

# The Consumer Insurance Contracts Act

## How Applied is Ensuring Compliance for Brokers

The pace of technology change is faster than ever and the regulatory burden this brings has never been greater. At Applied, we understand the importance of ensuring compliance with the latest regulations and our role is to stay ahead of these changes and use our expertise to ensure ease of compliance for our customers. The latest regulation, Consumer Insurance Contracts Act (CICA), significantly changes the way insurer's contract with Irish consumers. The Act provides increased protection to consumers and applies a consumer centric lens to insurance contracts, noting that the interpretation of pre-contractual questions and contract terms most favourable to the consumer will prevail.



To discuss the CICA and how Applied has transformed its solutions to ensure compliance for customers, Stephen Murphy, Director of Customer Success for Applied Systems Europe talked to us. Stephen has been instrumental in bringing about an industry consensus to support brokers and lessen the burden of these regulatory changes on them.

### **Can you briefly explain the Consumer Insurance Contracts Act and what it means for brokers from a technology standpoint?**

Absolutely. CICA 2019 was signed into law on the 26th December 2019. Some of the elements of the Act were effective from the 1st September 2020, however certain aspects of the Act contained in sections 8, 9, 12 and 14 will come into force for renewals and new business policies effective from 1st September 2021.

Essentially, the Act makes changes to create greater transparency for the consumer and requires the insurer to take on additional responsibility in respect of its consumer interactions at all key phases of the customer journey: quotation, onboarding, policy assessment and completion, premiums handling, claims handling, complaints and renewals.

For our brokers, the Applied Product suite will be updated and released to the market during the summer months in our standard release process, inclusive of our Motor, Home, Commercial Vehicle and eQuote products. Development is underway now as the CICA deadline fast approaches.

Applied has worked tirelessly to ensure our brokers and insurance partners using Applied technology in Ireland are ready and compliant before this coming September.

### **How is Applied reacting to this regulatory change and aiding customers to remain compliant?**

In an industry such as insurance, regulatory compliance is a vital component for ensuring best practice at all stages and it is essential that Applied supports these changes for brokers. To achieve this, we reached out to the relevant industry bodies to begin working on clarifying the act and what it means for the insurance landscape in Ireland.

We are grateful to all the teams we worked with to agree on the suite of changes to our technology, enabling us to adhere to regulatory requirements and to support our customers and insurers. We worked very closely with the Insecom Working Group for our Motor Product changes. We also worked closely with Brokers Ireland to engage brokers in the conversation, in particular on how the changes would affect their workflows and we feel this had a very positive influence on the overall design. For our Home and Commercial Vehicle solution, Insurance Ireland kindly assisted us to ensure we had insurer representation in our working groups as we designed the solution.

Working with these groups over the last few months to come

to a consensus on a go-forward approach has been critical to both brokers and insurers future success. We want to use this opportunity to thank these partners who came together to find common ground and assist Applied's CICA solution so that we continue to provide a compliant distribution platform for insurance.

### **What are some updates brokers will see in their systems to help keep them compliant?**

The commencement of the Act marks a significant change for the Irish insurance industry and we are updating our systems in line with this change. Based on insurer and broker feedback we focused on the key areas of risk capture screens, validation, data consumption and documentation wording.

We focused on ensuring that the risk capture screens and associated labels are clear and concise. We also updated the tool tips/hover text to provide additional clarification to the broker where possible.

Validation throughout the system has also been strengthened, ensuring data is updated and answered as the user navigates the workflows. Applied have also taken the opportunity, where appropriate, to remove any questions that the insurer community no longer deemed required. We believe this is a very positive move for insurers, brokers, end customers and Applied Systems.

Another key change is the ability to consume data from our insurance partners, such as historic premiums and claims. This change allows data to flow into pricing, acceptance and documentation processes.

Finally, we have worked with insurers on strengthening documentation wording and the generation and presentation of the Statement of Fact document at appropriate points in the customer journey. We also worked on including the five-year claims and five-year premium on customers' renewal documentation. Where a broking customer has transferred between multiple insurers over the previous five years, only claims and premium detail from the incumbent insurer will be included within the insurer renewal invite.

This has been a substantial effort among our team and partners, and we are delighted to enhance our systems to support compliance for the insurance industry at large. The future of insurance technology is about delivering new ways of doing business and at Applied, we are committed to supporting our customers and industry partners as they navigate these exciting opportunities.