

# ALLIANCE FOR INSURANCE REFORM



MONTHLY UPDATE - December 2019

## REFORM UPDATE

We focused on four key reforms in December in order to leverage meaningful progress quickly. We have a broader set of [reform demands](#) which we continue to work on, but these 4 are the absolute priorities right now:

### **1. Reduce general damages on minor, fully recovered injuries.**

The Judicial Council is up and running and the Council's Personal Injuries Guidelines Committee is obliged by law to submit its first draft personal injury guidelines to the Board of the Council by 7<sup>th</sup> November 2020 (if the Council has its first meeting on 7<sup>th</sup> February as planned).

We continue to endorse this judicial approach to reducing general damages and have requested a meeting with the PIGC to present the perspective of policyholders.

Separately, the Law Reform Commission has published an Issues Paper on the issues surrounding a Legislative fix to this problem. A final report on this approach will be published at the end of 2020 earliest.

### **2. Fully-funded Garda response to insurance fraud**

No concrete developments yet again - no funding has yet been allocated to the Garda response to insurance fraud. Currently, AGS are reporting that they do not have funds to even purchase computers or pay analysts to assist their insurance fraud response. It is up to the Government to fund this. Again, please raise this with political contacts at every possible opportunity.

### **3. Insist on insurers committing to a schedule of forecast reductions for reforms**

We must have some clarity from insurers on the scale of reductions we can expect from the various reforms being pushed through. This is all the more pressing since the December publication of [motor insurance statistics](#) by the Central Bank which show that for motor insurance at least, insurers have been doing quite well in recent years. The Department of Finance continues to work on this with Insurance Ireland. We await a result.

### **4. Review and re-balance the "common duty of care" to require the occupier to take a duty of care that is reasonable, practical and proportionate**

The absolute duty of care often imposed on policyholders by the courts and insurers is a key issue for many of our members. We want that duty of care rebalanced and up to now have been stonewalled by the Government on reform in this area. With that in mind we met Michael McGrath of Fianna Fáil in December. He has fully endorsed our plans and will put them to the FF Parliamentary Party early this year.

We will commence publicly campaigning on this issue in early 2020 as part of our **General Election 2020** campaign.

Note: In a [newspaper article](#) on Saturday last, Minister of State Michael D'Arcy intimated that he might be looking at reforms in this area. We have requested a meeting with the Minister as a matter of urgency to determine whether this is a positive move by the minister or electoral soundbites.

## **CONSUMER INSURANCE CONTRACTS ACT 2019**

This Act was signed into law just after Christmas. It is a wide-ranging Bill based on the 2015 Law Reform Commission report; sponsored by Pearse Doherty (SF) and supported by Michael McGrath of FF and Min. Michael D'Arcy. *When commenced*, it will adjust the balance of power between insurers and policyholders. It will apply to 'natural persons' as well as 'incorporated bodies', 'sole traders, partnerships, trust clubs or charities with an annual turnover in its previous financial year of €3 million or less'.

The Alliance has engaged extensively with Sinn Fein on the development of elements of this legislation. Equally, the Department of Finance has actively taken our views into account. The legislation is not expected to bring down the cost of insurance in the short term but will make purchasing and using insurance products easier going forward.

## **BARRISTERS AND PERSONAL INJURY CASES**

Charlie Weston reported in the [Irish Independent](#) just before Christmas that there is a fear "that the re-emergence of the practice of having two seniors and one junior on cases will result in higher costs" in personal injury cases. We are looking for further clarification on this disturbing story and will keep you updated.

## **GENERAL ELECTION**

We will be launching our General Election campaign to our member organisations on Tuesday 21<sup>st</sup> January.

## **WHAT YOU CAN DO IN THE MEANTIME?**

1. Contact your local [TDs and Senators](#). Ask them to push for the four actions listed above (Garda response, reduce general damages, get commitments from insurers and rebalance the duty of care) as a matter of urgency.
2. Tell us your stories! Contact the Alliance if you can help at [peter@insurancereform.ie](mailto:peter@insurancereform.ie)
3. Continue to Like, Share, Comment and Retweet our posts on Twitter and Facebook