



Insurance (Amendment) Bill 2017

5 July 2017

The Government has approved the drafting of the Insurance (Amendment) Bill 2017. In a [press release](#) issued today the Minister for Finance and Public Expenditure and Reform announced that the Bill would be drafted to bring into force the recommendations of the Review of the Framework for Motor Insurance Compensation in Ireland.

The Scope of the Bill

The Bill will repeal certain provisions of the Insurance Act 1964 and bring legislation into line with the issues raised in the Supreme Court ruling on Setanta¹.

The press release sets out the main changes proposed among these include the increase in the level of the Insurance Compensation Fund (ICF) coverage for future third party motor claims from 65% to 100%. This increase will be funded by the insurance industry and mechanisms will be in place to protect the industry should a motor insurer be liquidated. Terms will be included to ensure the Exchequer is repaid as quickly as possible where there is a shortfall in the industry *ex-ante* fund in the ICF. The fund will now be administered by the Central Bank of Ireland and the State Claims Agency will have a formal role should any insurance company fail. Time limits will be amended and an application to the High Court for payment may be made once in any three month period.

Comment

This Bill will provide clarity on the insurance compensation framework in Ireland.

¹ [The Law Society of Ireland v The Motor Insurers' Bureau of Ireland](#) (Unreported, Supreme Court, 25 May 2017) [2017] IESC 31. See [previous article](#).

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