



Sylvia Cronin, Director of Insurance Supervision

Closing Remarks

Let me begin by thanking you all for attending today’s conference, for your contributions and your interest in our work.

We have been remarkably fortunate to have the participation of three keynote speakers to provide insights and an international dimension on the challenges facing the insurance sector.

As the conference's concluding speaker, the remarks I will make reflect some of the observations made by today's speakers and panelists as well as some of my own personal thoughts.

Mr Bernardino conveyed a European view as regards the challenges and opportunities for the insurance sector. He spoke about supervisory culture and ethics, and the events that triggered the development and publication of the European Supervisory Culture. On the subject of convergence, I would like to emphasise that the Central Bank of Ireland is committed to driving forward the convergence of supervision in tandem with EIOPA.

Our second speaker, Prof. Karel van Hulle, highlighted how far insurance regulation has come over the last ten or so years. Solvency II has moved us from a rules-based approach to embracing a principles-based framework. And, although this has presented its own difficulties, I believe the change has been positive. Our supervisors now engage with their firms in a more meaningful way. We understand that there are still issues with Solvency II and therefore we are open to engaging with EIOPA to tease those issues out. As Professor van Hulle stated, Solvency II was never meant to be perfect. However, its flexibility and the readiness of EIOPA to engage in ongoing amendments means we can adapt with the economic landscape and I do not think you can ask for more than that.

Our third speaker, Mr Paul Stanley, looked forward and considered the challenges for the future, particularly in terms of technology and innovation. Technological changes will affect both how insurance is offered and what is insured. It is fair to say that substantive change is required in the approach to technology in the industry.



In terms of supervision, the priority outcomes for the Central Bank in the insurance sector include developing further our supervisory approach, the use of analytics, financial and operational resilience, the supervisory framework on culture and behaviour, and of course Brexit.

I am particularly focused on the financial resilience of firms, conscious of the significant cross-border sector we supervise from Ireland. There is currently a dark cloud on the horizon with protectionism gaining momentum not only at a European level but also globally. This is affecting the perception of the single market. At an EIOPA level with Brexit looming we are operating on the basis of Newton’s Third Law of Motion - for every action there is an equal and opposite reaction. In light of growing skepticism of the cross-border model and increasing protectionism, we are strengthening our resolve to increase European supervisory convergence. We are also developing toolkits and frameworks to resolve issues in a collective way and develop best practice as well as instilling high standards of supervision. This is being achieved by forums such as Platforms of Cooperation and Supervisory Colleges. In light of new companies setting up in Ireland with complex, diverse business models, we are collaborating closely with our colleagues in the Prudential Regulation Authority (PRA) to develop our expertise and ensure continued collaborative knowledge sharing.

Brexit is particularly important for our existing insurance sector due to the number of firms that operate from Ireland into the United Kingdom and the number of firms from the UK and Gibraltar that operate into Ireland. This comes at a time where we need to focus on new business models, digitalisation, cyber risks, climate change and, recovery and resolution.

To conclude this conference, let me repeat my thanks to you for attending and in particular thank our keynote speakers and moderator, and wish each and every one of you success in the challenging year ahead.

Thank you.