

Mr. Paschal Donohoe T.D.,
Minister for Finance & Reform,
Department of Public Expenditure & Reform,
Government Buildings,
Upper Merrion Street,
Dublin 2.
D02 R583

21st September, 2018

Our Ref: 59531

**Re: Clondalkin Area Committee Meeting of South Dublin County Council
held on 19th September, 2018**

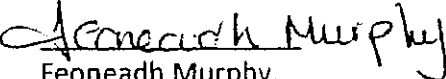
Dear Minister Donohoe,

At the meeting of the Clondalkin Area Committee held on 19th September, 2018, the following Motion was adopted and approved by the Members:

"This Area Committee agrees to write to the Minister for Finance to ask him what safeguards he is putting in place to protect vital community based projects from crippling rising insurance costs. One such Community based project in Clondalkin seen their insurance costs increase from €2900 in 2014 to €14758 in 2018."

I would be obliged for your comments and response as soon as possible to enable me to revert to the Committee.

Yours sincerely,


Feoneadh Murphy,
Senior Staff Officer.



Our ref: 18/2248/MF

31 October 2018

Ms. Feoneadh Murphy
Senior Staff Officer
South Dublin County Council
County Hall
Tallaght
Dublin 24

Dear Ms. Murphy,

The Minister for Finance, Mr. Paschal Donohoe T.D., has asked me to write to you in response to your letter of 21 September 2018 regarding the motion of the Clondalkin Area Committee on the cost of insurance.

The resolution adopted by the members at a meeting of the Committee in relation to the cost of insurance has been noted by the Minister.

At the outset, it is important to note that while the Minister is very aware of the financial strain which the cost of insurance is placing on some community and voluntary organisations, neither he nor the Central Bank of Ireland has the power to direct insurers on the pricing or provision of insurance products. Indeed, the EU framework for insurance expressly prohibits Member States from adopting rules which require insurers to obtain prior approval of the pricing or terms and conditions of insurance products. The provision of insurance cover and the price at which it is offered is a commercial matter for insurers and is based on an assessment of the risks they are willing to accept and adequate provisioning to meet those risks. These are considered by insurers on a case-by-case basis.

Notwithstanding the above, the former Minister for Finance, Mr. Michael Noonan T.D., established the Cost of Insurance Working Group in July 2016. This Working Group, which is now chaired by the Minister of State for Financial Services and Insurance, Mr. Michael D'Arcy T.D., undertook an examination of the factors contributing to the cost of insurance in order to identify what short, medium and long-term measures could be introduced to help reduce the cost for consumers and businesses. The initial focus of the Working Group was the issue of rising motor insurance premiums and the *Report on the Cost of Motor Insurance* was published in January 2017, containing 33 recommendations.

In its second phase, the Working Group examined the cost of business insurance, in particular employer liability insurance and public liability insurance. It emerged clearly during the consultation period for this phase that, in addition to the consequences of large rises in these types of insurance for purely commercial businesses, there has also been a significant impact upon community and voluntary activities, as very few such activities can be conducted in today's society without a need to have some form of liability cover. This work culminated in the publication of *the Report on the Cost of Employer and Public Liability Insurance* in January

2018. The Report makes 15 recommendations with 29 associated actions to be carried out in agreed timeframes, which are set out in an Action Plan.

Work is ongoing on the implementation of the recommendations by the relevant Government Departments and Agencies and there is a commitment within the Report that the Working Group will prepare quarterly updates on its progress. The sixth such update was published on 30 August 2018 and shows that of the 71 separate applicable deadlines set within the two Action Plans set to the end of Q2 2018, 58 relate to actions which have now been completed. Substantial work has also been undertaken in respect of the nine action points categorised as “ongoing”.

Both of the Reports and the quarterly updates are available on the Department’s website, within “The Cost of Insurance Working Group” sub-section of the main “Insurance” section. It is envisaged that the implementation of all the recommendations cumulatively, with the appropriate levels of commitment and cooperation from all relevant stakeholders, should achieve the objectives of delivering fairer premiums for consumers, business and community projects, and a more stable and competitive insurance market.

I hope the above information is of assistance.

Yours sincerely,



 Michelle O'Connor
Private Secretary to the Minister for Finance and Public Expenditure and Reform