Central Bank boosts staff numbers for Brexit insurers

Regulator expects influx of applications from London-based insurers looking to move

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The Central Bank has increased its staff numbers by more than a quarter ahead of an expected influx of applications fron London-based insurers looking to move operations following the Brexit vote. They are looking at options if the UK loses so-called "passporting" rights after Brexit that allow them to operate elsewhere in Europe, including relocation of some c their operations. Last week AIG became the latest insurer to warn it was considering moving its European base away from London.

The Central Bank of Ireland), which regulates the industry, is already fielding inquiries, according to Sylvia Cronin, the bank's director of insurance supervision. Dublin is seen as an attractive alternative to London given its proximity, language and skilled workforce.

"I'm staffing up for the first half of 2017 because of the increased number of inquiries in Q3," Ms Cronin says. "My sense was that companies wouldn't come and talk to regulators until there was some more substance [over Brexit], but the opposite seems to be occurring. Due to the uncertainty, companies are proactively approaching us."

Ms Cronin adds that, although it is still early in the process, she has increased her staff numbers to deal with Brexit and the EU's new solvency II capital rules. "It's being able to respond to the demand and being sure that we deliver on our service standards. Since the beginning of the year, we have grown our team by over 25 per cent and will grow further."

Dublin already hosts a large number of insurance and reinsurance companies, which makes it easier for new entrants to recruit specialist staff. Dublin is also on the shortlist for banks and asset managers looking for an alternative point of entry to the EU after Brexit. While the insurance team is staffing up, the Central Bank has publicly complained about skills shortages in its banking supervision department, in part owing to pay restraints that were imposed in the financial crisis and departures of staff to the European Central Bank's new single supervisory mechanism.

Those shortages have triggered fears that it will take years to deal with the expected influx of banks. Some banks have also reported a cold welcome from the Central Bank, which was badly burnt in the Irish financial crisis. An insider disputed suggestions that Ireland did not want or could not cope with an influx of new banks. He said it was very much "open to engagement" and would "make sure that we dedicated sufficient resources to deal with whatever we are presented with in a timely manner". The ECB will ultimately have the final say on licence applications for any large bank.

Of the insurers, so far only Beazley, which already has an operation in Dublin, has said that it plans to increase its activities in the city. Aviva, meanwhile, is thinking of turning its Irish branch into a full subsidiary.

Dublin is not the only name in the frame, though. Insurers are also looking at Germany, France, Luxembourg and Malta as possible new homes.

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