



**To: Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach**  
**From: Tomás O'Midheach – Chief Executive Officer**  
**Date: 13th December 2021**  
**Subject: FBD statement**

Dear Chairman and Committee Members,

Since our last meeting in May, I would like to take this opportunity to update the committee in relation to insurance matters and developments from FBD's experience over recent months. My name is Tomás O'Midheach and I was appointed as FBD's Chief Executive officer in January. I am joined here today by my colleague Kate Tobin, FBD's Chief underwriting officer. As Ireland's only indigenous general insurer, FBD is the 4th largest general insurer in the country with a branch network of 34 offices. I will provide an update under the following headings:

**Covid-19:**

At FBD, we fully understand and appreciate the impact the Covid-19 pandemic has had and continues to have on our customers. In 2020 and 2021 year to date, FBD has provided approximately €18 million in rebates to our Commercial and Motor customers. We continue to provide rebates to impacted commercial customers.

With regard to business interruption cover, FBD is working to ensure it can pay valid claims as quickly as possible. To date we have processed €28 million in claims payments to 882 customers. This includes an interim payment offer to all customers and additional payments for the policyholders who have engaged with us:

- FBD has 1,076 customers which are covered for Business interruption during Covid.
- Interim Payments were offered to all customers of which 759 accepted.
- 382 customers have engaged with us and accepted interim claims settlements.

There is an ongoing High Court hearing which will assist with the calculation of the final elements of claims. Following this judgement, we are committed to finalising claims as quickly as possible. We ask that members be cognisant of FBD's case which remains before the High Court.

In addition, following The Financial Services and Pensions Ombudsman findings in relation to Business interruption, we have applied the Central Bank's COVID-19 and Business Interruption Insurance Supervisory Framework. FBD has provided for €13m in compensatory payments to all our impacted Policyholders.

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## Personal Injury Guidelines and other developments:

Prior to the publication of the personal injury guidelines, FBD committed to reflect claims savings in reduced customer premia. Upon the guidelines being published, FBD immediately applied a directly proportionate premium reduction. Based on 6 months experience and following the PIAB report, we have introduced a further proportionate premium reduction. We are supportive of the Government's insurance reform agenda to help reduce premiums for consumers, farmers and businesses. The average premium for FBD Private Car customers has reduced by approximately 10% in 2021 and 25% since 2017.

We are currently adhering to the Judicial Guidelines in our claims process. For claims which have not settled directly through PIAB, we await the outcome of court decisions and trust they will align with, the introduced Personal Injury Guidelines.

At FBD, we acknowledge the differential pricing report and are working to comply with the measures proposed. We also continue to be very supportive of the Government's insurance reform agenda including the newly established Fraud Coordination Office in An Garda Síochána. We welcome any legislation including amendment of the Road Traffic Act and the establishment of an MTPL (Motor Third Party Liability) database which will help to reduce the MIBI levy and ultimately the cost of claims.

## Commercial Insurance:

FBD operates only in the Republic of Ireland and we have ambitions to grow our farm and business book. We insure 11% of Ireland's commercial market. We are growing our commercial offering but must do this in a measured and sustainable way. In 2021, year to date we have grown business and commercial vehicle policies by 6%.

We are already the largest farm insurance provider in a sector which is deemed the most dangerous workplace in the country. FBD provides insurance cover for many vital community organisations including Marts, Men's Sheds and many local community events which are adjacent to the sectors where we operate. We sponsor over 100 community-based events and organisations along with providing a wide range of education, research and development grants and projects for Irish agriculture and rural life generally.

## Conclusion:

We will endeavour to assist the Committee as far as possible, but as the Committee will appreciate, we are constrained in terms of what we can say around sensitive competitive dynamics such as pricing (including potential price changes), and around our confidential commercial strategy.

We would like to thank the committee for the work they have done to bring about reform in the Irish insurance market and we look forward to engaging with members today.

Kind Regards,



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**Tomás O'Midheach**  
Chief Executive Officer

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