INEDs are all welcome to attend.

This is promised to be a great event with insightful panel discussions and interactive sessions designed to enhance the professional relationship between these key roles in the industry (event page here: **In-person: SAI Combined HoAF / Directors Forum | Society of Actuaries in Ireland**).

A second joint HoAF Forum will take place after the Summer break and we hope to be joined by representatives from the Central Bank of Ireland as in previous years.

Finally, a Non-Life HoAF Forum is currently pencilled in for the start of July (topic / speaker to be confirmed - please keep an eye on the SAI website). We welcome any suggestions you may have on topics for future HoAF Forums or indeed if you would like to present, so please do not hesitate to get in touch with the SAI's GI Committee.

Recent Weather Events Storm Éowyn

Storm Éowyn, which struck Ireland between January 23rd and 25th, was likely the most severe storm in recent history to impact the country. Record-breaking wind speeds, widespread power outages (some premises without power for almost three weeks) affected over 750,000 homes, schools, farms and businesses.

Initial estimates of up to €300M of insurance industry payouts, likely making this the most expensive Irish weather event of the 21st century. As of mid-April 2025, published estimates suggest a value of €278M with developments still ongoing. The impact of this event on reinsurance and renewals in the Irish market may not be available until year end accounts are published in 2026.

The impacts of the Storm have raised concerns relating to climate change and how prepared Ireland's infrastructure is for such extreme events. Recent publications from the University of Galway have also highlighted how such an event could interact with storm surge flooding.

Actuaries will likely be reviewing this event in terms of how it shapes their view on catastrophe allowances. Interactions between Met Eireann weather warnings, climate change, changing infrastructure and the event itself could be considered. The longer period without power in a number of areas may also present some unique features of this event, impacting reporting delays and business interruption type claims.

Consumer Protection Code

On 24th March, the CBI published the 2025 Consumer Protection Code. This revision replaces the 2012 edition and comes into effect on 24th March 2026. The revised code was part of a public consultation in 2024 and received a number of responses including from the [Society of Actuaries](#).

It follows a different format to the previous version and puts a number of principles on a legislative footing while also incorporating developments in regulation that have occurred since 2012.

Some of the items included within this version include Consumer Protection Risk Assessment (2017), Differential Pricing regulations (2022) and various Dear CEO letters issued over the intervening years.

The revised code contains Standards for Business (Section 17A of revised Central Bank Reform Act 2010) and the more specific elements of the code (Section 48 of revised Central Bank (Supervision and Enforcement) Act 2013) and also extends the definition of consumer to include SMEs with a turnover of less than €5m in the past year (an increase from €3m in the 2012 version).

The new Standards for Business incorporates elements of the 2012 code such as;

- Acting with honesty and integrity
- Acting with due skill, care and diligence
- Acting in the best interests of customers and treating them fairly and professionally

And expands to include new elements which have additional supporting guidance such as:

- Securing customers' interests
- Informing effectively

Additional guidance documents on Protecting Consumers in Vulnerable Circumstances and General Code Guidance have also been published.

Key themes of the code include:

- **Digitalisation**: Ensuring that technology is designed and implemented with a customer focus; is easy to use and navigate; informs customers effectively; and doesn't exploit behaviours, habits, preferences or biases of customers
- **Informing effectively:** included in the new Standards for Business is shifting the focus of firms from "tick-box" disclosure compliance, to presenting information to customers that effectively informs them. Information needs to be clear, accurate, up to date, written in plain and accessible language, avoiding the unnecessary use of technical terms, timely and clearly highlighting the key information.
- **Automatic renewals:** explicit opt-in requirement for dental, pet, gadget and travel insurance.
- **Sustainability:** Consider customers' sustainability preferences when undertaking suitability assessments; ensure that their advertising does not mislead customers on sustainability (avoid the risk of "greenwashing")

As firms get to grips with the requirements under the revised code over the coming months, we hope to provide further insights either via CPD events or future newsletter

Sustainability

EU Sustainability Reporting – Corporate Sustainability Reporting Directive (CSRD)

On the 26th of February 2025, the European Commission released an [Omnibus package](#) aimed at simplifying EU sustainability reporting and due diligence obligations. The package proposes several key changes to the CSRD including:

- **Scope**: A reduction in the scope of reporting companies with the directive now applying only to companies with over 1,000 employees, reducing the number of companies in scope by 80%.
- **Timelines**: Reporting deadlines for Wave 2 companies and Wave 3 companies have been postponed by two years. Wave 2 companies were originally due to report in 2026 for FY25 and Wave 3 companies were originally due to report in 2027 for FY26.
- **Assurance**: The potential for mandatory reasonable assurance audit of sustainability reports has been removed. Instead, the European Commission will introduce limited assurance standards by 2026 to clarify expectations and streamline compliance.
- **Datapoints**: Reporting requirements have been simplified through a significant reduction in mandatory datapoints. The European Sustainability Reporting Standards (ESRS) will be revised to prioritize quantitative data.
- **Taxonomy**: Obligations under the Taxonomy Regulation now apply exclusively to large enterprises with smaller companies able to report on a voluntary basis.

For further details on the proposed changes, the European Commission has published a [Q&A](#).

Following the announcement of the proposal in February, on the 3rd April, the European Parliament approved a "stop the clock" directive, delaying the implementation of the CSRD and the Corporate Sustainability Due Diligence Directive (CSDDD).

Subsequent to this, the Irish Department of Enterprise, Trade and Employment confirmed that they will swiftly implement the EU's "stop the clock" proposal and associated Omnibus amendments, once they are formally adopted at EU level.

Recent Rise in Global Wildfire Disasters

In recent years the global insurance industry has faced escalating challenges due to the increasing frequency and severity of wildfires, a trend closely linked – but not exclusively attributed - to climate change. Notable wildfire events in recent years include the disasters in Maui, Japan, South Korea, Greece, Portugal, and most recently Los Angeles.

The Los Angeles wildfires, which began on January 7, 2025, led to widespread devastation and damage, with insured losses estimated at north of $40bn. The cause of the Los Angeles wildfires is still under investigation, with the findings having significant legal implications. If the wildfires are found to have ignited due to human activities, e.g, tree trimming contractors not adequately clearing vegetation around power lines and/or the powerlines being faulty, responsible parties will be subject to litigation for such damages. It is therefore not just property insurers who have to consider wildfire risk - casualty and professional liability carriers are likely to be exposed too.

The severity of these wildfires was exacerbated by a combination of hazard, exposure, and vulnerability factors, creating a "perfect storm" that resulted in unprecedented damage.

Hazard Factors: Several environmental conditions set the stage for the wildfires:

- **Drought:** Below-average rainfall from November to January led to dry vegetation, increasing its flammability.
- **Santa Ana Winds:** These winds propelled the Eaton wildfire towards Los Angeles, originating about 20 km away.
- **Climate Change:** Rising temperatures and humidity have dried out vegetation, contributing to larger wildfires.

Exposure and Vulnerability Factors: The impact of the wildfires was heightened by:

- **Water Scarcity:** Drought limited water resources, hindering firefighting efforts.
- **Wildland-Urban Interface (WUI):** The expansion of properties into vegetated, wildfire-prone areas increased risk.
- **Urban Conflagration:** High building density facilitated fire spread.

Other Contributing Factors: Preparedness and mitigation were limited by the fact that there were multiple fires, and the timing of the fires. The simultaneous occurrence of four fires in close proximity was rare and stretched firefighting resources. This was compounded by the fact that January wildfires are uncommon due to lower ground temperatures, which also contributed to inadequate preparedness.

The 2025 Los Angeles Wildfires serve as a stark reminder of the increasing risks posed by climate change and urban expansion into vulnerable areas. It is clear that this risk isn't specific to one geography, industry (insurance vs reinsurance), or even line of business (property and casualty lines both exposed). The combination of environmental, exposure, and other contributing factors led to an unprecedented disaster, highlighting the need for enhanced preparedness and mitigation strategies to address future wildfire threats and to help maintain the availability of insurance in exposed areas.

Feedback

We'd love your feedback. Please let us know your thoughts on the Newsletter. What would you like to see more or less of? What improvements could we make?

Please send you feedback to the Society of Actuaries.

Society of Actuaries in Ireland

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If you have any queries or comments about the Newsletter, or would like more information on any of the topics mentioned, please contact the Society at info@actuaries.ie