



MILLIMAN CLIENT REPORT

Resilience & Revitalisation: Shaping the Future of Insurance

Commissioned by Insurance Ireland

September 2025



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1 Executive Summary

Milliman has been engaged by Insurance Ireland to produce a report on the Irish insurance industry, setting out the current status of the sector and looking to the future, in terms of both opportunities and threats. We also outline the contribution that Irish insurers make to the Irish economy as well as their wider societal role. Insurance Ireland commissioned a similar report from Milliman in 2023¹. We refer to this throughout this report as “our last report”

1.1 OVERVIEW OF INDUSTRY

For a country of Ireland’s size, the insurance industry is larger, more diverse and makes a larger contribution to the economy than many of its European peers. Ireland has a growing domestic industry but also substantial international and reinsurance sectors.

While international insurers and reinsurers do not have a direct impact on domestic customers, they have provided the Irish insurance industry with a scale it would not otherwise have. This has led to a more skilled, dynamic, and creative industry than would exist if it was only domestic focused.

Although there has been a reduction in the number of insurance entities in Ireland, this is offset by continued growth in premiums and balance sheets. In addition, there has been significant growth in Insurtechs in Ireland and growth in the number of brokers and Managing General Agents (MGAs).

The Irish insurance market is becoming increasingly complex and diverse with a wide range of products and strategies in operation.

- Home to 178 insurers, including 30 reinsurers and 53 international insurers
- Largest EU cross-border exporter of insurance services
- Top destination for 9 of the top 10 global reinsurers
- €40bn in international premiums written from Ireland
- €3bn+ annual Exchequer contribution
- 43,000+ jobs, many in high-value international roles
- A key pillar of Ireland's financial services exports, alongside funds and banking

1.2 INDUSTRY’S ECONOMIC & SOCIAL CONTRIBUTION

Insurance plays a key role in society. It reduces risk for individuals in buying homes, cars, and goods and in starting businesses, hiring employees and manufacturing products. It provides a range of benefits from assistance in communities following natural disasters to protecting wealth and encouraging savings.

Domestic life insurance companies play a huge role in assisting consumers to save for retirement. This contribution will become even more significant as Ireland’s population ages – the dependency ratio in Ireland is forecast to rise from 23% in 2022 to 55% in 2065². However, despite the benefits, the perception of insurance can be negative among both consumers and job seekers.

While premium increases by insurers are regularly featured in the media, less attention is paid to the societal benefit of insurance. Trends show claim acceptance rates increasing across all lines from motor to life insurance and automation of administration improving, but negative perceptions persist. Many CEOs feel in the discussion over cost increases, the core value of insurance is frequently overlooked. The comfort that insurance provides to policyholders, providing financial support in challenging times, is missed.

Our discussions with CEOs suggest insurers have a challenge to alter perceptions with consumers by building trust. The insurance industry as a whole has struggled to demonstrate the benefits insurance provides and allowed the narrative to be much more focused on premium cost or company profits. Communicating improved customer outcomes will be key to addressing current perceptions.

1. <https://ie.milliman.com/en-gb/insight/protecting-tomorrow-the-future-of-the-irish-insurance-industry>

2. <https://www.gov.ie/en/department-of-finance/publications/future-forty-irelands-demographic-outlook-presentation/>

Insurers in Ireland also make a significant contribution through their Environmental, Social, and Governance (ESG) efforts, Corporate Social Responsibility (CSR) activities, and Diversity, Equity, and Inclusion (DEI) programmes, which have continued to expand in recent years at a time when some other industries and markets have been rolling back their commitments.

As the impact of climate change becomes more pronounced, insurers based in Ireland (both domestic and international) will need to continue to change and innovate to ensure they can continue to meet evolving customer needs. CEOs feel they can address these challenges given Ireland's entrepreneurial spirit and community focused culture, and that it's a challenge the industry is more than capable of addressing.

While employee numbers have continued to grow, many insurers noted attracting talent to the industry as an increasing challenge. Infrastructure limitations and the high cost of living are factors as well as the perception of the industry as a place to work. Embracing innovation and highlighting Insurtech initiatives could improve the perception of the industry among job seekers, in addition to highlighting the positive contribution and purpose the insurance industry fulfils in society.

1.3 OUTLOOK FOR THE SECTOR

We surveyed the CEOs of all Insurance Ireland members, as well as some selected non-member firms, to get their perspectives on the current environment for Irish insurers and their outlook for the future.

This indicates a considerable degree of optimism when it comes to the outlook for the industry.

We also asked CEOs what they see as the main opportunities and threats to their business. We have summarised common themes in the table below.

- 97% of respondents expect their businesses to be bigger in five years' time
- Significant increase in optimism since the last report
- CEOs anticipate material investments in their businesses
- Geopolitical and European wide regulatory risks are causing some unease

TABLE 1: COMMON THEMES

| OPPORTUNITIES | THREATS |
|--|------------------------------|
| New products | Geopolitical risks |
| New markets | Regulatory risks |
| New technologies | Increased competition |
| Growth in demand for existing products | Keeping pace with technology |
| | Attracting talent |

It is encouraging to see many insurers looking at new product ideas, new markets, and embracing new technologies. These areas are seen as key to future growth for insurers. Insurers are also expecting growth in demand for existing products driven by changing demographics, increasing wealth, and a growing economy.

Unsurprisingly geopolitical risks and regulatory risks are identified as key threats. Regulatory risks raised by insurance CEOs include the cost of compliance in Ireland and Europe, concerns about future regulatory change, and increasingly nationalistic agendas internationally.

Non-life insurers and reinsurers in particular are concerned about the likely impact of climate change on future claims.

Existing competitors and increased competition from alternative providers were also noted as a threat.

Finding the resources to invest in and keep pace with technology changes is not easy. As noted already, attracting talent to the industry is an increasing challenge, with infrastructure limitations and the high cost of living mentioned as factors, as well as the perception of the industry as a place to work.

1.4 TECHNOLOGY

The pace of technological change is increasing, which impacts all industries in all markets. Technology is increasingly seen as a key enabler for transformation in the Irish insurance industry. While historically somewhat slow to adopt in the technology space, Irish insurers are now actively investing in technology — particularly in customer experience and back-office modernisation. However, technical debt remains a significant barrier, with outdated systems and poor data integration hindering the adoption of advanced technologies like Artificial Intelligence (AI) and Machine Learning (ML).

The industry can be split into two main segments:

- **B2C insurers** are responding to rising consumer expectations for self-service and personalised experiences, though they must balance this with the need for appropriate advice and inclusivity across age groups, customer vulnerability, etc.;
- **B2B insurers** face pressure from institutional clients for faster data insights, system integration, and operational efficiency, where mistakes potentially carry higher financial risks.

Survey responses show that while cloud computing and data science are well established, AI and ML are set to become the next major focus, with expected benefits in automation, customer engagement, and data-driven decisions. Adoption is still at an early stage, but insurers are optimistic about their long-term impact.

Other emerging technologies, like blockchain and Internet of Things (IoT) remain niche, with uptake limited to specific use cases. Often, R&D for these technologies is centralised outside of Ireland, delaying local adoption.

To support innovation, a balance is needed between experimentation and oversight. Industry leaders also emphasise the need for:

- Stronger talent pipelines in digital and data;
- Better support for Insurtechs and start-ups; and,
- More coherent government support, including grants and tax incentives.

There are opportunities to learn from past successes, such as the International Financial Services Centre (IFSC) model, by creating a centralised hub for insurance innovation.

Ireland's Insurtech sector is expanding rapidly, driven by initiatives like Instech.ie, with over 100 firms now active. However, funding remains a key challenge, with many firms looking abroad — particularly to the US — for growth capital.

1.5 IRELAND AS A LOCATION

Ireland's strengths and weaknesses as a location for international insurance have evolved over time.

Some quotes from our CEO survey are in the box to the right.

Since our last report, the views of the regulatory regime in Ireland have shifted somewhat in a positive direction. Insurance CEOs recognise the important role of the regulator in maintaining a sound and resilient financial system. Our survey results showed that almost all CEOs felt that the regulator's oversight is proportionate to the nature, scale, and complexity of their business' risks. While Europe and its Solvency II regime is seen as onerous, Ireland is no longer seen as significantly more gold plated than elsewhere in Europe. Challenges that have been noted in relation to regulatory risks also relate to increasingly nationalistic and protectionist agendas internationally and concerns about future regulatory change.

Political stability has become more important to insurance CEOs since our last report and considerably more important since insurers were originally selecting Ireland as a location. Access to the EU, language, and culture are also seen as key advantages.

The cost of doing business in Ireland has become a significant concern. This includes the cost of complying with European regulatory requirements but also inflation and higher costs more generally, along with the related challenges posed for attracting talent. Inflation is also impacting claims costs, resulting in increasing premiums which are often perceived by consumers to be driven by insurer profit motivations.

Ireland's greatest advantage is our culture, highly educated English speaking workforce with access to the EU market along with a favourable and stable political environment.

Ireland is attractive for its flexibility, supportive regulatory environment, and openness to innovation, but high costs and infrastructure gaps are significant drawbacks.

Products will need to evolve as the dependency ratio increases, which will require insurers to develop more capital-intensive products to meet customer needs

The insurance industry should focus on promoting competition and increasing consumer access, not just consumer protection

Good macroeconomic environment in Ireland: strong education, tax, employment, and economic conditions.

There is an existential risk to policyholders from unregulated AI-driven financial advice

Ireland needs to promote financial services more and potentially introduce tax incentives to support this

Our Group are somewhat nervous around the resilience of Ireland's economy given its material exposure to US firms

2 Introduction

2.1 CONTEXT AND TERMS OF REFERENCE

Milliman has again been engaged by Insurance Ireland to produce a report on the Irish insurance industry, setting out the current state of the sector and looking to the future, in terms of both opportunities and threats. We also outline the contribution that Irish insurers make to the Irish economy as well as their wider societal role. Our report covers the domestic and international life, health, and non-life sectors, focusing primarily on the perspectives of the insurance companies based in Ireland. This is our second such report — our previous report was produced in 2023.

2.2 METHODOLOGY

We surveyed all Insurance Ireland members, as well as some selected non-member firms, to get their perspectives on the current environment for Irish insurers and their outlook on the future – both for their individual firms and for the industry as a whole. We also consulted with several key industry stakeholders.

In addition, we drew on both publicly available data sources and Insurance Ireland's Factfile to compile facts and figures on the sector. Further information on our survey methodology and details on data sources is available in the Appendix.

2.3 ACKNOWLEDGEMENTS

The authors would like to thank all those who completed the survey, our interviewees, and others who contributed to this report.

2.4 RELIANCES AND LIMITATIONS

This report has been commissioned by Insurance Ireland and prepared by Milliman.

The information contained in this report is provided for general information purposes only and should not be construed as advice of any kind on an individual situation or company. Neither Milliman nor Insurance Ireland have certified the information contained in this report, nor do Milliman or Insurance Ireland guarantee the accuracy and completeness of such information. Use of such information is voluntary and should not be relied upon. Neither Milliman nor Insurance Ireland owe any duty of care to any reader of this report and each expressly disclaims any responsibility for any judgements or conclusions which may result therefrom. Milliman accepts no responsibility or liability for any loss or damage of any nature occasioned to any reader as a result of acting or refraining from acting as a result of, or in reliance on, any conclusions, statement, fact, figure or expression of opinion or belief contained in this report.

3 Overview of the Irish insurance industry

3.1 INTRODUCTION

The insurance industry plays a vital role within the Irish economy and makes a substantial contribution both socially and economically. The sector employs over 43,000 people in skilled and well-paid jobs and contributes €3.0 billion annually to the Irish Exchequer. Insurers based in Ireland paid €74 billion in claims in 2024 (up from €68 billion in 2023) and help to safeguard the financial future of customers through the management of over €300 billion of policyholder assets.

The insurance sector in Ireland is wide and diverse, and includes insurance companies (underwriters), agents, managing general agents (MGAs), brokers, reinsurers, captive insurers, and Insurtech firms. In addition, the sector is supported by service providers such as captive managers, loss adjusters, specialist software providers, and professional services firms. Ireland is also home to a number of back-office service centres, as well as R&D and innovation centres, operated by multinational insurance groups.

In this report, we focus primarily on the perspectives of insurance companies (underwriters) and reinsurance companies based in Ireland and regulated by the Central Bank of Ireland (CBI). Facts and figures quoted in this report refer to this group unless otherwise noted.

3.2 INDUSTRY SECTORS

The Irish insurance industry is diverse and can be subdivided in a number of different ways. Focusing on insurance and reinsurance companies, we can subdivide the industry as follows:

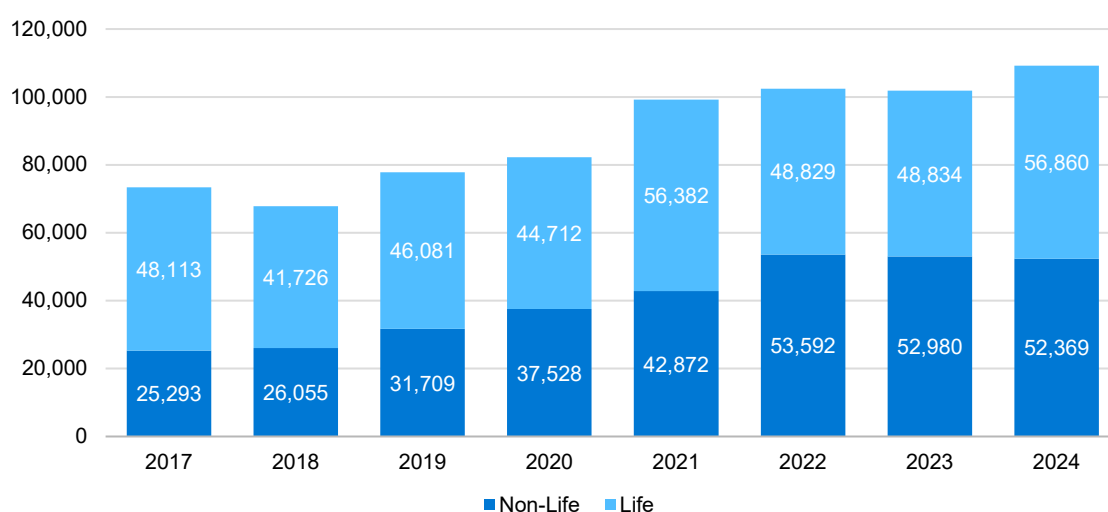
- By type of insurance (life / health / non-life)
- By type of entity (insurers / reinsurers / captives)
- By target market (domestic Irish market / international)

In total, as of June 2025, there were 178 (187 in August 2023) insurance and reinsurance companies based in Ireland.

TABLE 2: NUMBER OF IRISH INSURERS BY SECTOR

| SECTOR | NUMBER OF COMPANIES | |
|--------------------------|---------------------|------------|
| | JUN-2025 | AUG-2023 |
| Life - Domestic | 9 | 9 |
| Non-Life - Domestic | 15 | 15 |
| Life - International | 24 | 27 |
| Non-Life - International | 29 | 31 |
| Reinsurers | 30 | 30 |
| Captives | 71 | 75 |
| Total | 178 | 187 |

The number of international companies and captives based in Ireland continues a declining trend that has been seen for some time. However, measured by premium income, the overall industry has grown considerably in recent years – from €73 billion in gross written premium in 2017 to €109 billion in 2024.

FIGURE 1: GROSS WRITTEN PREMIUMS 2017-2024 (€ MILLIONS)

Source: EIOPA Insurance Statistics. Includes both direct and reinsurance business.

The following sections provide more information on each of the industry subsectors. We first analyse the international insurance sector, then reinsurers and captives, and finally the Irish domestic sector. Figures in these sections are based on those published by the CBI, which were only available up to 2023 at the time of writing this report.

3.2.1 International sector

Ireland is home to a very substantial international insurance industry. With gross written premiums of €31 billion in 2023, Irish insurers are the second largest writers of cross-border business in the EU (after Luxembourg).

TABLE 3: INTERNATIONAL INSURERS – KEY STATISTICS 2018 & 2023 (€ MILLIONS)

| | LIFE | | | NON-LIFE (INCL. HEALTH) | | |
|-------------------------|---------|---------|----------|-------------------------|--------|----------|
| | 2018 | 2023 | % CHANGE | 2018 | 2023 | % CHANGE |
| No. of companies | 33 | 26 | -21% | 25 | 30 | +20% |
| Premiums | 21,362 | 18,070 | -15% | 2,812 | 12,993 | +362% |
| Claims | 14,741 | 14,001 | -5% | 1,130 | 6,717 | +494% |
| Assets | 154,717 | 166,332 | +8% | 8,979 | 32,571 | +263% |

Source: CBI SFCR data.

3.2.1.1 INTERNATIONAL LIFE

Ever since the European Union (EU) created an internal market in life insurance in the mid-1990s, international companies have been established in Ireland to sell life insurance products into other EU countries. This business model sees insurers locating their base in Ireland and then selling into other EU countries from Ireland. Italy, the UK, Germany, and France are the top markets for these companies. Historically Ireland was highly successful at attracting many large international insurance groups and others, although the flow of new entrants has slowed in recent years. The reduction in numbers of international life insurance companies is mostly driven by consolidation and portfolio transfers. In 2023, the largest international life insurance company in Ireland, Intesa Sanpaolo Life, transferred its business to its parent company in Italy and now operates a Dublin branch.

As can be seen from Table 3, premium volumes decreased by 15% over the period 2018-2023, from €21.4 billion to €18.1 billion, while assets increased by 8% over the same period, from €154.7 billion to €166.3 billion. The international life insurance market has seen greater volatility than the domestic market. The latest Milliman analysis³ of 2024 premiums for international life insurers shows an estimated increase in premium income in 2024 to €24.3 billion.

3.2.1.2 INTERNATIONAL NON-LIFE (INCL. HEALTH)

As with the international life sector, Ireland has had a history of international non-life businesses locating here, dating back to the 1990s. The sector has grown since then and received a considerable boost in the years following the 2016 Brexit vote in the UK, as many insurers which had previously written business into the EU from London needed to find a new home within the EU to allow them to continue to write such business. This led to companies such as Beazley, Chaucer, Everest, Travelers, and others establishing operations here.

Within the overall international non-life sector, Ireland is also home to a small number of insurers writing international private medical insurance (IPMI). Both BUPA and UnitedHealth have IPMI insurers based here (included under the 'Non-Life' heading in Table 3). In addition, Allianz has a substantial operation in Ireland which is part of its Allianz Partners division offering IPMI.

The very substantial growth in the international non-life sector in recent years can be seen from Table 3. Premium volumes increased by 362% over the period 2018-2023, from €2.8 billion to €13.0 billion, while assets increased by 263% over the same period, from €9.0 billion to €32.6 billion. This increase reflects the impact of a number of substantial new operations that were established, or grew very significantly, over the period in question.

3.2.2 Reinsurance and captives

TABLE 4: REINSURERS & CAPTIVES – KEY STATISTICS 2018 & 2023 (€ MILLIONS)

| | REINSURERS | | | CAPTIVES | | |
|-------------------------|------------|--------|----------|----------|-------|----------|
| | 2018 | 2023 | % CHANGE | 2018 | 2023 | % CHANGE |
| No. of companies | 27 | 18 | -33% | 81 | 71 | -12% |
| Premiums | 16,160 | 32,111 | +99% | 1,562 | 1,817 | +16% |
| Claims | 11,026 | 22,082 | +100% | 821 | 970 | +18% |
| Assets | 51,253 | 68,643 | +34% | 7,503 | 7,962 | +6% |

Source: CBI SFCR data.

Ireland is also a global hub for reinsurance and captive insurance firms. The Irish reinsurance market is one of the largest reinsurance markets in Europe, and Ireland has also been a leading domicile for captive insurance firms. (Captive insurers are established by a non-insurance parent firm to provide insurance or reinsurance cover to that firm or its affiliates.)

Many of the biggest global reinsurers have operations in Ireland, and the sector includes both life and non-life reinsurance. There are also 12 reinsurance special purpose vehicles established here which are not included in Table 4 (an increase from 8 in our previous report). Despite a decrease in the number of companies, this sector has seen significant growth over the period 2018-2023, with premium volumes up 99% from €16.2 billion to €32.1 billion, and assets up 34% from €51.3 billion to €68.6 billion.

Captives account for 71 of the total number of 178 insurers based here – the largest subset measured by number of entities. However, measured by premiums, claims or assets they are by far the smallest sector. Both premiums and assets have grown over the period since 2018, with gross written premiums increasing from €1.6 billion to €1.8 billion and total assets increasing from €7.5 billion to €8.0 billion. The number of captives fell by 10 over that period.

³ <https://ie.milliman.com/en-GB/insight/sfcr-ireland-life-insurers-ye-2024>

3.2.3 Domestic sector

TABLE 5: DOMESTIC MARKET INSURERS – KEY STATISTICS 2018 & 2023 (€ MILLIONS)

| | LIFE | | | NON-LIFE (INCL. HEALTH) | | |
|-------------------------|---------|---------|----------|-------------------------|--------|----------|
| | 2018 | 2023 | % CHANGE | 2018 | 2023 | % CHANGE |
| No. of companies | 8 | 9 | +13% | 13 | 15 | +15% |
| Premiums | 13,313 | 23,656 | +78% | 12,571 | 14,889 | +18% |
| Claims | 10,882 | 17,398 | +60% | 7,968 | 8,827 | +11% |
| Assets | 100,018 | 175,961 | +76% | 33,183 | 30,822 | -7% |

Source: CBI SFCR data

3.2.3.1 DOMESTIC LIFE

The Irish domestic life market is served by nine Irish-based firms, with Irish Life, Zurich Life, New Ireland Assurance, and Aviva Life & Pensions the largest players. Very little life business is written into the Irish market from overseas. The market is focused primarily on savings and investments business (particularly pensions savings, both for individuals and employer-sponsored group pension schemes), but with protection products (providing life cover and/or other benefits) also an important element. Within the savings and investment business, unit-linked business dominates (where the choice of investments is largely dictated by the customer and benefits are closely linked to the performance of those investments). In terms of distribution, the broker and bank channels between them account for the vast majority of sales.

As can be seen from Table 5, premium volumes (measured by gross written premiums) increased by 78% over the period 2018-2023, from €13.3 billion to €23.7 billion, while assets increased by 76% over the same period, from €100.0 billion to €176.0 billion.

3.2.3.2 DOMESTIC NON-LIFE (INCL. HEALTH)

The Irish domestic non-life market is served by 15 Irish-based firms, with Allianz, Aviva, AXA, FBD, RSA, and Zurich all major players in the market. In addition, a significant amount of Irish business is underwritten by non-Irish insurers (which is outside the scope of this report). Motor, property, and liability lines account for the vast majority of business written.

There are two domestic regulated health insurers – Irish Life Health and VHI⁴. Figures for the two domestic health insurers are included under the non-life heading in Table 5. A separate report on the health insurance market in Ireland has been commissioned by Insurance Ireland and is in progress, so we have not focussed on the health insurance market in this report.

As can be seen from Table 5, premium volumes increased by 18% over the period 2018-2023, from €12.6 billion to €14.9 billion, while assets decreased by 7% over the same period, from €33.2 billion to €30.8 billion. (The decrease in assets is due to the transfer out of UK business from Zurich Insurance in 2023, prior to the conversion to a German company in 2024. Almost all other non-life insurers saw an increase in assets over the period. Excluding Zurich Insurance from the non-life domestic insurance figures shows an increase in assets of 38% over the period for remaining companies.)

3.3 WIDER ECOSYSTEM

The Irish insurance industry also includes a wide variety of firms in addition to the regulated insurance and reinsurance firms that are the main focus of this report. These include:

4. Laya Healthcare also operates in the market but was on a non-Irish balance sheet in 2023 (Elips insurance, part of Swiss Re, based in Liechtenstein). Level Health also recently entered the domestic health insurance market, but was not yet writing business in 2023.

- **Insurance intermediaries / brokers:** Brokers play a major role in Ireland's domestic insurance market, across life, non-life, and health. The CBI's registers indicate that there are more than 2,400 insurance intermediaries registered in Ireland, while Brokers Ireland (the main representative body for the sector) has more than 1,100 member firms. The number of MGAs in Ireland has also been growing. This growth in broker numbers is happening in tandem with significant consolidation in the broker market both in Ireland and worldwide, demonstrating the considerable growth in this subsector and the expected future potential for this growth to continue.
- **Service providers:** The industry is supported by many specialist service providers such as captive managers, third-party administrators, loss adjusters, and specialist software providers. In addition, professional services firms employ a significant number of people who are focused on the insurance sector, including actuaries, risk professionals, lawyers, and auditors.
- **Back offices / service centres:** There are many companies employing people in Ireland in insurance back-office / service centres established by overseas insurers. The services being provided range from IT support to claims processing.
- **Innovation/research hubs:** In addition, a number of companies have established research or innovation centres in Ireland, with a particular focus on data analytics.
- **Insurtechs:** Ireland is home to a burgeoning Insurtech sector, which currently numbers 114 firms⁵, with a third of these located outside of Dublin. Approximately a third of these companies employ more than 10 people, with the latest estimate of total employees in the sector at 4,600, having grown rapidly in recent years.

3.4 REGULATION AND SUPERVISION

Irish insurers and intermediaries are regulated by the CBI, which is the single regulator for all financial services sectors. The CBI is responsible for the prudential supervision of all regulated entities in Ireland (whether focused on the domestic or international markets) as well as the supervision of consumer protection within the domestic market. It is currently responsible for the supervision of 178 insurance entities which had total liabilities of €461 billion as of end-2024. The CBI is also responsible for the regulation and supervision of insurance intermediaries in Ireland, of which there are approximately 2,400 authorised firms.

From a prudential standpoint, Irish insurers are subject to the EU's Solvency II regulatory regime, as implemented in Ireland, with some additional requirements. From a conduct of business standpoint, insurers who provide cover to Irish customers are subject to the Consumer Protection Code issued by the CBI, while Irish insurers providing cover to customers outside of Ireland are subject to the local conduct of business regulations in the relevant country or countries. Health insurers operating in the Irish market are also subject to regulation by the Health Insurance Authority (HIA), while pensions business written by insurers is also subject to regulation by the Pensions Authority.

The CBI had introduced a Probability Risk and Impact System (PRISM) approach to supervision in 2011, where undertakings deemed to have the greatest potential impact on financial stability and consumers receive the highest level of supervision. In February 2025⁶, the CBI announced a planned change to this approach whereby a sectoral multi-disciplinary approach will be applied for most firms. Additional supervision would apply only to firms deemed "most significant" which will be more closely supervised and engaged with.

In our survey of Irish insurers, and in our interviews with senior insurance executives and other stakeholders, we asked firms for their views on Ireland's regulatory regime. We summarise those views in section 7.3 below.

It is important to note that, whilst many firms are subject to regulation and supervision by the CBI, the Irish insurance industry also includes a number of unregulated sectors – in particular, the back-office service centres, the innovation centres, and the Insurtechs.

5. <https://www.instech.ie/2024-irish-insurtech-report>

6. <https://www.centralbank.ie/regulation/transforming-regulation-and-supervision>

4 The insurance industry's economic and social contribution

4.1 INTRODUCTION

An effective insurance sector is an important part of a financial system that serves the needs of the real economy. By spreading and managing risks, insurers safeguard companies and individuals from risks they may not be able to or wish to shoulder by themselves. In doing so, they increase the resilience of the economy to unexpected events and facilitate commercial life. Insurers, therefore, play a vital economic role: the transfer and pooling of risk allows individuals to avoid needing to reduce consumption in favour of excess saving, and it allows businesses to invest without having to put money aside for risks that they are not equipped to manage or diversify or that they do not wish to accept. Without a well-functioning insurance sector, we would see excess saving, reduced consumption, and heightened risk aversion, all of which would be a drag on economic growth.

The insurance industry plays a major role in the Irish financial system, contributing over €3.0 billion annually to the Exchequer, supporting over 43,000 well-paid jobs, and providing a home for over €300 billion of savings. It is also an important international insurance hub: Ireland is home to the fourth-largest insurance industry in the EU.

Insurance companies also play an important stabilising role in the financial system. Insurers weathered the global financial crisis better than many other financial institutions, partly because they are less vulnerable to certain risks, such as those that affected banks. For the most part, the risks to which insurers are exposed are not correlated with the business cycle and, because they collect premiums upfront with a view to paying claims in the future, insurers are less vulnerable to liquidity risk. This allows them to take a long-term perspective that many other investors cannot, and to make long-term investments that help to support continued economic growth. It can also, therefore, be a more stable employer with less risk of volatile job security.

4.2 SERVICES AND COVER PROVIDED

The Irish insurance industry plays an important role in protecting the financial well-being of customers in Ireland and abroad and, in so doing, provides important economic benefits. At its core, insurance helps individuals and businesses to face or recover from the financial consequences of risks that would otherwise be difficult or catastrophic to bear.

- The life industry helps to provide security of income in retirement, both to current retirees by way of annuities and income drawdown products, but also to future retirees through retirement savings products. This contribution will become even more significant as Ireland's population ages – the dependency ratio is forecast to rise from 23% in 2022 to 55% in 2065⁷. In addition, life companies provide individuals with protection against financial hardship caused by deaths, serious injuries, or other events that cause a loss of income. Providing people with confidence in terms of their security of income both now and in the future supports spending and demand for goods and services in the real economy.
- The non-life industry provides a wide variety of insurance covers both to individuals (personal lines) and to businesses (commercial lines). As well as the typical motor, property, and liability covers, the Irish industry also includes a number of internationally focused specialty insurers. By insuring individuals and businesses against a wide variety of risks, insurers provide them with peace of mind and the ability to spend or invest money that they would otherwise need to save.
- In relation to private health insurance, Irish insurers provide almost 50% of the population with cover for both hospital stays (in-patient) and primary care. Ireland is also home to a number of insurers who provide IPMI for expats and internationally mobile workers.

7. <https://www.gov.ie/en/department-of-finance/publications/future-forty-irelands-demographic-outlook-presentation/>

- Reinsurance is an important risk management tool used by insurers. Reinsurers play a crucial role in the effective functioning of the insurance industry by providing a mechanism for insurers to lay off risks, thereby allowing them to expand their capacity to write business. In addition, reinsurance helps insurers to reduce the volatility of their earnings, or to reduce their capital requirements. Reinsurers also play an important role in helping to develop new insurance covers. Where more risk is being taken on by insurers from policyholders, reinsurance can help the insurer to reduce its exposure to the risk and the associated capital requirement. Ultimately, without the benefit of a well-functioning reinsurance market, the supply of insurance would be restricted, leading to coverage gaps and/or higher premiums for consumers.
- Captives are typically used by corporates to underwrite risks where the necessary coverage may not be available in the commercial insurance market or to provide coverage limits that may be difficult to insure commercially. In addition, captives can provide their sponsors with a number of other benefits, such as cost savings, customised coverage, and direct access to reinsurance markets. Captive insurance allows parent companies to retain premiums within the group, thereby improving cash flow, and may also provide tax benefits.

Insurance corporations' statistics produced by the CBI show total claims incurred in 2024 of €74 billion, with €58 billion of these paid domestically. It is difficult to source more granular information on claims. The Insurance Ireland Factfile contains information for its members as shown below.

TABLE 6: DOMESTIC LIFE ASSURANCE BENEFITS & CLAIMS PAID 2024 (BY TYPE OF POLICY)

| | SURRENDERS AND MATURITIES €M | DEATH / CRITICAL ILLNESS CLAIMS €M | ANNUITIES €M | TOTAL €M |
|--|------------------------------|------------------------------------|--------------|---------------|
| Individual Assurances & Annuities | 2,549 | 734 | 602 | 3,885 |
| Pension Scheme Business | 6,735 | 232 | 51 | 7,018 |
| Self-Employed Pensions & Associated Business | 2,648 | 120 | 0 | 2,769 |
| Permanent Health Insurance (PHI) | - | - | 147 | 147 |
| Industrial Branch (IB) Business | 3 | 5 | 0 | 8 |
| Critical Illness | 0 | 119 | 45 | 164 |
| Total | 11,936 | 1,209 | 845 | 13,990 |

Source: Insurance Ireland Factfile (CEO Hot Sheets 2024)

TABLE 7: DOMESTIC NON-LIFE INCURRED CLAIMS (EXCLUDING HEALTH)

| CLASS | GROSS INCURRED CLAIMS €M | | | NO. NEW CLAIMS NOTIFIED | | |
|----------------------|--------------------------|----------------|----------------|-------------------------|----------------|----------------|
| | 2022 | 2023 | 2024 | 2022 | 2023 | 2024 |
| Private Motor | 776.2 | 790.4 | 936.5 | 207,216 | 184,546 | 181,433 |
| Comm Motor | 240.5 | 278.7 | 277.7 | 50,809 | 56,116 | 57,323 |
| All Motor | 1,016.7 | 1,069.1 | 1,214.2 | 258,025 | 240,662 | 238,756 |
| Household | 316.4 | 386.5 | 353.1 | 43,914 | 39,320 | 39,852 |
| Comm Property | 209.9 | 194.1 | 227.1 | 12,768 | 13,755 | 15,457 |
| All Property | 526.3 | 580.6 | 580.3 | 56,682 | 53,075 | 55,309 |
| Employer's Liability | 131.7 | 152.3 | 158.7 | 3,727 | 4,504 | 3,681 |
| Public Liability | 309.3 | 282.2 | 325.7 | 10,478 | 11,395 | 11,905 |
| All Liability | 441.1 | 434.5 | 484.4 | 14,205 | 15,899 | 15,586 |
| PA/Travel | 64.8 | 44.7 | 59.3 | 28,501 | 28,523 | 28,490 |

| | GROSS INCURRED CLAIMS €M | | | NO. NEW CLAIMS NOTIFIED | | |
|--------------|--------------------------|----------------|----------------|-------------------------|------------------|----------------|
| | | | | | | |
| Other | 55.2 | 136.6 | 74.9 | 35,005 | 37,543 | 43,648 |
| TOTAL | 2,104.1 | 2,265.5 | 2,413.0 | 392,418 | 375,702.0 | 381,789 |

Source: Insurance Ireland Factfile (CEO Hot Sheets 2024)

Trends show claim acceptance rates increasing across all lines from motor to life insurance and automation of administration improving. However negative perceptions persist, with consumers believing that high numbers of claims are declined and that premium increases are unjustified. Insurers identify that they have a challenge to alter perceptions with consumers by building trust.

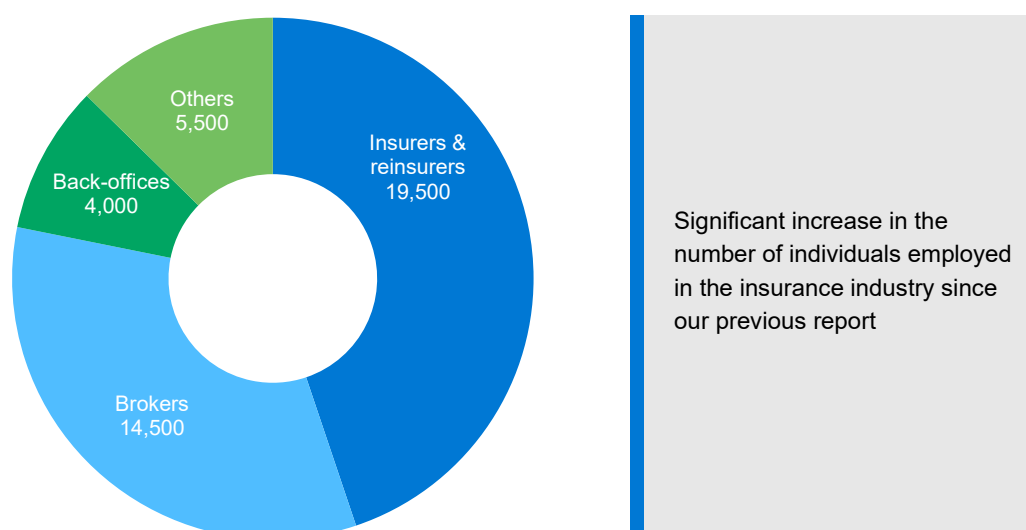
4.3 EMPLOYMENT

The Irish insurance sector is a significant employer: by our estimate, over 43,000 people work in the industry in Ireland. Of that total, we estimate that:

- 19,500 are employed by insurance and reinsurance companies;
- Approximately 14,500 are employed in insurance brokers;
- Back-office service centres and innovation centres contributing a further 4,000; and,
- A further 5,500 employed in other areas (including 4,600 in Insurtechs, professional services, etc.).

These are typically skilled, well-paid jobs which make a significant contribution to the Exchequer.

FIGURE 2: ESTIMATE OF NUMBERS EMPLOYED IN THE IRISH INSURANCE INDUSTRY



Source: Authors' calculations based on analysis of public information.

Insurers have noted an increasing challenge in attracting talent to the insurance industry. Embracing innovation and highlighting Insurtech initiatives could improve the perception among job seekers in addition to highlighting the positive contribution and purpose it fulfils in society.

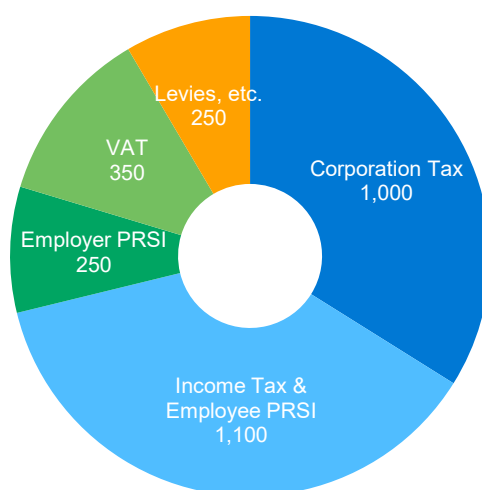
4.4 EXCHEQUER CONTRIBUTION

The Irish insurance industry makes a very substantial contribution to the Irish economy through the generation of employment and the payment of taxes, social insurance contributions, duties, and levies.

Companies pay corporation tax on profits and, in addition, as insurance is generally a VAT-exempt activity, insurers cannot recover the VAT they pay on their input costs (other than, in the case of life insurers, in respect of expenses that are either directly attributable or apportioned to investment business). All companies also pay social insurance contributions (employer's PRSI) in respect of their employees. In addition, insurers are subject to a number of 'levies' (technically stamp duties) on certain life and non-life policies, and also pay regulatory fees which contribute to the running of the CBI (whose financial regulatory activities are 100% funded by industry). Finally, individuals employed in the industry pay income tax and social insurance contributions on their income.

In total, we estimate that the insurance sector currently contributes in excess of €3.0 billion to the Irish Exchequer annually. This total contribution breaks down as follows:

FIGURE 3: ESTIMATE OF ANNUAL EXCHEQUER CONTRIBUTION FROM THE IRISH INSURANCE INDUSTRY (€ MILLIONS)



Source: Authors' calculations based on analysis of financial statements.

It is worth noting that, in addition to this direct contribution, that there is a much larger indirect contribution from companies that would not be in business, or would otherwise be smaller than they are, without the benefits of the cover that insurance provides.

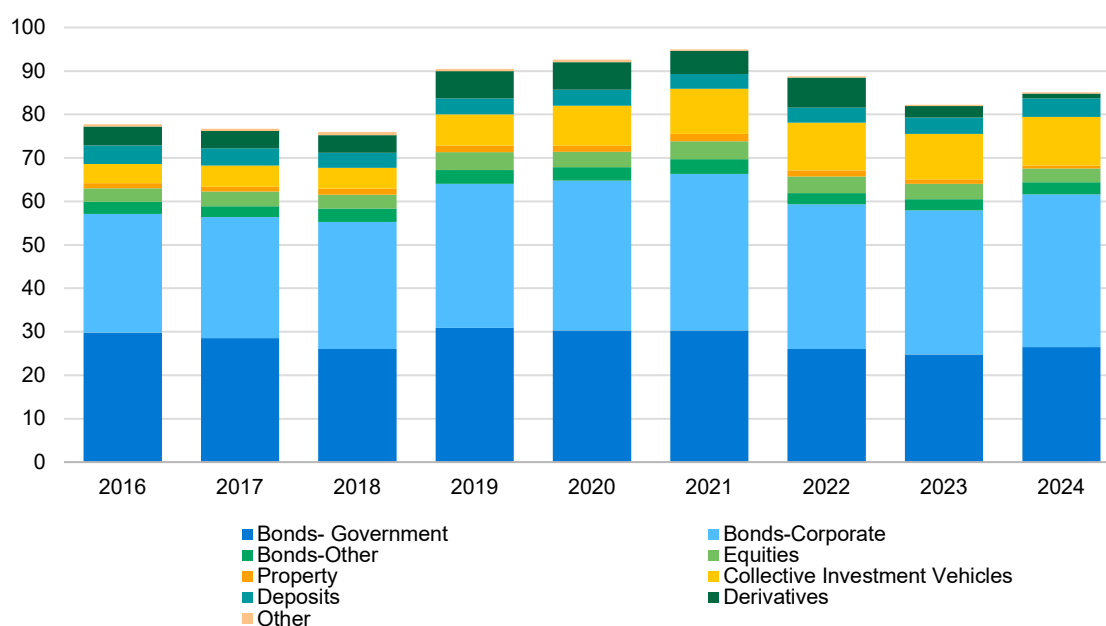
4.5 INVESTMENTS

The insurance sector also plays an important role as an investor. The life insurance sector in particular, given the long-term and often less liquid nature of its liabilities, has the ability to channel savings into long-term investment.

As of end-2024, Irish insurers held over €85 billion in investments, excluding funds held for unit-linked policyholders and holdings in related undertakings. (We have excluded unit-linked assets from this analysis, as insurers generally have limited ability to make investment decisions in respect of those assets, particularly as investment management is typically outsourced to external asset managers.)

In Figure 4, we show the evolution of Irish insurers' investment portfolios over the years 2016-2024.

FIGURE 4: IRISH INSURERS' INVESTMENT PORTFOLIOS (EXCL. UNIT-LINKED ASSETS) (€ BILLIONS)

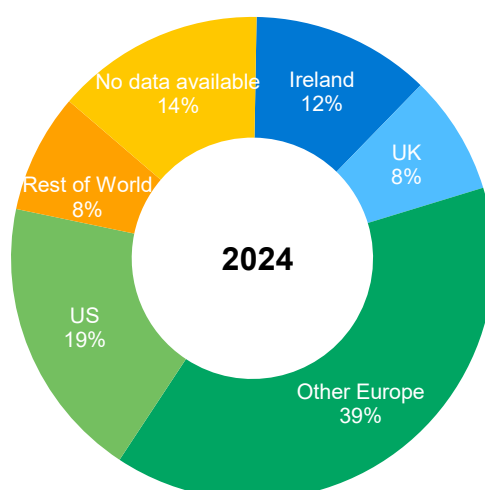


Source: EIOPA Insurance Statistics (QRT S.02.01 data; excludes investments in related undertakings and assets held for unit-linked)

Bonds accounted for approximately 70% of Irish insurers' total investments in 2024, compared to 77% in 2016. Investments in collective vehicles (pooled funds) accounted for almost half of the remaining 30%, with the remainder made up of equities, property, deposits, and derivatives, all of which contributed single-digit percentages.

We can also see that, with the exception of an increased investment in collective vehicles, the asset allocation of Irish insurers' aggregate investment portfolios has not moved materially over the period since the introduction of Solvency II in 2016. This is despite Solvency II being a principles-based regulatory framework which, in contrast to the Solvency I regime which preceded it, does not impose prescriptive limits on an insurer's exposure to various asset classes. Instead, it invokes the 'prudent person principle' which allows an insurer more freedom to invest subject to certain risk management requirements.

In terms of where Irish insurers' assets are invested, the end-2024 data indicates that some 12% were invested in Irish assets, with over 40% invested elsewhere in Europe.

FIGURE 5: GEOGRAPHICAL SPLIT OF IRISH INSURERS' INVESTMENTS (EXCL. UNIT-LINKED ASSETS) AS OF END-2024

Source: EIOPA Insurance Statistics ('Asset Exposure' report based on QRT S.06.02; excludes assets held for unit-linked)

With total investable assets of over €85 billion, Irish insurers are collectively significant institutional investors with the potential to play a significant role in making productive investments, particularly in the transition to a net-zero world.

Ireland has committed to reaching net-zero greenhouse gas emissions by 2050, with an interim target of a 51% reduction in emissions by 2030. The investment needed to achieve these ambitious targets has been estimated to be in excess of €100 billion⁸.

Reallocating a small proportion of Irish insurers' existing investment portfolios could make a small contribution to meeting that need: switching 1% of existing investments would result in an investment of €1 billion. Potentially of more significance, however, is the €310 billion held in unit-linked assets on behalf of policyholders, and how that might grow in the future. In addition, there are also the proposals for pension auto-enrolment, which would see substantial assets being accumulated over time. If insurers could offer their policyholders suitable investment options, this could be a significant source of funds for investment in the transition to net zero.

4.6 OTHER

In addition to the economic and social contribution that insurers make through the products and services they provide, the employment they provide, their contribution to the public purse, and their role as institutional investors, insurers also make a significant contribution through their Environmental, Social, and Governance (ESG) efforts, their Corporate Social Responsibility (CSR) activities, and their Diversity, Equity, and Inclusion (DEI) programmes.

4.6.1 ESG

On the ESG front, the industry is committed to prioritising sustainability. The global insurance industry has signed up to the UN's sustainability commitments and is committed to playing its part in tackling the issues. With most Irish-based insurers owned by international insurance groups, those groupwide sustainability agendas are being rolled out locally. In addition, the EU's 'Green Deal' will have implications for Irish insurers.

The responses to our survey clearly show that Irish insurers are embracing sustainability themes and backing it up with concrete goals and actions plans. Many insurers have committed to net-zero targets, and, in addition, many are actively working to promote sustainability amongst their customer bases, such as through incentivising sustainable behaviours.

⁸ <https://www.ibec.ie/influencing-for-business/ibec-campaigns/shared-energy-futures>

The regulator is also playing a leadership role in this area. The CBI's Climate Risk and Sustainable Finance Forum, established in 2022, aims to “build and accelerate a shared approach between the financial sector and the Central Bank to the understanding and management of the financial risks and opportunities posed by climate change”. The Forum brings together representative bodies, financial sector participants, climate change experts, and the CBI. The insurance industry, with its expertise in risk management and long-term investment is well placed to contribute to this initiative.

4.6.2 **CSR**

Our survey also highlighted the substantial CSR efforts being made by Irish insurers. Those efforts are almost always directed at the local community through initiatives such as support for employee volunteering, financial support for local community clubs, working with selected charity partners (both through monetary donations and volunteering), and sponsorships. In addition, some of the multinational-owned firms referenced global foundations operated by their parent groups.

4.6.3 **DEI**

Most insurers have a formal Diversity, Equity, and Inclusion (or similar) policy in place. At a minimum those policies typically covered areas such as recruitment, promotion, and reward.

Some firms also noted that they had established internal staff communities or resource groups (e.g., women, LGBTQ+, ability, ethnicity / multiculturalism) and that they had established policies in areas such as fertility treatment, bereavement, caring for family members, domestic violence, and other life events.

Firms also generally mentioned that they provided regular DEI training to all employees, with some also providing additional specific training tailored to leaders. Finally, some firms noted that they are capturing DEI data which they intend to use to identify progress and areas for attention, and some firms noted that they regularly report to their boards on DEI activity and progress.

The insurance sector is strongly represented in Ireland's Women in Finance Charter (of which Insurance Ireland was a founding industry partner) with insurers representing 34% of the signatories. Led by industry and with government support, the Charter underpins the financial services industry's ambition to see increased participation of women at all levels, including leadership and board roles, within Irish financial services organisations.

5 Outlook for the sector

5.1 INTRODUCTION

In this section we set out the outlook for the Irish insurance industry, based on the views of industry participants and other stakeholders, together with our own views.

Many of the factors and themes which we have identified, or which have been cited by our survey respondents, are common to all subsectors, to a greater or lesser extent.

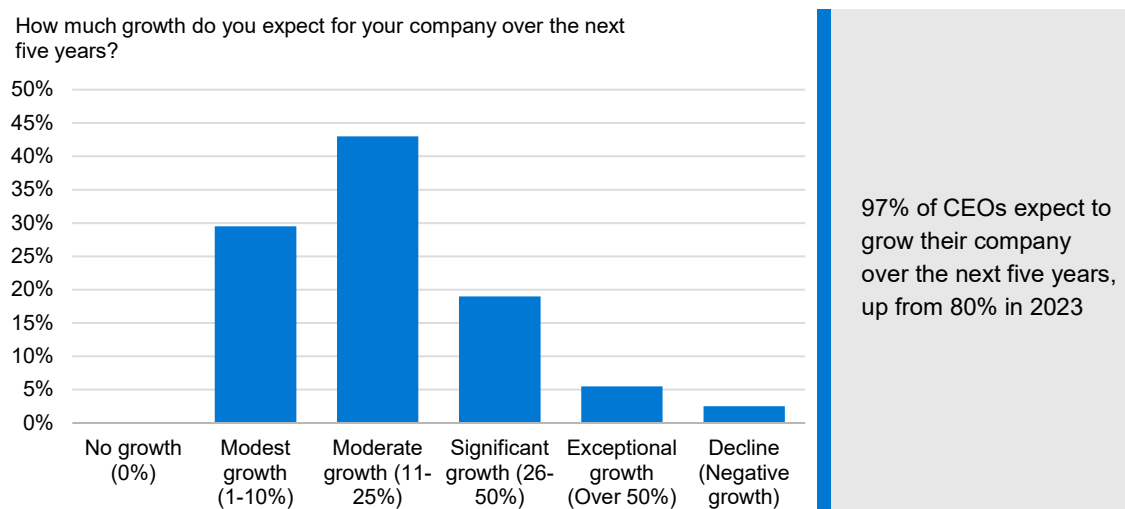
TABLE 8: COMMON THEMES

| Opportunities | Threats |
|--|------------------------------|
| New products | Geopolitical risks |
| New markets | Regulatory risks |
| New technologies | Increased competition |
| Growth in demand for existing products | Keeping pace with technology |
| | Attracting talent |

We first discuss these common themes before going into more detail on specific issues of relevance to the individual subsectors.

The responses we received to our question on expectations for growth over the next few years are shown below. 97% of respondents expect their businesses to be bigger in five years' time.

FIGURE 6: RESPONSES TO SURVEY QUESTION ON EXPECTATIONS FOR RELATIVE SIZE IN FIVE YEARS' TIME



Source: Survey of Insurance Ireland CEOs (August 2025; n=37)

This indicates a considerable degree of optimism when it comes to the outlook for the industry, and has improved since our last report when just under 80% were expecting growth. Most entities that were not expecting growth in our last report either have now exited the market or have now changed their outlook to expect growth (from modest to significant).

5.2 COMMON THEMES

We asked insurer CEOs what they see as the main opportunities and the main threats to their business. The common themes that emerged in the survey are discussed below.

Opportunities

It is encouraging to see many insurers looking at new product ideas, new markets, and embracing new technologies. These areas are seen as key to future growth for insurers. Insurers are also expecting growth in demand for existing products driven by changing demographics, increasing wealth, and a growing economy.

Demographics are often cited as key to the growing demand for existing products and also for the plans for new products and new markets. There is a growing retired population and a growing desire for an increased variety of retirement solutions to meet the needs of that population. Reinsurers are seeing related growth in asset intensive reinsurance.

Growing wealth is also a key driver of demand for existing and new products. The CBI's data on household wealth has shown consistent growth in total net wealth since 2013.

Existing insurance gaps are another opportunity for insurers ranging from cyber risk and climate risk to offering more holistic insurance packages to consumers. Encouraging financial advice and embracing technology are seen as key to bringing insurance to new customers.

Technology is a key enabler for entering new markets and enabling the development of new products. Many companies are investing in Ireland as a hub for its technology development. Technology investment is also seen as crucial to drive efficiencies, cost savings, and resilience.

Threats

Unsurprisingly geopolitical risks and regulatory risks are identified as key threats. The geopolitical environment is leading to increasingly nationalistic agendas and also to economic uncertainty and volatility.

Regulatory risks raised by insurers include the cost of compliance in Ireland and Europe, concerns about future regulatory change and increasingly nationalistic agendas internationally. This is reflected in a perceived high cost of doing business in Ireland, which is seen as a consistent issue across Europe.

Ireland is seen as a supportive location for innovation and product development. However, given one of the key opportunities relates to the growing need for retirement solutions, the complex regulatory and taxation environment for pensions products in particular is seen as an obstacle to product innovation in this space.

Non-life insurers and reinsurers in particular are concerned about the likely impact of climate change on future claims.

Existing competitors and increased competition from alternative providers were also noted as a threat.

Consolidation in the broker market is resulting in larger brokers with greater negotiating power and a greater portion of the value chain. The role of the broker has a material impact on customer outcomes, so it can be difficult for the insurer to demonstrate that customers are getting appropriate advice and that customers' needs are met.

Finding the resources to invest in and keep pace with technology changes is not easy. As noted already, attracting talent to the industry is an increasing challenge, with infrastructure limitations and the high cost of living mentioned as factors, as well as the perception of the industry as a place to work. Investment in technology is also seen as crucial for broker relationships and improved customer journeys and access.

6 Technology

6.1 INTRODUCTION

In this section, we discuss the impact of technology on the Irish insurance industry, based on the views of industry participants and other stakeholders, together with our own views.

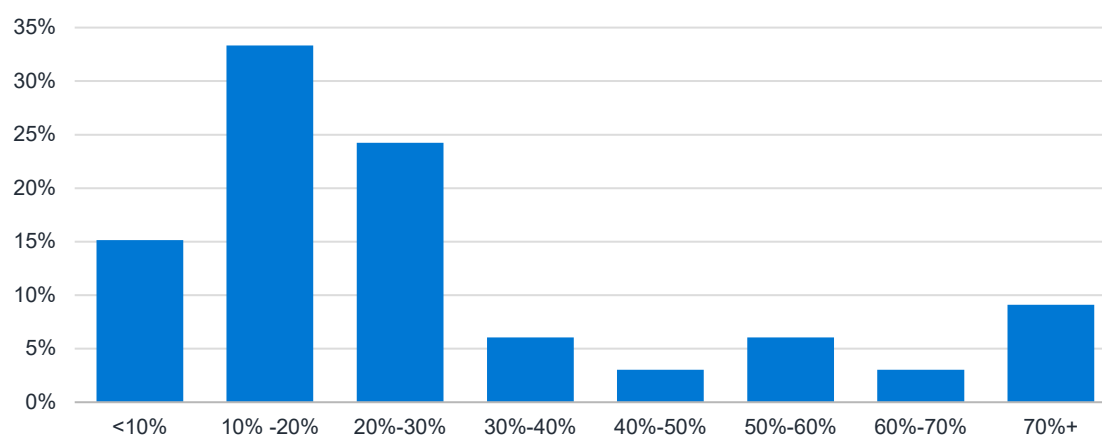
While the insurance industry has long been criticised for being slow to adopt new technologies, this perception is beginning to shift. Increasingly, insurers are looking to embrace technology across various areas — from enhancing customer experience to streamlining back-office operations.

However, a significant challenge has emerged in the form of technical debt. Technical debt is the burden to insurers of poor system design, architecture, and data flows. While all insurers carry some level of technical debt, excessive levels are now acting as a material barrier to technological progress. Respondents to our survey expressed a strong desire to invest in digital customer experiences and leverage technologies such as AI. Yet, disparate systems and poorly structured data are making this transition challenging.

To overcome these obstacles, insurers are increasingly investing in their back-office infrastructure, recognising that modernising foundational systems is essential to enable broader technology adoption in the future.

FIGURE 7: RESPONSES TO SURVEY QUESTION ON BUDGET ALLOCATION TO TECHNOLOGY

How much of your budget over the next five years do you plan to allocate to customer facing technology investments?



Source: Survey of Insurance Ireland CEOs (August 2025; n=37)

As noted earlier in this report, the Irish insurance industry is a broad and diverse ecosystem. From a technology perspective, insurers typically serve two main customer segments: individual policyholders and other insurers. A single insurer may cater to both segments, depending on their business model and strategic focus:

- **B2C channel**, who engage directly with customers or through intermediaries such as advisors;
- **B2B channel**, whose clients are other financial institutions — for example, reinsurers.

6.1.1 **B2C: Rising consumer expectations**

In the B2C segment, consumer expectations around how they engage with financial services providers are changing rapidly. With the increasing digitalisation of everyday life, self-service capabilities are becoming a standard expectation for a growing proportion of the customer base. The banking sector, particularly new entrants such as Revolut, have set the pace for financial services companies in Ireland, with insurance often perceived as lagging behind.

However, insurers are aware of this gap and are taking proactive steps to close it. Nearly 60% of respondents reported allocating between 10% and 30% of their budgets to customer-facing technology enhancements. The primary objectives of these investments are to:

- Enable self-service;
- Offer more tailored and personalised experiences; and,
- Deliver better overall customer outcomes.

While the desire for greater digitalisation is clear, insurers must remain mindful of the potential risks. Insurance products range from relatively simple to highly complex, and customer needs can vary significantly over a lifetime. Therefore, any digital strategy must carefully balance the push for automation and convenience with the ongoing need for access to appropriate advice.

In addition, the insurance customer base is not homogeneous. There are clear generational differences in digital engagement preferences. While Millennials and Gen Z are generally comfortable in a fully digital environment, older or more vulnerable customers may be more cautious, preferring face-to-face or even paper-based interactions. Insurers may benefit from studying the challenges already faced by the banking sector in navigating these differing expectations.

6.1.2 **B2B: Demand for integration and speed**

For insurers in the B2B segment, the demands are different — but no less challenging. These organisations interact with more sophisticated entities such as reinsurers and financial institutions, who are looking for:

- More granular, real-time data analysis;
- Faster turnaround times; and,
- Seamless integration with their own systems and processes.

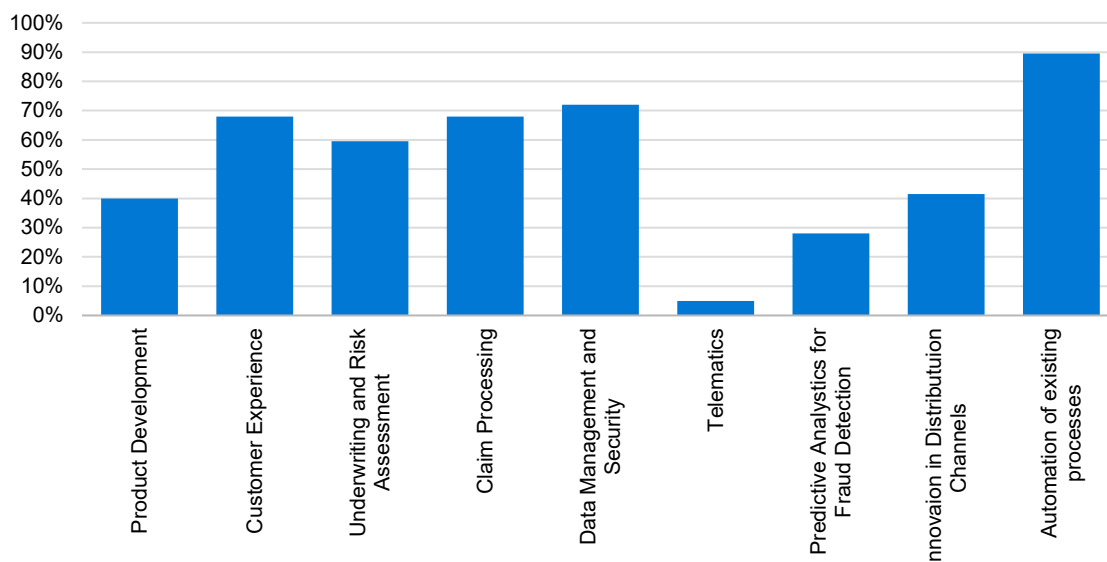
While these organisations typically do not require the same level of advice as retail customers, the financial implications of errors can be far greater. For instance, automated underwriting or claims approval in a reinsurance context could lead to systemic mispricing of risk, resulting in significant negative financial consequences.

6.2 EVOLVING TECHNOLOGY LANDSCAPE

We asked what specific areas of their business insurers were planning on investing in and the results are summarised in the chart below.

FIGURE 8: RESPONSES TO SURVEY QUESTION ON INCORPORATION OF INNOVATIVE TECHNOLOGIES

In which areas of your business does your company plan to incorporate innovative technologies within the next five years?



Source: Survey of Insurance Ireland CEOs (August 2025; n=37)

As the chart illustrates, there is a broad spectrum of investment activity underway — from customer experience enhancements to core systems upgrades. While much attention has been paid to the digitalisation of customer touchpoints, currently the largest area of focus for insurers is the automation and modernisation of back-office operations.

This shift in priorities reflects a growing change in the industry's approach to digital transformation. For years, insurers have faced criticism for being slow to innovate, but our conversations with industry stakeholders paint a more nuanced picture. The significant prudential change agenda of the 2010s has reduced, with additional capacity and resources now available for investment in technology.

One of the most common themes that emerged in our discussions was the recognition of challenges associated with technical debt. Most insurers acknowledge that legacy systems, fragmented architectures, and poorly integrated data environments are major blockers to adopting advanced technologies such as AI, predictive analytics, or seamless omnichannel customer experiences. Rather than layering new tools on top of unstable foundations, many insurers are taking a step back. They are investing deliberately in core system modernisation, process automation, and data infrastructure with the clear intent of creating a more agile and scalable technology environment.

This strategy reflects a pragmatic, long-term view. By tackling technical debt head-on, insurers are positioning themselves to fully unlock the benefits of future innovation. In doing so, they are not just modernising IT — they are enabling better business outcomes, improving operational resilience, and setting the stage for differentiated customer experiences in an increasingly competitive market.

Ultimately, this approach suggests that the industry is no longer just reacting to technological change — it is beginning to proactively shape its digital future.

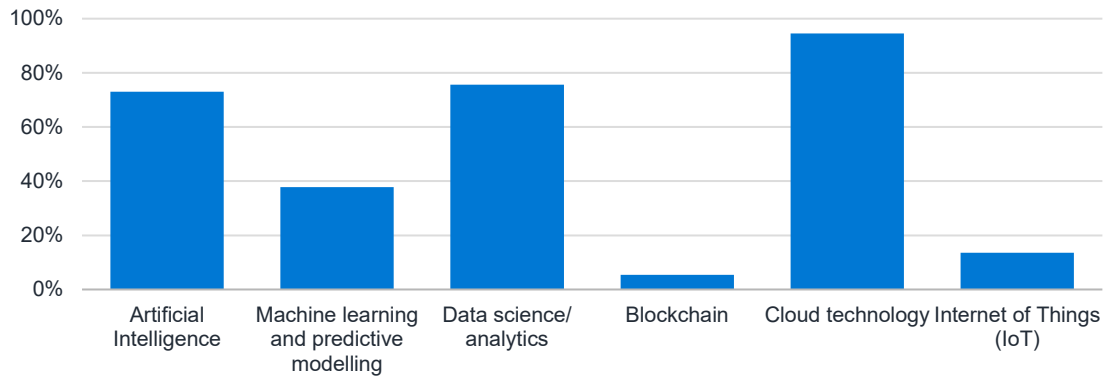
While the ambition and desire are clear, the Section 6.3 details what technologies insurers plan to use to provide these enhanced customer outcomes.

6.3 TECHNOLOGY TRENDS

As part of our survey, we asked insurers about the innovative technologies they have adopted within their organisations.

FIGURE 9: RESPONSES TO SURVEY QUESTION ON CURRENTLY ADOPTED TECHNOLOGIES

Does your company currently adopt any of the following technologies?



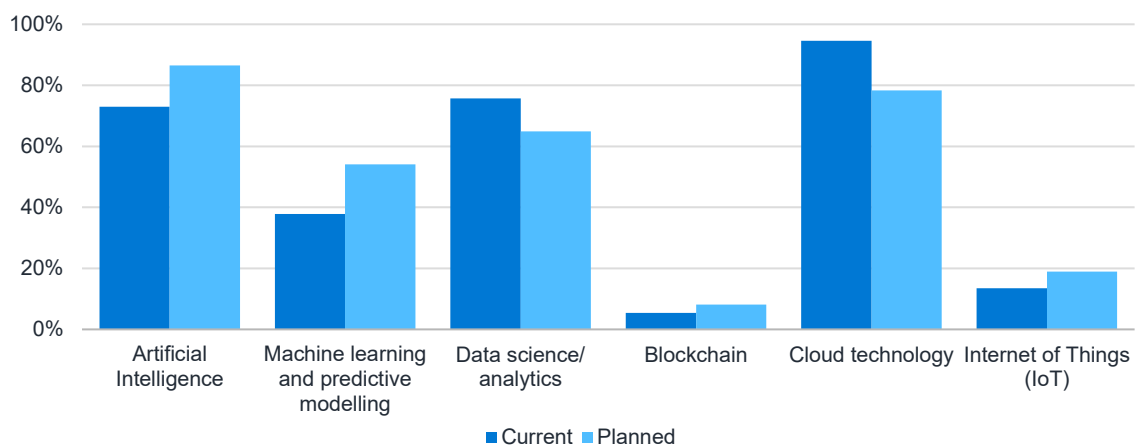
Source: Survey of Insurance Ireland CEOs (August 2025; n=37)

The results paint a clear picture: cloud computing and data science techniques are now well embedded in many insurance companies. This aligns with our broader experience working with clients, where we've observed a significant shift away from traditional on-premise infrastructure towards cloud-based solutions. The widespread adoption of remote and hybrid working models in recent years has accelerated this transition, driving demand for more flexible, scalable, and accessible technology environments.

While artificial intelligence (AI) and machine learning (ML) are being used within the insurance sector, our deeper analysis reveals that many firms are still at the early stages of implementation. These technologies are often deployed in pilot programs or specific use cases, with broader, enterprise-wide adoption still developing.

FIGURE 10: RESPONSES TO SURVEY QUESTION ON FUTURE USE OF INNOVATIVE TECHNOLOGY

Current and future use of innovative technology



Source: Survey of Insurance Ireland CEOs (August 2025; n=37)

When comparing the current use of innovative technologies with expectations for the next five years, a significant shift becomes evident. While cloud computing and data analytics are now well-established within most insurers, the focus is clearly moving toward more advanced technologies, particularly AI and ML. Insurers expect AI and ML to play a central role in transforming several key areas of their business:

- Improving back-office efficiency, through automation of routine administrative processes;
- Enhancing customer experience, by delivering more personalised and responsive services; and,
- Enabling data-driven decision making, with faster, more accurate analysis of large and complex datasets.

This outlook reflects a growing confidence and appetite across the industry to invest in AI and ML capabilities, not just as tools for efficiency, but as strategic enablers of long-term innovation and competitive advantage. From our work with insurers, it is increasingly clear that AI and ML will materially reshape the insurance industry in the coming years. Globally, AI is often positioned as a technology to replace “dull, dirty, or dangerous” jobs. In insurance, while the context is different, the underlying principle still applies: AI and ML are expected to take over many of the more mundane, rules-based tasks, such as data entry, claims triage, or underwriting administration.

Technologies like blockchain and the Internet of Things (IoT) show modest projected increases in adoption, but remain relatively uncommon in the Irish insurance market. This is partly due to the fact that these technologies offer clear benefits only to specific types of businesses — for example, those involved in parametric insurance, connected health, or supply chain risk.

Additionally, our analysis suggests that for larger firms, centralised R&D and technology development functions are often located outside Ireland, particularly within global headquarters. As a result, some of the more advanced or experimental use of emerging technologies may be occurring in other regions, rather than locally. Their adoption in Ireland may only happen after they have been tested and implemented in larger markets.

While the ambition and willingness to invest in innovative technologies is clear among insurers, it is equally important to consider the supporting structures that will be required to ensure this journey is successful and sustainable.

6.4 SUPPORTING CHANGE

While there is a clear ambition to innovate and experiment, insurance is a highly regulated industry. Innovation and regulatory compliance are seen as opposing masters, particularly when the pace of technological development has caused regulation to quickly become out of date.

In particular, the implementation of AI, ML and other innovative technologies must be approached in a controlled and well-governed manner. This includes striking the right balance between:

- Experimentation and innovation, which allow insurers to test and learn at pace; and,
- Oversight and guidance, which ensure responsible use, risk management, and alignment with regulatory expectations.

Discussions with industry leaders, including chief executives, highlighted a strong appetite for enhanced support to foster innovation within the sector. While existing initiatives—such as the Central Bank of Ireland’s regulatory sandbox and innovation hub, along with fiscal measures—were acknowledged, there was a prevailing view that these measures do not constitute a sufficiently coherent or comprehensive support framework.

Key areas requiring attention are:

- A broader industry effort to attract and retain digital and data talent;
- Support for Insurtechs and start-ups, including easier access to capital and regulatory pathways; and,
- Learning from international jurisdictions — with South Africa cited as an example where there is clear national-level support for technology adoption in financial services.

Perhaps there is an opportunity to learn from the success of the IFSC in the early 1990s – centralised hub, financial support, growth capital, risk taking leaders, and skilled staff to provide indigenous solutions for technology advances in the insurance industry.

6.5 INSURTECH SECTOR

One of the key aspirations in the Department of Finance's Action plan, IFS 2025, is to build Ireland's reputation as an international centre of excellence for insurance innovation and to build an Insurtech hub here. Instech.ie, a not-for-profit organisation founded in 2021 with 17 member firms (including Insurance Ireland), has been charged with delivering on this objective. It has identified three strategic pillars upon which it believes it can deliver on this objective:

- Build greater innovation capability and talent in insurance firms, brokers, and MGAs in Ireland;
- Become the destination of choice for international Insurtechs establishing an EU presence; and,
- Build a pipeline of Irish Insurtechs that can scale and compete globally.

The Irish Insurtech sector is growing rapidly. According to Instech.ie, there are now some 100 Irish Insurtech companies who in total have raised over €136 million in equity funding over the last few years, with the number continuing to increase strongly.

While Ireland is having many successes in the Insurtech space funding remains a challenge, with many companies having to look to the US to support their continued business growth.

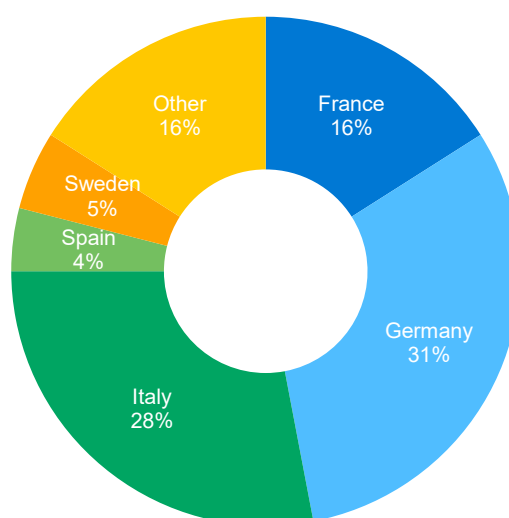
7 Ireland as a location for insurance

7.1 INTRODUCTION

Ireland's insurance industry is not solely focused on the Irish market and Irish policyholders: Ireland also has a substantial number of internationally focused or 'cross-border' insurers who are based here, but whose policyholders are located elsewhere, whether in the EU or beyond.

In total, the Irish insurance industry wrote €40 billion of premiums in respect of international business in 2024. The main EU markets were Germany, Italy, and France. The UK is no longer included in the EIOPA data but continues to be a significant market from Ireland. The chart below shows the split of business written from Ireland into EU countries.

FIGURE 11: GEOGRAPHICAL ANALYSIS OF IRISH INSURERS' EU BUSINESS (2024)



Source: EIOPA cross border data

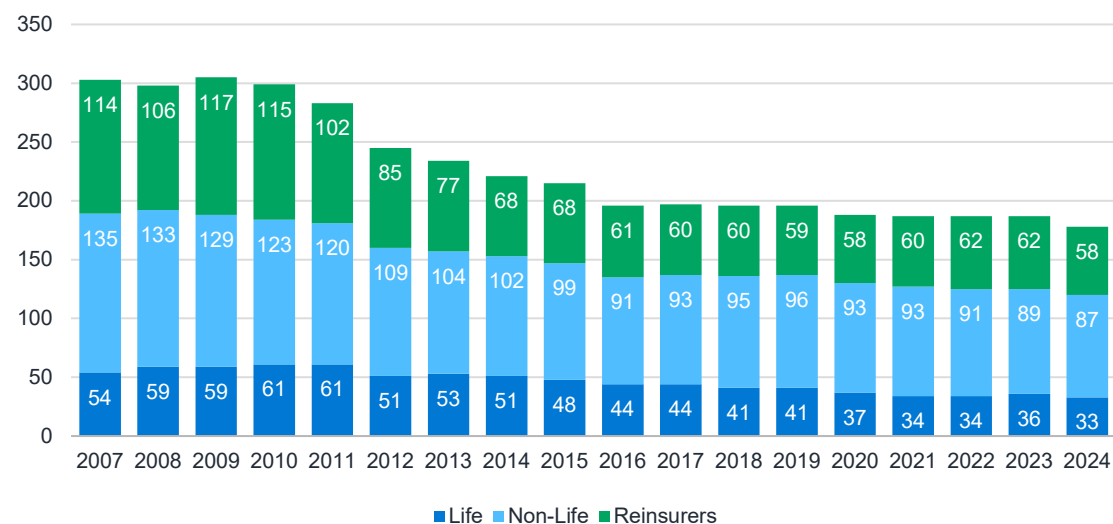
7.2 HISTORY AND GROWTH

The international insurance industry in Ireland can trace its roots back to the establishment of the IFSC in the late 1980s. Some of the first entrants were reinsurers (as reinsurance was then an unregulated business and was already international in nature, in contrast with primary insurers, which were heavily regulated and largely confined to operating in their home market). International life and non-life insurers followed in the 1990s once the EU had created an internal market for insurance, which made it possible for insurers based in one EU country to offer their products throughout the EU. In recent years, Brexit 'refugees' aside, there have been very few insurance companies established in Ireland. There are several reasons why this may be the case:

- The EU cross-border business model, which was particularly popular in the 1990s and 2000s is increasingly under pressure. Partly, this is a result of the general trend since the global financial crisis towards deglobalisation, which has led to a trend for some countries to seek to repatriate business; partly, it is a consequence of Solvency II which harmonised the regulatory rule book across the EU to a far greater extent than had previously been the case, and which, in doing so, removed some of the regulatory reasons which had previously driven some cross-border activity. Brexit did drive a wave of relocations of cross-border EU businesses from the UK to Ireland (and elsewhere), but this was very much a one-off event.
- Non-EU entrants (i.e., insurers based outside of the EU looking to establish an EU presence) have not materialised. (This is not confined to Ireland – there have been very few non-EU entrants establishing operations in any EU country in recent years.)

In addition, many companies have exited, either as a result of merger activity at the parent company level or for other reasons. As a result, the overall number of insurance companies based here has fallen in recent years.

FIGURE 12: NUMBER OF (RE)INSURANCE UNDERTAKINGS IN IRELAND – 2007-2024



Source: 2007-2015: EIOPA insurance Statistical Time Series; 2016-2022: CBI Aggregated Statistical Data Template A; 2023-2024: CBI Registers as of June 2025, with authors' analysis.

As can be seen from Figure 12, the number of insurance and reinsurance undertakings based in Ireland has been on a downward trajectory since the peak in 2009. Overall, the number of entities has reduced by 42% since then, with the number of life companies down 44%, the number of non-life companies down 33%, and the number of reinsurers down by 50%. However, it is also important to note that, despite the reduction in the number of insurers based here, the size of the industry measured by premium volumes has continued to grow, as can be seen from Figure 1 earlier in this report.

7.3 WHY IRELAND?

All of the businesses that chose to open operations in Ireland had other options available to them, but they consciously chose to locate in Ireland. The reasons behind those individual decisions have been varied. In our last report, we surveyed international insurers based in Ireland to identify the main factors that led them to establish in Ireland. The most important factors when selecting Ireland as their location of choice were: EU membership / market access, fiscal regime, availability of skilled labour, and the regulatory regime.

There is a general perception that Ireland's strengths and weaknesses as a location for international insurance have changed over time. In our survey for this report, we asked the CEOs of insurers based here to rate how well Ireland now scores for each of the factors listed above (on a 1 to 5 scale, with 1 indicating that Ireland performs poorly and 5 indicating that Ireland performs strongly). The results were as follows (compared to the same question in our last report in 2023):

TABLE 9: CHOICE OF LOCATION FACTORS – CURRENT RATINGS

| CRITERION | 2025 SCORE | 2023 SCORE |
|--------------------------------|------------|------------|
| EU membership / market access | 4.8 | 4.6 |
| Political stability | 4.5 | 4.1 |
| Language | 4.3 | 4.2 |
| Fiscal regime | 4.1 | 4.1 |
| Technology / innovation | 3.8 | 3.6 |
| Availability of skilled labour | 3.5 | 3.4 |
| Regulatory regime | 3.1 | 2.8 |
| Cost of doing business | 2.4 | 2.2 |

Improvement in 8 of the 9 criteria since 2023 – demonstrating a more positive operating environment in Ireland

Source: Survey of Insurance Ireland members (August 2025 n=37; September 2023 n=41)

Most areas scored slightly higher and were in the same ranking order as our last report. Political stability has increased ranking since our last report and has become considerably more important since insurers were originally selecting Ireland as a location.

In the course of our interviews with stakeholders, several factors were raised in relation to Ireland as a location which we discuss below.

7.3.1 Benefits

As noted above, access to the EU, political stability, and language ranked the highest for Ireland as a location. Ireland continues to be seen as a gateway to Europe.

English as the primary business language is a significant advantage, especially for firms headquartered in English-speaking countries. Culture is another important factor that was mentioned, particularly for insurers with non-European parents, which facilitates smoother operations for businesses.

Political stability should not be underestimated, particularly in the current geopolitical environment, with a stable regulatory and taxation regime supporting inwards investment and job creation.

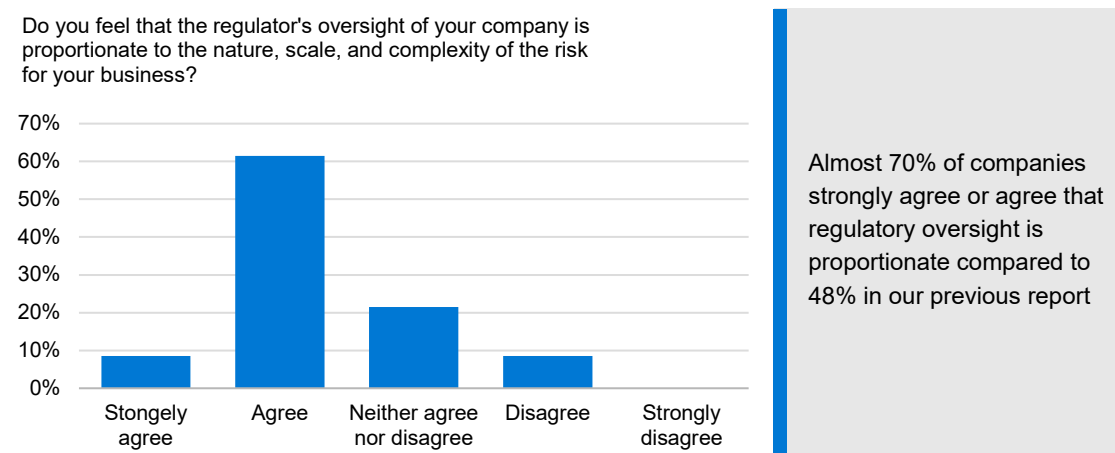
While not the top factor, Ireland's growing innovation hubs and Insurtech presence are increasingly recognised as strengths, particularly for firms seeking digital transformation. The existence of a skilled workforce, due to the presence of many multinational technology firms and relevant college courses, has also been an advantage, although challenges in attracting talent have also been noted.

7.3.2 Challenges

Since our last report, the views of the regulatory regime in Ireland have softened somewhat. Insurance CEOs recognise the important role of the regulator in maintaining a sound and resilient financial system. Our survey results showed that almost all CEOs felt that the regulator's oversight is proportionate to the nature, scale, and complexity of their business' risks and that this has either improved or is unchanged since our last report. While Europe and its Solvency II regime is seen as onerous, particularly by insurers headquartered outside Europe, Ireland is no longer seen as significantly more "gold-plated"

than elsewhere in Europe. Challenges that have been noted in relation to regulatory risks relate more to increasingly nationalistic agendas internationally and concerns about future regulatory change.

FIGURE 13: RESPONSES TO SURVEY QUESTION ON PROPORTIONALITY OF REGULATORY OVERSIGHT



Source: Survey of Insurance Ireland CEOs (August 2025; n=37)

As can be seen, very few CEOs in our survey disagreed that the regulator's oversight is proportionate to the nature, scale, and complexity of risk. Particular areas of improvement noted by CEOs include:

- Faster turnaround times and increased clarity of expectations for change in business plan applications;
- Faster turnaround times for fitness and probity approvals;
- Openness to conversations and pragmatic discussions;
- Introduction of the innovation sandbox program; and,
- Reduction of regulatory burden for captives in particular.

Some remaining challenges that were mentioned include:

- Positive engagement in person can contrast with written communications, which can seem more punitive than conversations suggested.
- The Individual Accountability Framework was noted as a regulatory burden. However, the potential benefits in positive behavioural and cultural change and customer protection were also noted.
- The regulatory focus on customer outcomes can be a challenge for insurers due to the reliance on brokers. Brokers are a material component of the value chain and play a key role in ensuring that customer needs are met. The role of the broker has a material impact on customer outcomes, so it can be difficult for the insurer to ensure positive customer outcomes.

In our previous report, there were marked differences in responses between the domestic and internationally focused firms. However, in our survey for this report responses were much more consistent across all sectors.

Many CEOs feel that Europe has a challenge in relation to its competitiveness, its burdensome regulations, and its lack of speed in implementing change. The length of time to implement changes to the Solvency II regime illustrates this.

In addition, the capital requirements under the Solvency II regime in Europe have led to insurers having a low appetite for risk and a strategic focus on products that are "capital-light". This restricts product innovation and the potential to design products to meet customer needs.

The cost of doing business in Ireland has become a significant concern. This includes the cost of complying with regulatory requirements but also inflation and higher costs more generally and the related issue of attracting talent.

Attracting talent was flagged as a significant challenge by companies across all insurance industry sectors. The cost of living, lack of infrastructure and housing, and competition from other employers

were all mentioned as factors. The perception of insurance as an industry to work in could be improved. It was also noted that in other European countries, including Spain and the Netherlands, there are tax incentive schemes for highly educated foreign professionals to attract talent and qualified workers into the country.

Inflation is also impacting claims costs resulting in increasing premiums, which are often perceived by consumers to be driven by insurer profit motivations.

While corporation tax rates are still relatively low, the stamp duty on life insurance premiums was flagged as restricting the ability of insurers to compete with other providers.

7.4 OTHER INWARD INVESTMENT

Whilst looking at the regulated insurance and reinsurance companies paints a picture of declining numbers of insurers based in Ireland, and our survey of international insurers based here points to a decrease in the attractiveness of Ireland as a location for establishing regulated insurance activities, this is only part of the overall story in terms of inward investment.

One of the major growth areas in recent years has been the trend of overseas insurers establishing back-office service centres, or other centres of excellence.

There are now over 30 companies employing in the region of 4,000 people in Ireland in back-office / service centres, providing a range of services from IT support to claims processing. In addition, a number of companies have established research or innovation centres in Ireland, with a particular focus on data analytics.

This has been a key area of focus for IDA Ireland in recent years and could continue to be a source of employment growth in the sector in the coming years, particularly with increased focus in the industry on research, innovation, and the application of new technologies – particularly artificial intelligence (AI).

8 Appendix

8.1 SURVEY METHODOLOGY

We surveyed Insurance Ireland member CEOs, and a small number of non-member firms, with the aim of gathering information on insurers' views on a range of topics, including the outlook for their business and for the industry as a whole, their future plans, and their economic and social contributions such as their ESG, CSR, and DEI initiatives. The survey included a mix of quantitative questions as well as the facility to provide qualitative feedback.

We recognised that not all questions were relevant to all insurers (e.g., the questions pertaining to reasons for locating in Ireland, or the current attractiveness of Ireland as a location for establishing an insurance operation, were aimed at international insurers), so we advised respondents to skip any questions that were not relevant.

The survey was sent to approximately 100 firms, and we received responses from 37. An analysis of the make-up of the 37 respondents is provided in the following charts.

FIGURE 14: SURVEY RESPONDENTS BY TYPE

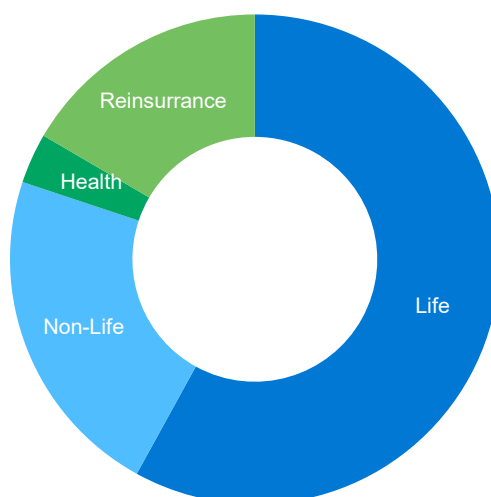


FIGURE 15: SURVEY RESPONDENTS – DOMESTIC MARKET PLAYERS VS. INTERNATIONALLY-FOCUSED PLAYERS

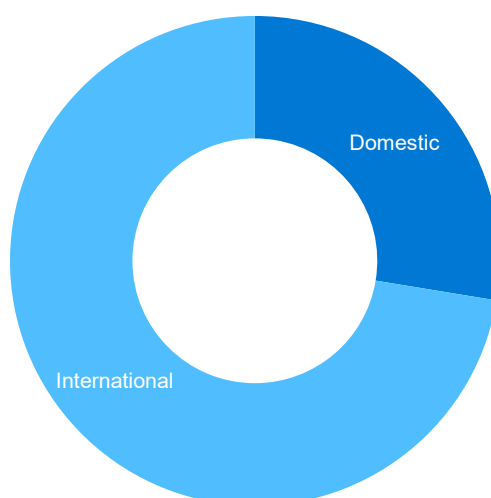
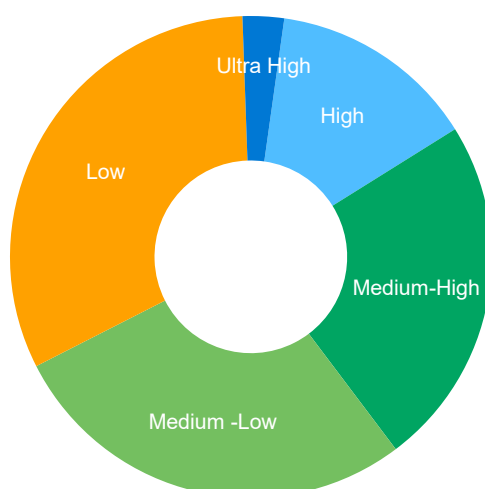
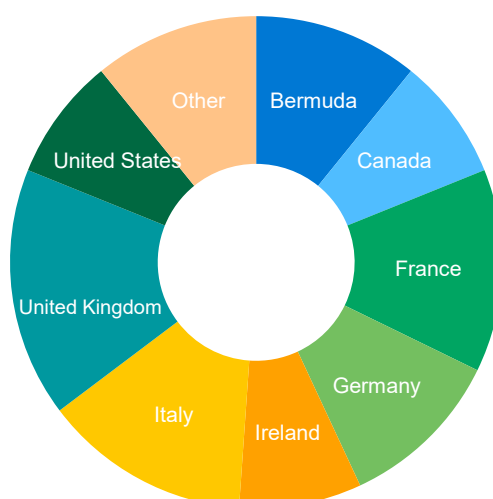


FIGURE 16: SURVEY RESPONDENTS BY CBI PRISM RATING**FIGURE 17: SURVEY RESPONDENTS BY PARENT COMPANY DOMICILE**

8.2 DATA SOURCES

In addition to the survey responses, we drew on a number of data sources when compiling the figures presented in this report. These included:

- EIOPA Insurance Statistics (https://www.eiopa.europa.eu/tools-and-data/insurance-statistics_en)
- SFCRs for individual companies and aggregated data for all Irish insurers, as collated and published by the CBI (<https://www.centralbank.ie/regulation/industry-market-sectors/insurance-reinsurance/solvency-ii/solvency-and-financial-condition-report-repository>)
- Financial Statements for individual companies as lodged with the CRO (<https://core.cro.ie/>)
- Statistical data from the Revenue Commissioners (<https://revenue.ie/en/home.aspx>)
- Individual firms' websites.

In carrying out our analysis and producing this report, we relied on the data sources listed above. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete

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