



Insurance

Quarterly Legal and Regulatory Update

Period covered: 1 July 2022 – 30 September 2022

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1. SOLVENCY II

1.1 EIOPA publishes peer review on outsourcing

On 19 July 2022, the European Insurance and Occupational Pensions Authority (**EIOPA**) published a peer review on outsourcing. The review assessed the overall maturity of the framework implemented by national supervisory authorities regarding outsourced activities of insurance and reinsurance undertakings with the objective of identifying gaps, areas of improvement and best practices to promote consistent and effective supervision.

The review revealed that European undertakings are making increasing use of outsourcing, specifically in the area of technology. The review further revealed that national supervisory authorities' primary focus is ongoing supervision of outsourced activities, and whilst some enforce strict notification processes, the majority of policies are less prescriptive on this front.

The peer review notes that the Central Bank of Ireland (**Central Bank**) has already conducted detailed thematic reviews on outsourcing and EIOPA recognises that Ireland employs best practices in respect of the communication of the outsourcing framework to the market, publishing consultation papers and discussion papers which offer guidance to industry.

EIOPA determined that there are certain areas where national supervisory authorities needed to increase their supervision of notification processes, identifying the following areas for further analysis:

- The outsourcing of delegated authority;
- The definition of 'material development' and the meaning of 'timely notification' according to article 49(3) of Solvency II, and;
- The supervision of undertakings that make such extensive use of outsourcing that it impacts their corporate substance.

A copy of the peer review can be accessed [here](#).

1.2 EIOPA publishes application guidance on how to reflect climate change in ORSA

On 2 August 2022, EIOPA published application guidance on how to reflect climate change in the Own Risk and Solvency Assessment (**ORSA**). EIOPA encourages forward-looking and long-term approaches to managing climate change related risks and has provided expanded guidance on materiality assessment in relation to climate change (including through technical examples of the materiality assessment using examples of dummy companies), climate change scenario design and specifications using concrete case studies.

The guidance provides an insightful basis on how to implement sustainable finance ambitions in practice and indicates the areas in which an undertaking can address climate change risks in ORSA, namely:

- Management or executive summary;
- Introduction;
- Undertaking's vision and strategy;
- Undertaking's risk appetite or risk profile;
- Risk assessment;
- Scenario analysis;
- Management actions, and.
- Conclusions.

The guidance further recommends addressing climate change in multiple areas of the ORSA report and performing regular analysis on the impact of climate risk.

A copy of the guidance can be accessed [here](#).

1.3 EIOPA tracks progress on Solvency II data quality

On 6 September 2022, EIOPA published its report on data quality in reporting under Directive 2009/138/EC (**Solvency II**). The report notes that EIOPA is constantly working to improve and assess the quality of available reporting data, which it states is the basis for successful data-driven supervision, evidence-based decision making and micro- and macro-prudential analysis.

The report finds that there has been an overall improvement in the quality of reporting from 2016 to 2021 and that work on data quality is a never-ending task. The report identifies the XBRL taxonomy tool and the use of Legal Entity Identifiers (**LEIs**) as integral in the process of data reporting.

A copy of the report can be accessed [here](#).

1.4 Updated Questions and Answers on Regulation

During the third quarter of 2022, EIOPA published updated Questions and Answers (**Q&As**) relating to the following topics under the Solvency II Directive:

- **Reporting Templates:** [Question ID 2465](#), [Question ID 2377](#), [Question ID 2272](#)
- **Solvency Capital Requirement:** [Question ID 2447](#), [Question ID 2442](#)

2. EUROPEAN INSURANCE AND OCCUPATIONAL PENSIONS AUTHORITY (EIOPA)

2.1 EIOPA issues a staff paper on the proposal for an Insurance Recovery and Resolution Directive

On 6 July 2022, EIOPA published a staff paper on the proposal for an insurance recovery and resolution directive (**IRRDR**). The paper provides an overview of IRRDR noting that it is a comprehensive framework and that the main benefits of the proposal are as follows:

- A single European framework which seeks to minimise impact on policyholders and the stability of the system;
- A focus on preventative planning with a view that crisis prevention is less costly and more effective than crisis management;
- Appointment of resolution authorities with specialised knowledge on the sector;
- Clear conditions for resolution and adequate safeguards in line with international standards; and
- Resolution colleges addressing the need for cooperation and coordination among insurance authorities.

A copy of the staff paper can be accessed [here](#).

2.2 Revised Guidelines on Valuation of Technical Provisions

On 6 July 2022, EIOPA published revised guidelines on valuation of technical provisions (the **Revised Guidelines on Valuation of Technical Provisions**). During the 2020 review of Solvency II, EIOPA identified a number of divergent practices regarding the valuation of certain technical provisions. The final report on the Revised Guidelines on Valuation of Technical Provisions was published in April 2022. The Revised Guidelines on Valuation of Technical Provisions have been updated with new and amended guidelines to ensure convergent application of the existing regulation on best estimate valuation.

The new guidelines are as follows:

- Guideline 0 – Proportionality;
- Guideline 24A – Materiality in assumptions setting;
- Guideline 24B – Governance of Assumptions setting;
- Guideline 24C – Communication and uncertainty in assumptions setting;

- Guideline 24D – Documentation of assumptions setting;
- Guideline 24E – Validation of assumptions setting;
- Guideline 28A – Investment Management Expenses;
- Guideline 37A – Dynamic policyholder behaviour;
- Guideline 37B – Bidirectional assumptions;
- Guideline 37C – Option to pay additional or different premiums;
- Guideline 40A – Comprehensive management plan;
- Guideline 40B – Consideration of new business in setting future management actions;
- Guideline 53A – Use of stochastic valuation;
- Guideline 57A – Market risk factors needed to deliver appropriate results; and
- Guideline 77A – Alternative approach to calculate EPIFP.

The following guidelines have been amended:

- Guideline 25 – Modelling biometric risk factors;
- Guideline 30 – Apportionment of Expenses;
- Guideline 33 – Changes in Expenses; and
- Guideline 77 Assumptions used to calculate EPIFP.

The Revised Guidelines on Valuation of Technical Provisions should be read in conjunction with EIOPA's Guidelines on valuation of technical provisions (the **Original Guidelines on Valuation of Technical Provisions**) The Revised Guidelines on Valuation of Technical Provisions will apply from 1 January 2023.

You can access the revised guidelines [here](#). The Original Guidelines on Valuation of Technical Provisions can be found [here](#).

2.3 EIOPA publishes Revised Guidelines on Contract Boundaries

On 6 July 2022, EIOPA published revised guidelines on contract boundaries (the **Revised Guidelines on Contract Boundaries**). EIOPA identified a number of divergent practices regarding contract boundaries assessment during the Solvency II review in 2020. The final report on the Revised Guidelines on Contract Boundaries was published in April 2022. The Revised Guidelines on Contract Boundaries have been updated with new, amended and deleted guidelines to ensure harmonised application of the existing regulation on contract boundaries.

The new guidelines are as follows:

- Guideline 0 – Contract Boundaries;
- Guideline 6A – Identification of a financial guarantee of benefits with a discernible effect on the economics of a contract;
- Guideline 6B – Identification of a coverage for a specified uncertain event that adversely affects the insured person with a discernible effect on the economics of a contract; and
- Guideline 6C – Reassessment of the discernible effect of a cover or financial guarantee.

Guideline 5 – 'Contract boundaries', has been amended and Guideline 6 – 'Identification of a discernible effect on the economics of a contract', has been deleted.

The Revised Guidelines should be read in conjunction with the Guidelines on contract boundaries (the **Original Guidelines on Contract Boundaries**) and will apply from 1 January 2023.

You can access the Revised Guidelines on Contract Boundaries [here](#). The Original Guidelines on Contract Boundaries can be found [here](#).

2.4 Consultation paper and impact assessment on the supervisory statement on differential pricing practices in non-life insurance lines of business

On 11 July 2022, EIOPA published a consultation paper on the supervisory statement on differential pricing practices in non-life insurance lines of business (the **Consultation Paper**).

The Consultation Paper focuses on the effect advanced Artificial Intelligence and the greater availability of new datasets is having on the insurance industry. It notes that healthy pricing competition remains in the non-life sector but that some of the newer types of differential pricing practices can lead to unfair treatment of some consumers, such as older customers who are less likely to search for the best deal on renewal and those that may be indirectly discriminated against by Artificial Intelligence, which can be biased.

The Consultation Paper concludes that such unfair pricing practices are in breach of Directive (EU) 2016/97 (the **Insurance Distribution Directive** or **IDD**) and Commission Delegated Regulation (EU) 2017/2358 with regard to product oversight and governance requirements for insurance undertakings and insurance distributors and that adequate measures are required to prevent such practices.

The Consultation Paper can be accessed [here](#).

EIOPA also published an impact assessment on the supervisory statement on differential pricing practices in non-life insurance lines of business following from the publication of the Consultation Paper. EIOPA considered 6 different policy options and concluded that development of the supervisory statement on differential pricing practices is the preferred option.

Stakeholders are invited to provide feedback on the Consultation Paper via an online survey until 7 October 2022.

You can see a copy of the impact assessment [here](#).

You can complete the stakeholder survey [here](#).

2.5 EIOPA consults on governance arrangements in third countries

On 1 August 2022, EIOPA launched a public consultation relating to a draft supervisory statement on the use of governance arrangements in third countries. The supervisory statement aims to enhance the supervision and monitoring of insurance undertakings' and intermediaries' compliance with relevant EU legislation concerning governance arrangements in third countries.

Stakeholders are invited to offer feedback via an [online survey](#) until 31 October 2022.

The consultation paper can be accessed from EIOPA's website [here](#).

2.6 Supervisory Statement on management of non-affirmative cyber exposures

On 22 September 2022, EIOPA published a supervisory statement on the management of non-affirmative cyber exposures. EIOPA notes that insurers are exposed to cyber-related losses through cyber insurance policies and insurance policies that do not explicitly take cyber risks into account. EIOPA recommends that national competent authorities pay closer attention to insurance undertakings' assessment of their existing insurance products covering cyber risks.

The supervisory statement aims to align national competent authorities' approach to the market when considering market risks. The statement requires top-down strategy and a risk appetite definition for (re)insurers underwriting or wishing to underwrite cyber risk. The statement further recommends the potential need for review of terms and conditions of contracts regarding cyber coverage and the need to put in place a strategy on how to communicate such a review to policyholders clearly and in a timely manner.

EIOPA instructed undertakings to pay attention to traditional war and terrorism exclusions that may not take into account digital aspects of modern warfare. The statement also highlights the need for insurers to consider their exposure to cyber risk with the purpose of implementing sound cyber underwriting practices.

You can access the statement [here](#).

2.7 EIOPA publishes supervisory statement exclusions in insurance products related to risks arising from systemic events

On 22 September 2022, EIOPA published a supervisory statement on exclusions in insurance products in relation to risks arising from systemic events as well as a feedback statement and responses to comments received from the public consultation on the topic. EIOPA noted the increase in the frequency of systemic events resulting in the insurance products covering them become uninsurable or unavailable. This has the potential to further widen existing protection gaps, which can have a detrimental effect on consumers and make our economies and societies less resilient.

The objective of the supervisory statement aims to promote supervisory convergence in how national competent authorities assess the treatment of exclusions as part of the product design and terms and conditions drafting process and to ensure the interests of existing and prospective policy holders are taken into account when products are developed or revised, or when events casting doubt on the scope of the coverage materialise.

EIOPA recommends that insurance undertakings assess the target market's need, objectives and characteristics with respect to the exclusion of risks arising from systemic events.

The supervisory statement and associated documents can be accessed from EIOPA's website [here](#).

3. INSURANCE DISTRIBUTION DIRECTIVE (IDD)

3.1 EIOPA publishes guidance on integrating customer sustainability preferences in suitability assessments

On 20 July 2022, EIOPA published guidance on the integration of sustainability preferences in the suitability assessment under the IDD. The guidance relates to Commission Delegated Regulation (EU) 2021/1257 of 21 April 2021 amending Delegated Regulations (EU) 2017/2358 and (EU) 2017/2359 as regards the integration of sustainability factors, risks and preferences into the product oversight and governance requirements for insurers and insurance distributors and into the rules on conduct of business and investment advice for insurance-based investment products (the **Delegated Regulation**).

The objective of the Delegated Regulation is to allow retail investors to invest and save sustainably, facilitating their participation in the transition to a low carbon, more sustainable, resource efficient circular economy. Insurance intermediaries will have to recommend insurance-based investment products (**IBIPs**) that meet the sustainability preferences of their customers. Intermediaries will be required to run a "suitability assessment" to ensure customer's sustainability preferences are met, this is one of the most important requirements for customer protection under the IDD.

The Guidance provides instruction on:

- What information needs to be provided to customers about the purpose and the scope of the suitability assessment with regard to sustainability preferences;
- How to help customers better understand the concept of "sustainability preferences" and their investment choices;
- How to collect information on sustainability preferences from the customer;
- How to carry out a periodic assessment of the customer's sustainability preferences;
- How to collect information on the sustainability features of IBIPs;
- What arrangements are necessary to ensure the suitability of an IBIP;
- How to comply with the record-keeping requirements with the customer adapts his/her preferences, and;

- What competences are needed to assess a customer's sustainability preferences.

A copy of the guidance can be accessed [here](#).

3.2 Updated Questions and Answers on Regulation

During the third quarter of 2022, EIOPA published updated Questions and Answer relating to the Freedom to Provide Services (Art. 4 and 5 IDD) Manufacturing insurance products (Art. 25 para. 1 IDD) topic under the IDD Directive.

You can access the Q&A [here](#).

4. CENTRAL BANK OF IRELAND

4.1 CP150 - Guidance for (Re)Insurance Undertakings on Intragroup Transactions & Exposures

On 4 July 2022, the Central Bank of Ireland (**Central Bank**) published Consultation Paper 150 on guidance for (re)insurance undertakings on intragroup transactions & exposures. Feedback on the guidance was welcomed until 22 September 2022.

The Guidance covers Governance, Risk Management and Key Exposures. In the governance and risk management section the Central Bank clarifies that clear roles and responsibilities are required for all key functions, risk registers and risk appetites must be adequate and proper policies need to be established.

A copy of Consultation Paper 150 can be accessed [here](#).

4.2 Publication of the Central Bank (Individual Accountability Framework) Bill 2022

On 28 July 2022, the Central Bank (Individual Accountability Framework) Bill 2022 (Bill) was published by the Department of Finance. The Bill's principal purpose is to confer powers on the Central Bank to strengthen and enhance individual accountability in the Irish financial services industry by prescribing responsibilities and providing for the allocation of responsibility and accountability for the management and operation of firms regulated by the Central Bank.

The new Senior Executive Accountability Regime (**SEAR**):

- introduces new conduct standards for regulated firms and their management and staff;
- makes enhancements to the existing Fitness and Probity Regime; and
- strengthens the Central Bank's Administrative Sanctions Procedure.

While it is not yet clear when the Bill will be enacted, the Central Bank has indicated that it will consult key stakeholders on implementation and operation of the framework once the Bill has been enacted through the publication of draft implementing regulations and guidance for public consultation.

A copy of the Bill can be accessed [here](#) and the explanatory memorandum can be accessed [here](#).

For more information, please see our Dillon Eustace briefings on this topic "[The Central Bank \(Individual Accountability Framework\) Bill 2022 is published](#)" August 2022 and "[Individual Accountability Framework and SEAR – Key Questions](#)" October 2021.

4.3 Central Bank launches consultation on climate change risk guidance for the insurance sector

On 3 August 2022, the Central Bank launched a consultation on proposals to introduce guidance on climate change risks for the insurance sector. The Central Bank noted that the time for action on climate change is now and made clear their intention to make climate-related risks a priority.

The proposed Guidance intends to clarify expectations on (re)insurers' approach to climate change risk and to aid them with their governance and risk management in relation to same. The proposed guidance is based on the following overarching principles:

- Iterative approach – capacity, experience and sophistication of methodologies to be built over time;
- Climate change risk is a key risk;
- Double materiality;
- ORSA
- Time Horizons – Insurers should consider short-, medium- and long-term impacts of climate change, and;
- Group Engagement.

Interested stakeholders are invited to provide feedback on or before 26 October 2022.

A copy of the consultation paper can be found [here](#).

4.4 Central Bank releases Outsourcing Register Template and Guidance

On 9 August 2022, the Central Bank published its long-awaited outsourcing register templates and also released associated guidance notes for different market participants addressed by its Cross-Industry Guidance on Outsourcing, which was published and has applied since December 2021.

All regulated financial service providers whose PRISM Impact Rating is Medium-low or above (or its equivalent) will be required to submit their completed outsourcing register template to the Central Bank via the Online Reporting System (**ONR**). The deadline for the submission was initially 7 October 2022 but has since been extended to 19 October 2022.

The relevant outsourcing register template and guidance note for the Insurance sector are available from the Central Bank's website [here](#). For more information on the information requirements for the outsourcing register return, please see our Dillon Eustace client briefing [here](#).

4.5 Central Bank release regulations on levies

On 31 August 2022, the Central Bank Act 1942 (Section 32D) Regulations 2022 (S.I. No. 427 of 2021) (**Regulations**) came into operation setting out the levy contribution payable by financial service providers in respect of the "levy period", meaning the period 1 January 2021 to 31 December 2021.

Category B of the Schedule to the Regulations addresses the amount of the levy contributions for insurance and reinsurance undertakings.

The text of the Regulations can be accessed [here](#).

4.6 Dear CEO - Central Bank expectations relating to the risk posed to consumers of not having sufficient home insurance cover

On 22 September 2022, the Central Bank published a 'Dear CEO letter' on their expectations relating to the risk posed to consumers of not having sufficient home insurance cover. This letter followed the Central Bank's thematic review published in April 2022. The review identified a sharp increase of under-insurance from an average of 6.5% in 2017 to 16.5% in 2021.

The Central Bank identified the following practices where firms' approach was not considered sufficiently consumer-focused:

- Clarity, consistency and timeliness of communications with consumers regarding the risk of not having sufficient home insurance cover; and
- Effectiveness of firms' consumer risk management tools and frameworks in identifying and assessing risks to consumers.

The letter also provided the following actions for firms to take:

- Clearly communicate the risk of under-insurance to customers, including by writing to all home insurance policyholders explaining the consequences of being under-insured, the reasons why this is currently a heightened risk and how policyholders can better estimate the adequate sums insured value. This information should be provided to both direct and intermediated customers and, given both the importance of the information and the urgency of the risk, should be issued as a standalone communication;
- Act honestly, fairly and professionally in the best interests of its customers and the integrity of the market;
- Consider the risks and expectations set out in the letter and accompanying appendix, and put in place a clear plan to address the points raised. The plan must include clear and reasonable timelines for implementation of mitigating actions, with appropriate governance and sign-off. The plan should be submitted to the Central Bank by close of business on 28 October 2022; and
- Share the contents of this letter with the Board of Directors, and ensure that the Board of Directors has appropriate oversight of the firm's plan to address the gaps identified, or the actions required.

A copy of the Dear CEO letter can be accessed [here](#).

The Central Bank press release containing further analysis of their review can be accessed [here](#).

5. SUSTAINABILITY

5.1 Publication of finalised SFDR Level 2 Measures in Official Journal of the European Union

On 25 July 2022, Commission Delegated Regulation (EU) 2022/1288 was published in the Official Journal of the European Union (**SFDR Level 2 Regulations**).

The SFDR Level 2 Regulations, which contain the finalised Level 2 measures supplementing Regulation (EU) 2019/2088 (the **Sustainable Finance Disclosure Regulation** or **SFDR**), were adopted by the European Commission on 6 April 2022.

From 1 January 2023, when the SFDR Level 2 Regulations become applicable, financial market participants will be required to provide detailed information on the sustainability-related practices of financial products which fall within the scope of Article 8 or Article 9 of SFDR in pre-contractual, website and annual report disclosures. It also sets down additional disclosure obligations for those financial market participants and/or financial advisers who are required to, or choose to, consider the principal adverse impacts of their investment decisions, their investment advice or insurance advice (as applicable) on sustainability factors.

Detailed information on the disclosure obligations for financial market participants are contained in the SFDR Level 2 Regulations.

A copy of the SFDR Level 2 Regulations can be accessed [here](#).

For further information on proposed amendments to the SFDR Level 2 Regulations, please refer to [Section 5.4](#) below.

5.2 Principal adverse impact and product templates for the Sustainable Finance Disclosure Regulation

On 26 July 2022, EIOPA released the annexes to SFDR in an easy to access downloadable form. The annexes contain templates for financial markets participants preparing for the application of the supplementing Commission Delegated Regulation (EU) 2019/2088 from 1 January 2023.

You can access the EIOPA publication and downloadable annexes [here](#).

5.3 ESAs issue report on the extent of voluntary disclosure of principal adverse impact under Article 4 of the SFDR

On 28 July 2022, the European Supervisory Authorities (**ESAs**) published the first annual report on the current state of entity-level voluntary disclosures of consideration of principal adverse impacts of investment decisions on sustainability factors under Article 4 of the SFDR which must be published on the website of each financial market participant (**ESA Report**).

Having obtained feedback from national competent authorities (**NCAs**), the ESAs have developed a preliminary, indicative and non-exhaustive overview of good examples of best practices and other, less good examples of voluntary disclosures made under Article 4 of the SFDR which is contained in Section 3 of the ESA Report.

The ESA report also contains recommendations to the European Commission as well as providing some recommendations to the NCAs on monitoring compliance of financial market participants with the disclosure obligations imposed under Article 4 of the SFDR.

A copy of the ESA Report can be accessed [here](#).

5.4 Publication of the ESA Final Report on Extended Taxonomy Disclosures under the SFDR

On 30 September 2022, the ESAs published their Final Report on proposed amendments to the existing SFDR Level 2 Regulations¹ to address the extension of the EU Taxonomy framework to include the Taxonomy Complementary Climate Delegated Act.

Under the Draft Amending SFDR Level 2 Regulations (which include revised pre-contractual and periodic reporting annexes), financial market participants with financial products falling within the scope of the Taxonomy Regulation will be required to comply with additional specific disclosure obligations about investments in taxonomy-aligned gas and nuclear economic activities. In particular, disclosures must make clear the proportion that such investments represent within all investments, and in environmentally sustainable economic activities.

The Draft Amending SFDR Level 2 Regulations must now be scrutinised by the European Commission. The ESAs have noted in their final report that they have left it to the European Commission to include the expected application date in the draft Amending SFDR Level 2 Regulations. It therefore remains to be seen whether financial market participants with in-scope financial products will be required to use the revised annexes contained in the Draft Amending SFDR Level 2 Regulations for the purposes of satisfying the SFDR-related disclosures which must be made by the end of this year.

The Final Report can be accessed [here](#).

¹ See [Section 5.1](#) above for further details on the SFDR Level 2 Regulations

6. MISCELLANEOUS

6.1 Sanctions adopted following Russia's military aggression against Ukraine

In reaction to Russia's continued military aggression against Ukraine, the European Union has adopted additional economic sanctions against Russia and Belarus which have been introduced through a suite of packages adopted by the Council of the European Union announced during the period under review.

Under the measures adopted by the Council on 21 July 2022, the existing prohibition on accepting deposits has been expanded to deposits from legal persons, entities or bodies established in third countries and majority-owned by Russian nationals or natural persons residing in Russia. Additionally, the acceptance of deposits for non-prohibited cross-border trade will now be subject to a prior authorisation by competent authorities. This suite of packages announced on 21 July 2022 also amended the existing sanctions regime to expand the scope of those individuals subject to restrictive measures as well as to impose a reporting obligation on designated persons with frozen assets within a Member State jurisdiction to report these assets to the relevant competent authority.

The package of sanctions announced on 21 July 2022 can be accessed [here](#).

The Central Bank of Ireland has also updated its webpage to provide information on how such individuals should report funds or economic resources located in Ireland, including a Self-Declaration Reporting Form. Further details are available [here](#)

On 26 July 2022, the Council announced that it was extending the restrictive measures targeting specific sectors of the economy of the Russian Federation for a further six months until 31 January 2023. The related press release is available [here](#).

On 4 August 2022, the Council announced the publication of Commission Implementing Regulation (EU) 2022/1354 which imposed restrictive measures on two additional individuals, details of which are available [here](#). The list of those individuals subject to restrictive measures was further expanded by an additional three individuals on 1 September 2022 via Council Implementing Regulation (EU) 2022/1446 which is available [here](#).

The Council also announced on 14 September 2022 the extension of the restrictive measures targeting those responsible for undermining the territorial integrity, sovereignty and independence of Ukraine for a further six months until 15 March 2023.

The Council's press release of 14 September 2022 is available [here](#).

6.2 Insurance (Miscellaneous Provisions) Act 2022

As of 8 July 2022, the majority of the provisions of the Insurance (Miscellaneous Provisions) Act 2022 (the **Act**) have applied. The Act was signed into law on 27 June 2022 and the commencement order was signed on 7 July 2022. The application of Section 7 and Section 8 remain deferred until 1 October 2022 (in respect of Section 16A of the Consumer Insurance Contracts Act 2019 (**CICA**)) while Section 8 as it relates to Section 16B of CICA will commence on 1 January 2023.

You can access the Act [here](#). Please see our Dillon Eustace client briefing on the Act [here](#).

6.3 Protected Disclosures (Amendment) Act 2022

On 21 July 2022, the Protected Disclosures (Amendment) Act 2022 (the **Act**) was signed into law. The Act transposes Directive (EU) 2019/1937 (**Whistleblowing Directive**) and amends the Protected Disclosures Act 2014. The Act will broaden the provisions of the current Irish protected disclosures regime, building on the 2014 legislation. A commencement order will be required to bring the 2022 Act into force.

The Act introduces, among other things, an obligation on Irish (re)insurance undertakings to establish internal reporting channels and procedures for their workers to make protected disclosures. The Act provides that internal reporting channels and procedures can be operated either internally by a person or department designated by the employer or alternatively by an external third party authorised by the employer. Consequently, Irish (re)insurance undertakings will have to update their current whistleblowing policies and internal reporting procedures to bring them in line with the new provisions of the Act once the relevant commencement order has been signed into law.

A copy of the Act can be accessed [here](#).

6.4 Personal Injuries Resolution Board Bill 2022

On 2 August 2022, the Department of Enterprise, Trade and Employment published the Personal Injuries Resolution Board Bill 2022. The bill amends the Personal Injuries Assessment Board Act 2003-2019 to facilitate an increase in the number of personal injury claims that may be resolved through the Board's process and without recourse to litigation.

The Bill provides the Personal Injuries Assessment Board (**PIAB**) with the new function of mediation as well as renaming it the Personal Injuries Resolution Board (**PIRB**).

A copy of the bill can be accessed [here](#).

6.5 Joint Committee Report on Risks and Vulnerabilities in the EU Financial System

On 12 September 2022, EIOPA, the European Banking Authority (**EBA**) and the European Securities and Markets Authority (**ESMA**) published a joint committee report on Risks and Vulnerabilities in the EU Financial System. The report notes that post pandemic recovery has slowed due to the conflict in Ukraine which has led to the increase in inflation and financial market risks and uncertainties across the board.

As a result of the risks and uncertainties the Joint Committee advises national competent authorities, financial institutions and market participants to take the following policy actions:

- Financial institutions and supervisors should continue to be prepared for a deterioration in asset quality in the financial sector;
- The Impact on financial institutions and market participants more broadly from further increases in policy rates and the potential for sudden increases in risk premia should be closely monitored;
- Financial institutions should be aware and closely monitor the impact of inflation risks; and
- Financial institutions and supervisors should continue to carefully manage environmental related risks and cyber risks.

A copy of the joint committee report can be accessed [here](#).

6.6 Update on Road Traffic and Roads Bill 2021

On 22 September 2022, the Road Traffic and Roads Bill 2021 (the **Bill**) was passed by Dáil Éireann and is currently before the Seanad.

The Bill will amend the Road Traffic Acts 1920-2016 and set out the tax, insurance and minimum vehicle requirements for e-scooters and e-bikes. The Bill will legislate for, among other things, the completion of the Motor Third Party Liability (MTPL) database and motor insurers' access to penalty point records will be extended to cover disqualifications, and to allow access when a policy is being changed and not only when it is being issued/renewed.

You can access the Bill [here](#).

If you have any questions in relation to the content of this update, to request copies of our most recent newsletters, briefings or articles, or if you wish to be included on our mailing list going forward, please contact any of the team members below.

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