

CCBS – LEGISLATIVE AFFAIRS

25 May 2018 – 1 June 2018



Northern Ireland
Assembly

The Northern Ireland Assembly was dissolved at 00:01 on Thursday 26 January 2017.



Tuesday 29 May 2018

Department for Employment Affairs and Social Protection

Clare Daly asked the Minister for Employment Affairs and Social Protection the consultation process that is to take place with current occupational and future pensioners regarding the EU IORP II directive.

Regina Doherty: The over-arching objective of IORP II is to facilitate the development of occupational retirement savings in the EU. Many of the provisions contained within the IORP II directive will also support positive reform of the Irish occupational pension sector. The directive provides for a range of new requirements concerning governance, management standards in schemes, safekeeping of assets, the need for clear and relevant information to members, the removal of obstacles to cross-border provision of pension services and the facilitation of cross border transfer of schemes. There are also provisions that will enhance the powers of the pension regulators for effective supervision of IORP.

My Department held a number of consultation processes prior to the agreement and publication of the new IORP II directive. Discussions between EU Member States and the Commission regarding the

proposals in the new directive were extensive and submissions received during these consultations helped to inform this process and ensure the views of all Irish stakeholders were considered and understood.

In 2010 European Commission published its Green Paper towards adequate, sustainable and safe European pension system. The purpose of the Green Paper was to launch a European debate through extensive and early consultation on the key challenges facing pension systems and how the EU can support Member State efforts to deliver adequate and sustainable pensions. As part of this work my Department conducted a consultation process to help in its responses to the green paper.

In 2014 following the publishing of a proposal for an updated IORP Directive a further public consultation was held by my Department and organisations and individuals were invited to submit comments and observations on the Directive. The purpose of this consultation was to obtain views from all stakeholders on the content of the Directive and on the implications (including cost implications). The relevant stakeholders included the groups representing older people, employer and employee representatives, and the pensions industry.

In 2016 the Pensions Authority held a consultation process including a public forum on the reform and simplification of supplementary funded private pensions and this consultation specifically referenced IORP II requirements.

In tandem with the above officials of my Department briefed the relevant Oireachtas Committee on a number of occasions.

Following its publication in the Official Journal of the European Union in December 2016, the directive will have to be transposed into Irish law by 13 January 2019. My Department, along with the Pensions Authority, is currently working on ensuring that the directive will be transposed by this date.

I hope this clarifies the matter for the Deputy.

Source <https://www.kildarestreet.com/wrans/?id=2018-05-29a.1579&s=cross+border+2018-05-25..2018-06-01#g1581.r>

Tuesday 19 May 2018

Department of Finance

Tommy Broughan asked the Minister for Finance the steps he is taking to ensure that consumers receive the full benefit of the single EU market for all insurance products; and if he will make a statement on the matter.

Paschal Donohoe: I would like to clarify at the outset that it is possible for an insurance undertaking authorised in one member state to conduct business in another EU/EEA state either through:

- establishing a branch operation in the host country and thus conducting business on a 'freedom of establishment' (FOE) basis; or
- writing business from the home country (i.e. where authorised) into the host country on a 'freedom of services' (FOS) basis.

In relation to motor insurance, the undertaking is required to meet certain obligations in the host member state, such as becoming a member of the national bureau and the national guarantee fund. These are important requirements as the Bureau is tasked with meeting the requirement of compensating victims of accidents caused by uninsured and unidentified vehicles.

Notwithstanding the extent of the existing framework, the Cost of Insurance Working Group, chaired by Minister of State Michael D'Arcy, T.D., heard from a number of stakeholders, particularly in relation to motor insurance, the view that there is room for further harmonisation in cross-border insurance. The Working Group concluded however, this is a pan-European issue which will only be resolved at that level.

Consistent with the Working Group's recommendation, my Department is monitoring developments at EU level on an ongoing basis in relation to the issue of cross-border insurance provision and has instructed the Irish Permanent Representation to the EU to hold consultations in Brussels with relevant institutions on issues raised in the two Cost of Insurance Working Group Reports. However, it is important to note that work at EU level very much depends on the priorities of the European Institutions, especially in the context of the ongoing negotiations with the UK as regard its exit from the EU.

An update on this work was included in the Fifth Quarterly Update Report, which is available at the Department of Finance's website at:<http://www.finance.gov.ie/wp-content/uploads/2018/05/5th-Progress-Update-Q1-2018-Focus.pdf>

The current position at EU level is as follows:

- The Central Bank of Ireland (CBI) has an ongoing engagement with the relevant European authorities in order to ensure common standards are applied consistently. In addition, the CBI fully participates in EIOPA (the EU overarching insurance regulatory body) to establish high quality common regulatory and supervisory standards and procedures. EIOPA is also due to report in 2019 on the barriers to providing cross-border insurance in general. The Department of Finance and the CBI will feed into the development of this report to ensure that the existing market for insurance is improved as much as possible.
- In relation to motor insurance in particular, on 24 May 2018 the European Commission published a proposal for a revised Directive on Motor Insurance. The proposal covers a range of issues including the portability of claims history statements throughout the EU and guarantees towards victims in cases of insurer's insolvency. These issues are relevant to the work of the Cost of Insurance Working Group and I welcome the publication of the proposal.

Finally, an important point to note is that in considering whether to take on Irish risk business, an insurer will look at a wide range of factors including the award levels, the legal system, the general claims culture etc. Therefore ultimately, even if we do get a more efficient and more accessible EU

insurance market, there can be no guarantees that insurers in other jurisdictions will automatically be willing to take on Irish risk.

Source: <https://www.kildarestreet.com/wrans/?id=2018-05-29a.345&s=cross+border+2018-05-25..2018-06-01#g351.r>