



Mr Neil McDonnell

Chief Executive

ISME

17 Kildare Street

Dublin 2

19<sup>th</sup> April 2018

Dear Mr McDonnell

**Insurance Statistics**

I have reviewed your correspondence of 16<sup>th</sup> April 2018 on the topic of the Insurance Statistics publication.

Thank you for the positive feedback on the Insurance Statistics publication. It may be useful for me to explain why the Central Bank is no longer in a position to produce the annual Insurance Statistics publication, known as the 'Blue Book'. The overarching regulatory regime, governing reporting by the Insurance industry to the Central Bank, has changed. The older Solvency I regime has been replaced with Solvency II. That change in regulatory regime has been profound in terms of both the underlying concepts by which regulated firms' measure and assess their financial risks, and the subsequent reporting to the Central Bank.

The tables in the 'Blue Book' were extracted from the Solvency I reporting forms which were completed by the industry and were publicly available in the Companies Registration Office. As Solvency II reporting has replaced these forms, and that reporting is significantly different, most of the 'Blue Book' tables cannot be continued consistently in the old format. Furthermore, the underlying data in the 'Blue Book' would now be valued differently on a Solvency II, as opposed to a Solvency I, basis and so the time series has been broken.

Under Solvency II, the Central Bank is now required to publish aggregate harmonised data that is consistent and comparable with other insurance supervisors in the EU. The first data was published in August 2017 covering 2016 - Aggregate Statistical Data.<sup>1</sup>

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<sup>1</sup> <https://www.centralbank.ie/regulation/industry-market-sectors/insurance-reinsurance/solvency-ii/supervisory-disclosures>



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Further, under the Solvency II regime, individual firms are required to produce a publically available Solvency and Financial Condition Report (SFCR). The SFCR includes a detailed narrative report on the insurance undertaking coupled with key quantitative reporting templates that contain premiums, claims, expenses, technical provisions, solvency and other information. The Central Bank took the initiative to make these individual firm-level reports accessible in one place. Accordingly, all SFCRs for 2016 have been made available by the Central Bank in a dedicated SFCR repository on its website.<sup>2</sup> SFCRs reported for 2017 will be added to the repository in due course. Interested parties can find information on the premiums, claims and other key metrics for all insurance undertakings in the SFCR repository, and users can aggregate key metrics across those subsets of firms of particular interest. The value of the SFCRs will be enhanced over time, in particular in 2018, when the 2nd year of reporting of these reports will allow a year on year comparison.

Finally, the Central Bank is supporting transparency on aggregate developments in claims through its support for and lead role in developing a national claims database. The Central Bank awaits the finalisation of the National Claims Information Database bill. In the interim, the Central Bank has supported a Department of Finance Cost of Motor Insurance group to produce ad hoc reports on developments in key metrics, the first of such reports on the motor industry was published in July 2017 and included 2016 data.<sup>3</sup>

Yours sincerely

A handwritten signature in blue ink that reads "A Kearns". The signature is written in a cursive style and is positioned above a horizontal line.

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<sup>2</sup> <https://www.centralbank.ie/regulation/industry-market-sectors/insurance-reinsurance/solvency-ii/solvency-and-financial-condition-report-repository>

<sup>3</sup> <http://www.finance.gov.ie/what-we-do/insurance/the-cost-of-insurance-working-group/#Phase1>