



10th July 2020

Submission to the Competition and Consumer Protection Commission (CCPC)

RE: The Irish Public Liability Insurance Market

The Irish Hotels Federation (IHF) welcomes the opportunity to engage with the Competition and Consumer Protection Commission in relation to the Irish Public Liability Insurance Market.

The IHF is the national organisation of the hotel and guesthouse sector in Ireland, representing the interests of over 1,000 businesses. We are a key stakeholder in Irish tourism, working with our industry partners to ensure the right conditions are in place for the sustainable long-term development of tourism, thereby contributing to economic growth and employment creation throughout the country.

As a member of the Alliance for Insurance Reform we regularly engage with the Government in relation to insurance reform, including the handling of personal injury claims. We echo the key points raised in the Alliance's submission to the CCPC and also request that employer's liability insurance be included in the study being carried out by the Commission.

Insurance reform is urgently required. The high cost of doing business in Ireland remains one of the most pressing issues facing the tourism and hospitality sector, with excessive insurance costs in particular seriously eroding the viability of many tourism businesses in recent years, including hotels and guesthouses. Reform has been extremely slow to date, and this is now further exacerbated by the enormous difficulties posed by Covid-19 and the dramatic fall in hospitality business levels.

Many hotels and guesthouses would have seen an almost 100% increase in the cost of insurance since 2015. In a survey of IHF members in July 2019, some 90% cited increasing insurance costs as having a significant negative impact on their business with 62% reporting an increase in insurance premiums over the previous 12 months. Of these, the average increase was 28%, coming on the back of substantial increases in recent years – highlighting the urgency for meaningful reform.

A key area of reform which the IHF has sought relates to Ireland's personal injuries system, which supports significant awards whereby 'occupiers' (SMEs, charities, sports organisations, event organisers) are now regularly assumed to have an absolute duty of care when it comes to 'visitors' (customers, clients and others), while the concept of personal responsibility has been significantly diminished.

Combined with excessive levels of awards and frequency of claims, this has a direct impact on the cost of insurance and the attractiveness of the hospitality sector for insurers, including overseas providers. An increasing number of insurers are now no longer willing to provide cover to hospitality businesses, resulting in a significant reduction in competition in the insurance market and increased costs for businesses. Unless meaningful reforms are achieved, this situation is likely to deteriorate further.

For further information, please contact:

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