Society of Actuaries in Ireland

Cross Practice Regulatory Working Group Newsletter

June 2025

Introduction

Dear Member,

This newsletter has been produced by the regulatory working group. This group creates and distributes a cross-practice regulatory newsletter to all committees and members of the Society of Actuaries in Ireland (SAI) on a bi-annual basis.

This newsletter provides a high-level summary of regulatory developments, links to more detailed information, and identifies the relevant committees or audiences that the regulation is more specifically applicable to. Detailed analyses are not conducted by this working group but rather the Newsletter aims to highlight to members material that might be off interest and for which they may wish to explore further.

This newsletter is sub divided into the following headings and has an effective date 31 May 2025 and covers new material since the last published newsletter in November 2024:

- Central Bank of Ireland Activities
- Life Insurance
- Pensions
- General Insurance
- Operational Resilience
- Sustainability
- Solvency II
- Conduct and Customer
- Artificial Intelligence

Committee Members

Stuart Redmond (Chair) Sean Burke Francis Furey	Brendan McCarthy Fergal O'Shea	Michael Sharpe (Exec. Support)

Central Bank of Ireland Supervisory Approach

The Central Bank of Ireland (CBI) has implemented changes in its supervisory approach since the start of 2025. The goal of these changes is to enable the CBI to be more efficient and effective in its work in the context of the growing complexity and pace of change in the financial services sector.

Through its system of regulation and supervision, the CBI seeks to achieve four critical safeguarding outcomes:

1. Protection of Consumer and Investor interests
2. Safety and soundness of firms and the wider system
3. Integrity of the financial system
4. Financial stability

Historically the CBI had separate teams focusing on different outcomes, e.g. one team focused on safety and soundness (prudential regulation) and another on consumer protection.

The CBI has now moved to an integrated supervisory model where directorates overseeing the banking & payments (including credit unions), insurance and funds & capital market sectors have all those teams in the same place.

Each of these directorates is responsible for the supervision of all the regulatory requirements in their respective sectors and delivering the four safeguarding outcomes. The supervisory framework will remain risk-based and outcomes-focused.

Central Bank of Ireland Supervisory Priorities

In a letter to insurance company CEOs earlier this year, the Central Bank of Ireland (CBI) outlined its regulatory and supervisory priorities for 2025. These are:

- **Proactive Risk Management and Consumer-Centric Leadership**: The CBI emphasises the importance of leadership of firms adopting a forward-looking approach to managing risks and uncertainties. This includes prioritising consumer interests throughout decision-making processes.

- **Resilience to Macro Environment Challenges**: Firms are expected to maintain sufficient operational and financial resources to withstand economic and financial market uncertainties. This includes providing adequate support to customers facing financial difficulties.

- **Addressing Operating Framework Deficiencies**: The CBI calls for firms to rectify deficiencies in governance, risk management, and control frameworks to ensure effectiveness in both current and future environments.

- **Effective Change Management:** Firms should adapt to changes in the financial system and consumer expectations through well-managed business strategies. This includes investing in and adapting to rapidly developing technology.

- **Climate Change and Net Zero Transition**: Firms must improve their responsiveness to climate change and manage its impact, enhancing their role in the transition to a net-zero economy.

- **Enhancing Regulation and Supervision:** The CBI aims to continuously improve its regulatory and supervisory approach to fulfil its mission in a rapidly changing financial ecosystem. This includes enhancing authorisation processes and developing a proportionate regulatory framework.

In addition to supervisory priorities, the March 2025 CBI Insurance Quarterly publication highlighted the following key risk topics for the (re)insurance sector:

- Financial Risks & Resilience
- Culture, Governance & Risk Management
- Business Model & Strategic Risks
- Operational Risks & Resilience
- Climate Change & Environmental Risks

These risks are expanded upon in the CBI's Regulatory & Supervisory Outlook Report 2025.

Life Insurance

Italian Stamp Duty Update

In the October 2024 budget the Italian government announced that a new requirement to prepay stamp duty on life insurance contracts will come into effect from 1 January 2025. The amount of prepayment will be equal to 0.2% of the premium paid and will also apply to policies sold before 2025.

Transitional arrangements have been put in place such that for life insurance contracts in force as of 1 January 2025, the amount corresponding to the total stamp duty due (calculated for each year up to 2024) is to be paid in instalments as follows:

(i) 50% by 30 June 2025;

(ii) 20% by 30 June 2026;

(iii) 20% by 30 June 2027; and

(iv) the remaining 10% by 30 June 2028.

The prepayment for business sold in 2025 will be made by 30 June 2026.

The stamp duty prepayments paid to the Italian treasury can be deducted from policyholders when the policy is redeemed (e.g. maturity, surrender or death). The prepayment amounts involved are not immaterial and there is a mixed approach on how companies fund the prepayments in advance of recovery from policyholders at redemption.

The implications of this on market practice in the area of reserving and capital requirements are evolving; subsidiaries of Italian domestics are funding this but some companies are making deductions from the customer to fund the liquidity strain.

Pensions

Auto Enrolment Update

Work towards the launch of Automatic Enrolment (AE) is progressing, however it has hit some further delays. On 29 April, Minister Calleary confirmed that the launch of the new AE retirement savings initiative “My Future Fund” will be delayed from 30 September 2025 until 1 January 2026 citing the need to align the new system with the standard tax year, while also giving payroll providers and employers additional time to prepare their systems.

While TATA Consultancy Services (TCS) are working on the system build, the Department of Social Protection (DSP) have been progressing other aspects of the project with the tender for Investment Management Services published through eTenders on 11 March. The DSP is seeking to appoint three investment managers to each provide three risk rated UCITS funds.

Applications were invited from investment managers with at least €80bn in AUM. The assessment criteria includes cost (annual management fee), fund management experience and performance as well as sustainable investment and operational considerations.

The new governing body for AE, the National Automatic Enrolment Retirement Savings Authority (NARESA) was due to be established by 31 March 2025, but it has yet to be set up.

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.

General Insurance continued

Irish Motor Insurance Database 2025

Since 31 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 license 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.

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 Grada 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.

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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 1 and allow An Garda Síochána to check that a individuals stopped at checkpoints are insured to drive the stopped vehicle.

Operational Resilience

Digital Operations Resilience Act (DORA)

The [Digital Operational Resilience Act (DORA)] is a regulation introduced by the European Union to strengthen the digital resilience of financial entities. It entered into application on 17 January 2025 and is designed to ensure that banks, insurance companies, investment firms and other financial entities can withstand, respond to, and recover from ICT (Information and Communication Technology) disruptions, such as cyberattacks or system failures.

DORA brings harmonisation to rules relating to operational resilience for the financial sector, applicable to 20 different types of financial entities and ICT third-party service providers.

Financial entities (FE) subject to the DORA (Regulation (EU) 2022/2554) will be required to submit Registers of Information in relation to all contractual arrangements on the use of ICT services provided by ICT third-party service providers, which they maintain in accordance with DORA article 28(3). DORA introduces a new reporting template, for submitting the Register of Information

In its Insurance Newsletter - March 2025, the Central Bank noted that critical third-party providers should be captured at a minimum in the first submission and the FE should look through the chain to understand the significant third parties in terms of operational resilience.

Where it is difficult for a firm to have oversight of the full chain, the Central Bank and European Supervisory Authorities (ESAs) say they will work with FEs to continuously improve quality with the core objective to manage all providers in a holistic way and focus on any key providers.

FE's were required to submit their Register of Information, to the Central Bank via the Central Bank Portal during the window of 1 to 4 April 2025. The Central Bank will clarify the requirements on the collection of the existing outsourcing registers at the end of Q2 2025.

EU Sustainability Reporting – Corporate Sustainability Reporting Directive (CSRD)

On the 26 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 FY2025 and Wave 3 companies were originally due to report in 2027 for FY2026.

- **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 3 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.

Transition Planning

In May 2025, the Central Bank of Ireland (CBI) published an Information Note to assist companies in planning for the transition to net zero. The Information Note is stated as not being “guidance”. The aim of the Note is to assist companies in navigating the regulatory landscape and to provide an accessible roadmap for their own transition planning and to help firms to assess the credibility of stakeholders’ transition plans.

The Note recaps Irish and EU climate targets, CBI strategy and the legislative framework. The Note is looking to pivot emphasis from a risk management based approach (‘outside in risk’ to the firms), to also considering the impact they have on the climate (‘inside out’ impact on the climate). The Note sets out five key principles for effective transition planning:

- **Leadership:** Strong leadership with clear ambition, actions, and accountability is key. In addition, adequate resourcing, expertise, and robust governance are needed to manage the transition.

- **Viable Actions:** Firms should explore actions that support the shift towards a net-zero economy, grounded in robust climate science and aligned with broader decarbonisation objectives.

- **Targets:** Setting proportional and specific targets provides clear direction and objectives for firms to work towards.

- **Risk Management:** Firms should integrate climate-related risks into their risk management frameworks, aligning with their exposure to these risks.

- **Monitoring and Reviewing:** Ongoing monitoring and review of progress against targets are crucial for adapting to new information and external developments.

The Note sets out what the CBI sees as the key components that a transition plan could include, recognising that transition planning and the development of transition plans are an iterative process that evolves with improved knowledge and data availability.

Solvency II Reform & New Directive (EU 2025/2)

The revised Solvency II Directive (EU 2025/2) introduces key changes focused on reducing complexity and enhancing proportionality in regulatory reporting and capital requirements.

Notable updates include simplified rules for smaller undertakings, more favourable treatment of long-term equity investments, and streamlining of supervisory processes. This is covered in more detail in previous newsletters.

Effective Date: Expected from January 2027, subject to national transposition.

Read more: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32025L0002

Insurance Recovery & Resolution Directive (EU 2025/1)

The new Insurance Recovery and Resolution Directive (IRRD) establishes a harmonised framework for pre-emptive recovery and resolution planning by insurers. It mandates the preparation of recovery and resolution plans, introduces resolution tools, and assigns clear roles to supervisory authorities. This is covered in more detail in the previous newsletter.

Effective Date: Expected to apply from January 2027, pending national implementation.

Read more: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32025L0001

IRRD Consultations

EIOPA has launched the first set of consultations related to the implementation of the IRRD. These concern crucial elements of the Directive that will form the basis for the practical implementation of the IRRD, which is set to become operational from 2027.

The six consultations cover the following key aspects of the IRRD:

- Content of pre-emptive recovery plans
- Pre-emptive recovery plan criteria and methods to determine market shares
- Content of resolution plans
- Identification of critical functions
- Assessment of resolvability
- Addressing impediments to resolvability

Consultation deadline: 31 July 2025

Read more: https://www.eiopa.europa.eu/eiopa-opens-first-set-consultations-preparation-eus-insurance-recovery-and-resolution-framework-2025-04-29_en

EIOPA Publications

We have summarized below relevant EIOPA publications since the previous Newsletter. In addition, there is a significant pipeline of expected EIOPA consultations particularly related to the Solvency II review. The dates for the consultations are still uncertain and thus have not been included in the Newsletter.

Supervisory Statement – Foreseeable Dividends

This statement outlines EIOPA's supervisory expectations for the deduction of foreseeable dividends from Own Funds under Solvency II. It emphasises that only dividends formally approved or declared should be deducted and encourages consistent approaches to dividend recognition across the industry.

Effective Date: Immediately applicable from date of publication (February 2025).

Read more:
https://www.eiopa.europa.eu/publications/supervisory-statement-deduction-foreseeable-dividends-own-funds-under-solvency-ii_en

RfR Technical Documentation Update

The updated technical documentation reflects changes in the derivation of the Risk-Free Interest Rate (RfR) term structures, based on revised representative portfolios. These updates impact the discounting of technical provisions and aim to improve alignment with real market data.

Effective Date: 31 March 2025

Read more:
https://www.eiopa.europa.eu/document/download/d2525b04-8c71-4428-a301-02f6d93aa0a6_en?filename=EIOPA-BoS-24-533%20-%20RFR%20Technical%20Documentation.pdf

Consultation – Internal Models & Dynamic Volatility Adjustment

This consultation proposes updates to EIOPA's Opinion on the supervisory assessment of internal models, including detailed expectations around the use of dynamic volatility adjustment (DVA). It seeks industry feedback on methods for improving model reliability in volatile market conditions.

Consultation Deadline: 26 June 2025.

Read more:
https://www.eiopa.europa.eu/document/download/4baee253-9478-4a71-b5af-a096c567d28e_en?filename=EIOPA-BoS-25-110%20-%20Consultation%20Paper%20on%20revised%20Opinion%20on%20Dynamic%20Volatility%20Adjustment.pdf

Consultation – Related Undertakings Guidelines

EIOPA's proposed revision aims to clarify the treatment of related undertakings and participations in the Solvency II Balance Sheet. It introduces specific guidance on valuation, consolidation, and risk exposure to ensure consistency and transparency in reporting.

Consultation Deadline: 26 June 2025.

Read more:
https://www.eiopa.europa.eu/consultations/consultation-revised-guidelines-treatment-related-undertakings-solvency-ii-review_en

Technical Advice – Proportionality Framework

This advice provides detailed recommendations for embedding proportionality across Solvency II Pillars I–III, particularly in governance and risk management practices. It promotes scalability of requirements for low-risk firms and addresses areas like ORSA, actuarial function, and reporting frequency.

Status: Published 30 January 2025 – awaiting further action from the European Commission.

Read more:
https://www.eiopa.europa.eu/publications/technical-advice-implementation-new-proportionality-framework-under-solvency-ii_en

Technical Advice – Capital Treatment of CCP Exposures

EIOPA proposes refining the capital treatment of direct exposures to central clearing counterparties (CCPs). The recommendations aim to better align capital charges with actual risk exposures and support consistency across EU financial regulation.

Status: Published January 2025 – under review for future implementation.

Read more: https://www.eiopa.europa.eu/eiopa-suggests-amending-capital-treatment-insurers-direct-exposure-central-clearing-counterparties-2025-01-30_en

In addition, the following consultation papers and technical advice was published by EIOPA since the last Newsletter.

Topic	Type	Date	Link
Standard Formula capital requirements for investments in crypto assets	**Technical advice (following consultation)**	**27/03/2025**	**https://www.eiopa.europa.eu/publications/technical-advice-standard-formula-capital-requirements-crypto-assets_en**
Report on biodiversity risk management by insurers	**Consultation**	**04/12/2024 – 26/02/2025**	**https://www.eiopa.europa.eu/consultations/consultation-report-biodiversity-risk-management-insurers-solvency-ii-review_en**
Guidelines on diversity for selection of members of the administrative, management or supervisory body	**Consultation**	**04/12/2024 – 26/02/2025**	**https://www.eiopa.europa.eu/consultations/consultation-guidelines-regarding-notion-diversity-selection-members-administrative-management-or_en**
Revised guidelines on undertaking-specific parameters	**Consultation**	**04/12/2024 – 26/02/2025**	**https://www.eiopa.europa.eu/consultations/consultation-revised-guidelines-undertaking-specific-parameters-solvency-ii-review_en**
Revised guidelines on market and counterparty risk exposures in the Standard Formula	**Consultation**	**04/12/2024 – 26/02/2025**	**https://www.eiopa.europa.eu/consultations/consultation-revised-guidelines-market-and-counterparty-risk-exposures-standard-formula-solvency-ii_en**
Revised ITS on the lists of regional governments and local authorities	**Consultation**	**04/12/2024 – 26/02/2025**	**https://www.eiopa.europa.eu/consultations/consultation-revised-implementing-technical-standards-lists-regional-governments-and-local_en**

ICS Framework – Level 1 & 2 Documentation

The International Association of Insurance Supervisors (IAIS) has finalised the Level 1 and Level 2 texts of the Insurance Capital Standard (ICS), which sets out a comprehensive, group-wide capital framework for internationally active insurance groups (IAIGs).

Level 1 defines the principles and high-level structure, while Level 2 includes the methodologies for calculating capital requirements.

The ICS aims to promote global comparability and to support future assessments of equivalence and supervisory effectiveness across jurisdictions.

Status: Finalised in December 2024. To be used for comparability assessment through 2025.

Read more: https://www.iais.org/uploads/2024/12/ICS-Level-1-and-Level-2-texts.pdf

CBI Consumer Protection Code Feedback / Final Regulations

On 24 March 2025, the Central Bank published the modernised Consumer Protection Code (Consumer Protection Code 2025 | Central Bank of Ireland). The Consumer Protection Code outlines a set of rules and business standards that regulated financial firms must follow when dealing with consumers. The updated CPC will come into effect on March 24, 2026, giving firms 12 months to ensure compliance.

The updated CPC enhances consumer protections across a range of areas, including:

- **Digitalisation**: Firms must be customer-focused in the design and implementation of digital services.
- **Informing effectively**: A shift from requiring firms to disclose information, to informing effectively.
- **Mortgage switching**: Firms must meet new disclosure requirements on switching options and the cost of incentives on the overall cost of credit of a mortgage.
- **Provision of unregulated activities by regulated firms:** firms must ensure customers can have no impression or misunderstanding that they are purchasing regulated products and services, where that is not the case.
- **Firms must be vigilant to the evolving risks of frauds and scams** and take appropriate actions to protect customers.
- **Protecting consumers in vulnerable circumstances:** an updated definition of vulnerability, recognising that customers can move in and out of circumstances that make them vulnerable.
- **To tackle the risk of greenwashing**, firms will be required to ensure they communicate clearly on climate and sustainability features of products.
- **Enhanced requirements in the areas of consumer credit**, small and medium-sized enterprises (SMEs) protections, insurance and investments and pensions.

The updated CPC is contained in two new regulations. The first sets out the Standards for Business and Supporting Standards for Business, which replaces the existing General Principles of the CPC. The second is the Consumer Protection Regulations, these regulations set out new and enhanced requirements across sectors and on a sector specific basis.

Alongside these two regulations, the CBI has released supplementary guidance to support firms in implementing the requirements in the following areas: securing customers' interests, protecting consumers in vulnerable circumstances and general code guidance.

CBI Consultation on Amendments to the Fitness and Probity Regime

The CBI has published a consultation paper (CP160) outlining proposed amendments to the Fitness and Probity (F&P) Regime. The F&P regime was initially introduced in 2011 to ensure individuals in key roles within regulated firms are competent, ethical, and financially sound. The paper highlights the need for updates to the regime due to the evolving complexity of the financial sector and recent regulatory developments, including the Individual Accountability Framework.

An external review of the existing F&P regime was conducted last year and resulted in 12 recommendations aimed at enhancing transparency and efficiency, all of which have been accepted by the CBI. CP160 addresses these recommendations by:

- Introducing objective measures (e.g. specific qualifications, experience requirements, time commitments and role summaries for certain PCFs);
- Addressing conflicts of interest by including specific provisions on identifying, managing and mitigating conflicts of interest;
- Clarifying the way in which the collective suitability and diversity within boards and management teams is assessed; and
- Outlining the approach it will adopt in determining the relevance of past events to an individual's application.

Additionally, the paper proposes changes to the list of Pre-Approval Controlled Functions (PCFs), reducing the number from 59 to 45 to streamline the approval process and ensure it remains proportionate.

Stakeholders are invited to provide feedback on these proposals by 10 July 2025. The Society has formed a working group to provide feedback.

EIOPA Consultation on AI Governance

On February 2025 EIOPA issued a Consultation Paper and impact assessment on its Opinion on AI governance and risk management (Consultation paper and impact assessment on EIOPA's Opinion on AI governance and risk management - EIOPA).

The consultation period ran until May 2025, and the Actuarial Association of Europe coordinated a joint response to which the Society of Actuaries in Ireland contributed. Members of the Data Science Committee and the ERM Committee worked together on the SAI submission.

EIOPA’s Opinion is principles based, and its goal is to provide clarity on the main principles and requirements foreseen in insurance legislation that should be considered in relation to AI systems not considered prohibited or high-risk under the AI Act.

The Opinion covers the following items:

- Risk-based approach grounded on proportionality,
- Inclusion of AI risks in a robust Risk Management System,
- Meeting fairness and ethics requirements as set out in the Insurance Distribution Directive,
- Data governance,
- Documentation and record keeping,
- Transparency and explainability,
- Human oversight, and
- Accuracy, robustness, and cybersecurity.

It is largely based on the document produced by EIOPA’s Consultative Expert Group in Digital Ethics: “Artificial Intelligence Governance Principles: Towards Ethical and Trustworthy Artificial Intelligence in the European Insurance Sector” (Artificial intelligence governance principles: towards ethical and trustworthy artificial intelligence in the European insurance sector - EIOPA), trying to reconcile it with the provisions in the AI Act.