

Annual Report 2005

© Personal Injuries Assessment Board

Baile Átha Cliath
Arna Fhoilsiú Ag Oifig an tSoláthair
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nó tríd an bpost ó
Foilseacháin Rialtais, An Rannóg Post-Tráchtá,
51 Faiche Stiabhna, Baile Átha Cliath 2.
(Teil: 01-6476834/35/36/37; Fax: 01-6476843)

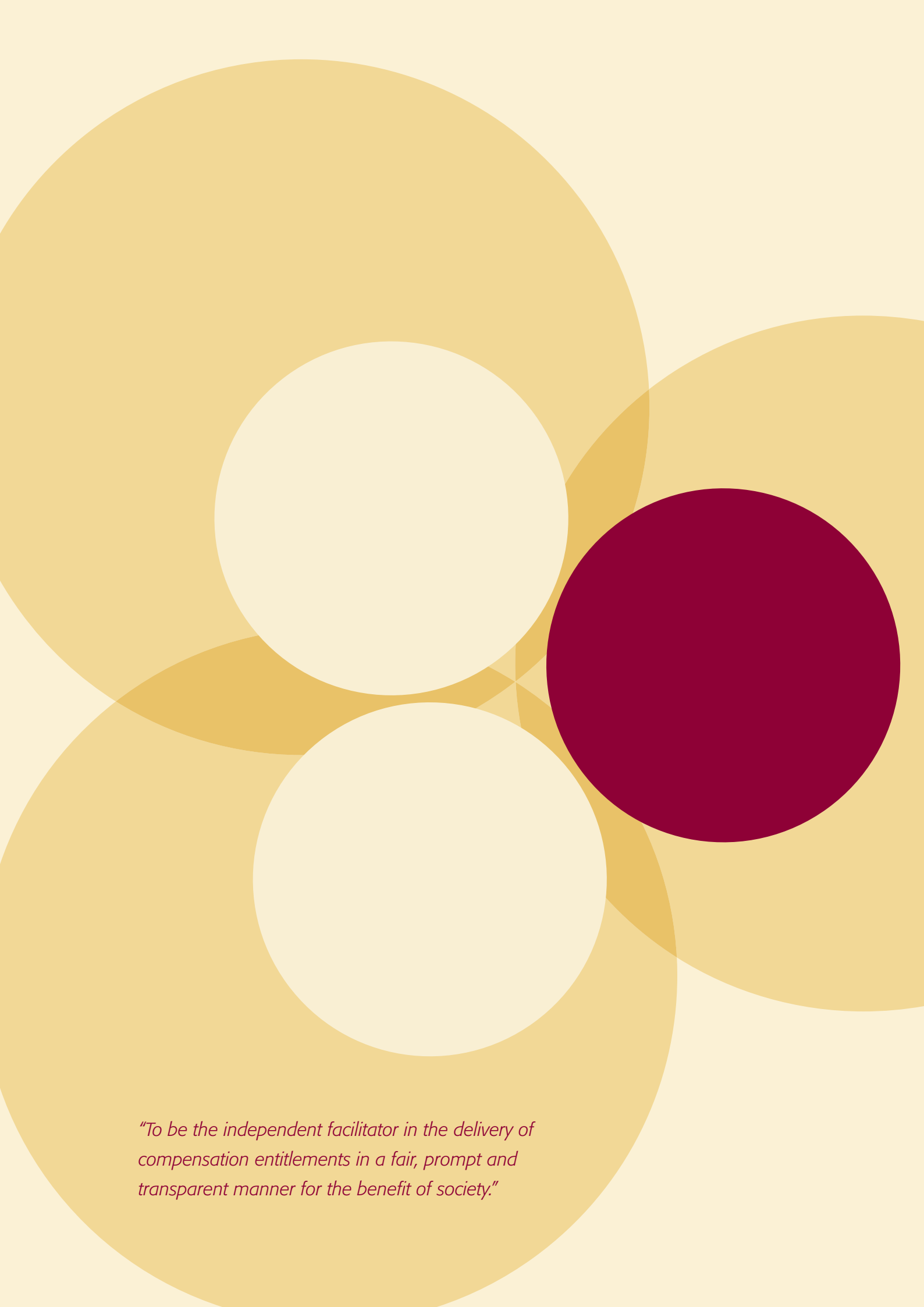
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DUBLIN
published by the Stationery Office
To be purchased directly from the
Government Publications Sales Office, Sun Alliance House, Molesworth Street, Dublin 2,
or by mail order from
Government Publications, Postal Trade Section,
51 Stephen's Green, Dublin 2.
(Tel: 01-6476834/35/36/37; Fax: 01-6476843)

€5.00

September, 2006

Pnn: A6/1511



"To be the independent facilitator in the delivery of compensation entitlements in a fair, prompt and transparent manner for the benefit of society."

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CHAIRPERSON'S FOREWORD

The 2005 financial outturn was marked by the tremendous commitment and effort which took place to further and secure the objectives of PIAB.

It is a considerable accolade to reach the goal which the Board set itself of being a financially breakeven business model in its operation of undertaking assessments of compensation entitlements for injured parties. To realise this ultimate objective in less than two years of operation is a historic achievement in the public sector or indeed elsewhere given the powerful obstacles we faced at the outset.

We are also extremely grateful to Minister Micheál Martin, and the Irish taxpayer, for providing the additional funding required to finance the costs of legal challenges mounted by a small number.

The international interest in the PIAB model has been encouraging both for the executive and for the governing Board. It seems that Ireland, once again, is the inspiration for how others might do things better. This is just one of the non-financial benefits of the new alternative. Even more satisfying is the growing evidence that those who are entitled to compensation are getting their money quicker without the stress of adversarial litigation and, in the broader context, without society paying the bill for avoidable costs that the old system often involved. That is not to deny the most important role of the Courts. It is solely the preserve of the judiciary to administer justice in cases which are defended. Such challenges still arise, either on the basis of liability for the accident or to attack the extent of damages alleged, especially with the new provisions on exaggerated claims under the Civil Liability and Courts Act 2004.

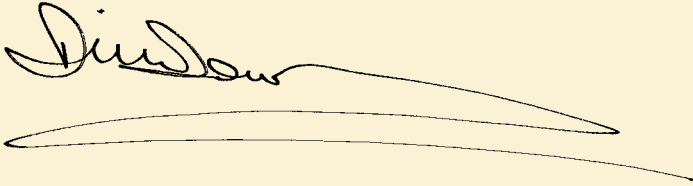
PIAB is but one part of the Government's Insurance Reform Programme but its success has extended beyond the role of the statutory assessors making awards on cases within its remit, as it is clear that a new culture has developed. Gone, or at least departing, are the days when potential defendants denied everything including the actual occurrence of an accident which even they themselves may have witnessed. This has been replaced with a more realistic, if only pragmatic, approach that there is little point in incurring substantial litigation costs on a case that a Judge is not likely to dismiss when the alternative now exists of an early resolution to the benefit of the injured party as well as the financial benefits to Respondents many of whom are now insured at a lower cost than in the last century. This can only be good for the health of the Irish economy especially with the new competitive challenges ahead in the expanded EU context, as well as globally.

As Chairperson I would like to thank my fellow Board Members for making all this possible, most especially the Vice Chairperson Senator Joe O'Toole who is one of the two nominees of the Irish Congress of Trade Unions. One of the many great advantages of having such a strong and vocal Board is that there is rarely an issue that arises externally that we have not already thrashed out to achieve a balance in the best interest of all concerned.

Lastly it is, frankly, a relief to members of the Governing Board that we do not have any role in the assessment of compensation in any individual case thanks to the professional role discharged by the statutory assessors under the legislation. However, that distance from the suffering of real people does not blind us to the fact that every statistic in the workload can be the end of normal life for not only the Claimant but for their nearest and dearest also. Aside from issues of legal liability and financial considerations, so many of those tragedies could be avoided with a little more care by all of us. At the end of the day, accident prevention and injury avoidance are in all our interests for reasons that are priceless. If there were no more accidents PIAB would gladly declare itself redundant.

Meanwhile we are committed to delivering the win-win solution that serves the only two interests that count, those of the victims of negligent accidents and those who accept they have a responsibility to pay reasonable compensation to those whom they have injured.

We look forward to the challenges ahead in building on our successes to date in the interests of those whom we serve, Claimants and Respondents who in turn are members of society at large, which benefits from the cost which can be avoided by availing of the service offered by PIAB.

A handwritten signature in black ink, appearing to read 'Dorothea Dowling', with a long, sweeping horizontal flourish extending to the right.

Dorothea Dowling
Chairperson

CHIEF EXECUTIVE'S INTRODUCTION

Following on from our establishment in 2004, 2005 was a key year for PIAB, claims volumes coming on stream and the first statutory awards being made at the end of March 2005. In addition the response to this new service has been rewarding for all involved in building this new organisation. PIAB is now delivering awards within a 9 month timeframe from consent and at a delivery cost of less than 10% of the compensation amount itself. In addition through the Service Centre, where there is open and transparent communication with those pursuing claims and those responding, a new redress culture is being fostered in Ireland.

PIAB has focused on facilitating early resolution of claims and this has been achieved by facilitating effective communication between the core parties, those injured and those liable to pay compensation. It is clear from our daily survey of customers that redress is best served by prompt investigation, required by the PIAB 90 day timeline, and a non adversarial system which focuses on compensating victims of personal injury accidents and those responsible. The lower volume of cases involving dispute over liability are released by PIAB for adjudication in the Courts.

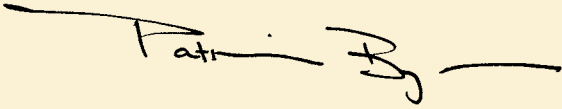
The impact of PIAB on society is most evident in our review of the Court Services data where 15,000 High Court Writs were issued in 2004 corresponding with 750 in 2005. The figures are more compelling in the Circuit Court where some 20,000 Civil Bills in respect of personal injury claims were issued in 2004 and approximately 3,000 in 2005. This is significant and permits the Courts to focus on the wide range of other cases which require Court time.

In relation to actual savings on the cost of delivering compensation, PIAB confirms an actual saving on litigation costs in 2005 of €4m. At the time of releasing this report, this figure had moved to €13.1m in July 2006 and projecting current volumes conservatively this figure will rise to over €20m at the close of 2006. This should also be considered in the context of PIAB being required to be self-funding, having being set up with a grant of €5m and a brief to tackle circa €450m in personal injury litigation costs. At the close of 2005 PIAB moved to be a self-funding organisation, the running cost of this agency now being solely funded by a flat fee of €900 levied on those liable to respond to a personal injury claim. This was an onerous brief for PIAB in addition to the core brief of reducing delivery timelines and delivery costs whilst ensuring, by tracking Court awards and negotiated settlements in Ireland, that personal injury Claimants continued to receive the same level of compensation under this new system.

This leads to another key result emerging from our review of 2005, where almost all Respondents have consistently accepted PIAB awards and two thirds of all Claimants have accepted PIAB awards. On reviewing claims where the PIAB award has not been accepted, the Court Services data shows that a low volume have subsequently entered the Court system and have settled in many instances at a later stage and at the same figure awarded by PIAB. In short, historical data has shown that short of 30,000 personal injury claims were pursued annually in Ireland and the vast majority of these cases were automatically entered into, on average, a 3 year timeline to ultimate resolution on the "steps of the court". These cases are either now being resolved between parties in up-front settlements due to PIAB facilitation of open and transparent communication between the parties or awarded through the full PIAB awards system. PIAB awards are made within a statutory timeline (nine months from consent to the process) and with a significantly lower delivery cost.

PIAB has achieved the results as detailed in the following pages through the excellence and professionalism of the staff and management team. We continue to invest our time and energy in the continuous professional development of the PIAB staff alongside strategic investment in the supporting infrastructure including leading technological solutions.

In conclusion I am pleased to present the PIAB Annual Report, which confirms our ongoing commitment to deliver upon our statutory remit. I extend my gratitude to the staff, management and Board of PIAB, who have all worked as a team. In particular I must single out the Executive Management: Helen Moran, Stephen Watkins and Maurice Priestley.

A handwritten signature in black ink, appearing to read 'Patricia Byron', with a long horizontal line extending to the right.

Patricia Byron
Chief Executive

BOARD MEMBERS & EXECUTIVE MANAGEMENT TEAM

Introduction

The Personal Injuries Assessment Board was established on 13 April 2004. The Board is chaired by Ms Dorothea Dowling and includes the Chief Executive Ms Patricia Byron. As provided for in the Personal Injuries Assessment Board Act 2003 the Board membership also includes:

- the Director of Consumer Affairs
- Consumer Director, The Financial Regulator
- two nominees from the Irish Congress of Trade Unions (ICTU)
- a nominee from the Irish Business & Employers Confederation (IBEC)
- a nominee from the Irish Insurance Federation (IIF)
- others with legal, medical and health and safety expertise

Full list of Board Members

Dorothea Dowling, non-executive Chairperson

Senator Joe O'Toole, Vice Chairperson and ICTU Nominee

Patricia Byron, Chief Executive

John Fay, ICTU Nominee

Tom Noonan, IBEC Nominee

Pat Healy, IIF Nominee

Carmel Foley, Director of Consumer Affairs*

Mary O'Dea, Consumer Director, The Financial Regulator

Frances Cooke, Revenue Solicitor

Frank Cunneen, Former Chairperson Health & Safety Authority

Professor Denis Cusack, Department of Forensic Medicine, University College Dublin

Stephen Watkins, Secretary

** John Shine replaced Carmel Foley as Director of Consumer Affairs and joined the Board on 11/04/2006*

Executive Management Team

Patricia Byron, Chief Executive

Helen Moran, Director of Business Support Services

Maurice Priestley, Director of Operations

Stephen Watkins, Director of Corporate Services

PIAB'S MISSION STATEMENT & CORE OBJECTIVES

During 2005 PIAB engaged in extensive consultations prior to producing its first Strategic Plan which will be published in 2006. The strategy identified for PIAB reflects both its environment and the complex array of challenges facing the organisation, in addition to the fact that it has only recently been established in terms of its business purpose and structure. This strategy evolved through a series of workshops with the executive and wider management teams, and builds on its legislative foundations and the purpose for which PIAB was established. The strategy also conveys both the solidity of its achievements to date and further evolution into the future.

PIAB's Mission Statement is **"To be the independent facilitator in the delivery of compensation entitlements in a fair, prompt and transparent manner for the benefit of society."** This statement reflects the key purpose and activity of this state organisation.

To deliver this Mission, PIAB has identified six strategic objectives, which the organisation will pursue over the period of the next five years. Supporting the attainment of these, in turn, a number of strategic initiatives will be implemented.

Objective 1	To assess fairly and accurately the amount of compensation entitlement in personal injury claims within the remit of PIAB in a timely manner.
Objective 2	To reduce administration costs associated with the assessment of personal injury claims within the remit of PIAB.
Objective 3	To promote a culture of innovation and excellence, fostering an efficient, flexible and cost-effective organisation with motivated and skilled staff.
Objective 4	To develop superior customer service by creating a transparent and accessible claims assessment process.
Objective 5	To increase awareness of PIAB and its benefits.
Objective 6	To contribute positively to the changing personal injury claims resolution environment in Ireland.

AT A GLANCE ... HOW PIAB WORKS

- 1 Claim notified by telephone LoCall 1890 829 121 Monday to Saturday (8am-8pm) or by post to P.O. Box 8, Clonakilty, Co. Cork.
- 2 PIAB assists with completion of applications over the phone.
- 3 Application and Medical Assessment Form submitted to PIAB.
- 4 PIAB sends notification to person held responsible (Respondent).
- 5 Respondent consents to PIAB Assessment.
- 6 Assessment made. Claimant and Respondent notified of amount of Award.
- 7 Both parties accept Award and PIAB issues an Order to Pay.

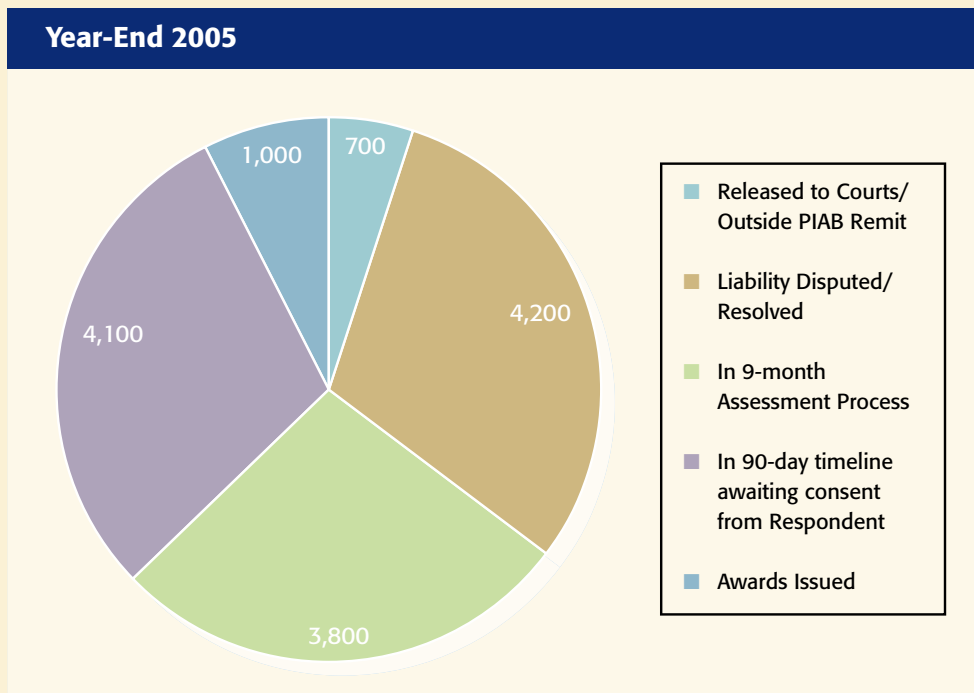
ACHIEVEMENTS 2005

Introduction

PIAB's core business objectives are essentially to assess the value of compensation due in personal injury claims, to reduce the cost of delivering compensation while maintaining the actual level of compensation and to assess claims within statutory timeframes that significantly reduce the delays previously experienced. This section of the report outlines PIAB's achievements in 2005 and provides statistical data in relation to claim volumes, claim profiles and performance measures such as numbers of claims resolved, timeframe to deliver awards and savings achieved.

Claim Volumes

By the end of 2005 PIAB had received notice of approximately 20,000 applications. An estimated 1 in 6 of these claims (c. 3,300) were resolved between the parties subsequent to initial interaction with the PIAB Service Centre. A further 2,900 claims were awaiting claim documents from the Claimant at year-end. A detailed breakdown of the remaining claims (13,800) activity at year-end is available below:



Total in PIAB process: 7,900

As per the chart above PIAB had assessed approximately 1,000 cases by year-end. A further 3,800 cases were in the assessment process. In these instances the Respondents had consented to PIAB assessing the case. PIAB has statutory timeframes within which to assess cases and during this timeframe relevant medical conditions and details of financial loss are established. This may necessitate waiting for medical conditions to stabilise, having an independent medical examination carried out and also waiting for full details of financial losses incurred.

As part of the PIAB process, when a claim is notified to PIAB, and all the particulars have been supplied, PIAB contacts the Respondent (i.e. the person being held responsible for the accident). The Respondent must decide within 90 days whether or not to consent to PIAB assessing the claim.

At year-end 4,200 cases had been released by PIAB either because both parties had settled the claim following interaction with the PIAB Service Centre or the case had been released promptly by PIAB as it involved a dispute and was more appropriate for the Courts.

At year-end, 4,100 cases awaited a response from the responding party within the 90 days and PIAB released a further 700 cases as they were deemed inappropriate for assessment, under Section 17 of the PIAB Act. PIAB has the discretion not to make an assessment for certain reasons (i.e. insufficient case-law available for assessment purposes, a prognosis had to be deferred, or where the injury is wholly psychological).

Volumes of claims received should be seen in the context of the PIAB Implementation Group's estimate of PIAB dealing with 27,000 cases per year, based on claims frequency prior to 2002. The lower level of cases actually seen in 2005 takes into account the "rush" of personal injury claims into Court in mid-2004. The 2004 Courts Service Annual Report described "a major increase" in the number of proceedings issued in advance of the new procedure. The High Court issued 7,074 plenary summonses in the five-day period preceding the introduction of the new procedure compared with 8,074 in the previous six months. In the Circuit Court offices, 30,482 civil bills were issued by the end of July 2004 compared to 41,181 for the entire of 2003.

Number of High Court Plenary Summonses issued – 2003-2005

2003	11,245	➔			
2004	15,293		1/1/04 – 16/7/04	17/7/04 – 22/7/04	23/7/04 – 31/12/04
2005	742		8,074	7,074	145

Number of Circuit Court Civil Bills issued – 2003-2005

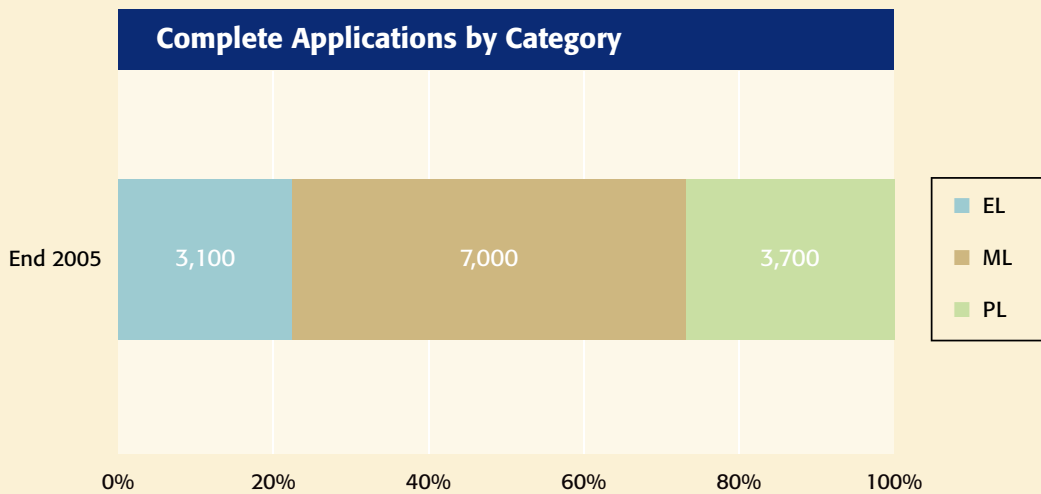
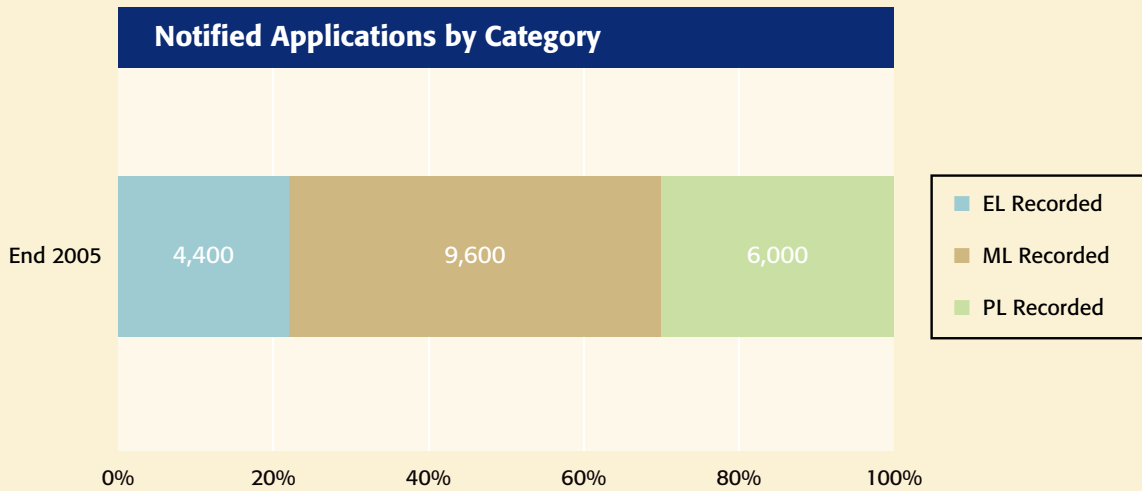
2003	41,181	➔		
2004	40,178		1/1/04 – 31/7/04	1/8/04 – 31/12/04
2005	22,692		30,482	9,696

* Information provided by Courts Service Annual Reports (2004 and 2005)

Essentially the acceleration of cases into litigation immediately prior to PIAB impacted upon claim volumes available to PIAB for resolution in 2005. It would appear that volumes had not levelled off by year-end, and initial estimates of claims for 2006 suggest a figure of claims notified to be more likely in the region of 24,000 to 26,000 cases per annum in the future. This, however, would be subject to review in light of the impact of risk management initiatives coming on stream i.e. Road and Workplace Safety initiatives.

Breakdown of notified claims by Category

Of the 20,000 claims notified to PIAB, the majority are Motor Liability (ML) claims. These claims amount to almost half of all claims received and the trends indicate that this segment of claims continues to increase, with Public Liability (PL), accidents occurring in a public place, and Employer Liability (EL), accidents at work, constituting the lower volumes.



Geographical Breakdown by location of accident.

County of Claimant	% of population broken down by county according to CSO *	% of claims per county	Difference
Carlow	1.17%	0.89%	-0.29%
Cavan	1.44%	1.93%	0.49%
Clare	2.64%	2.07%	-0.57%
Cork	11.43%	14.83%	3.39%
Donegal	3.51%	2.83%	-0.68%
Dublin	28.66%	27.48%	-1.18%
Galway	5.34%	3.74%	-1.59%
Kerry	3.38%	3.32%	-0.07%
Kildare	4.19%	4.07%	-0.11%
Kilkenny	2.05%	1.37%	-0.68%
Laois	1.50%	1.08%	-0.42%
Leitrim	0.66%	0.65%	-0.01%
Limerick	4.48%	7.35%	2.87%
Longford	0.79%	1.22%	0.42%
Louth	2.60%	3.62%	1.02%
Mayo	3.00%	1.67%	-1.33%
Meath	3.42%	3.78%	0.36%
Monaghan	1.34%	0.88%	-0.46%
Offaly	1.63%	1.49%	-0.13%
Roscommon	1.37%	1.02%	-0.36%
Sligo	1.49%	1.28%	-0.20%
Tipperary	3.58%	4.03%	0.45%
Waterford	2.59%	2.53%	-0.07%
Westmeath	1.83%	1.57%	-0.26%
Wexford	2.98%	2.34%	-0.64%
Wicklow	2.93%	2.97%	0.04%

E.g.: County Carlow comprises 1.17% of the population of Ireland. 0.89% of all claims within Ireland emanate from the County.

* CSO information based on Census 2002, Population of each Province, County and City, 2002.

An analysis of 2005 figures shows that personal injury claims are made throughout the country broadly in line with population levels. Dublin has the highest number of claims and Leitrim the least, with Limerick having the highest number of claims per head of population.

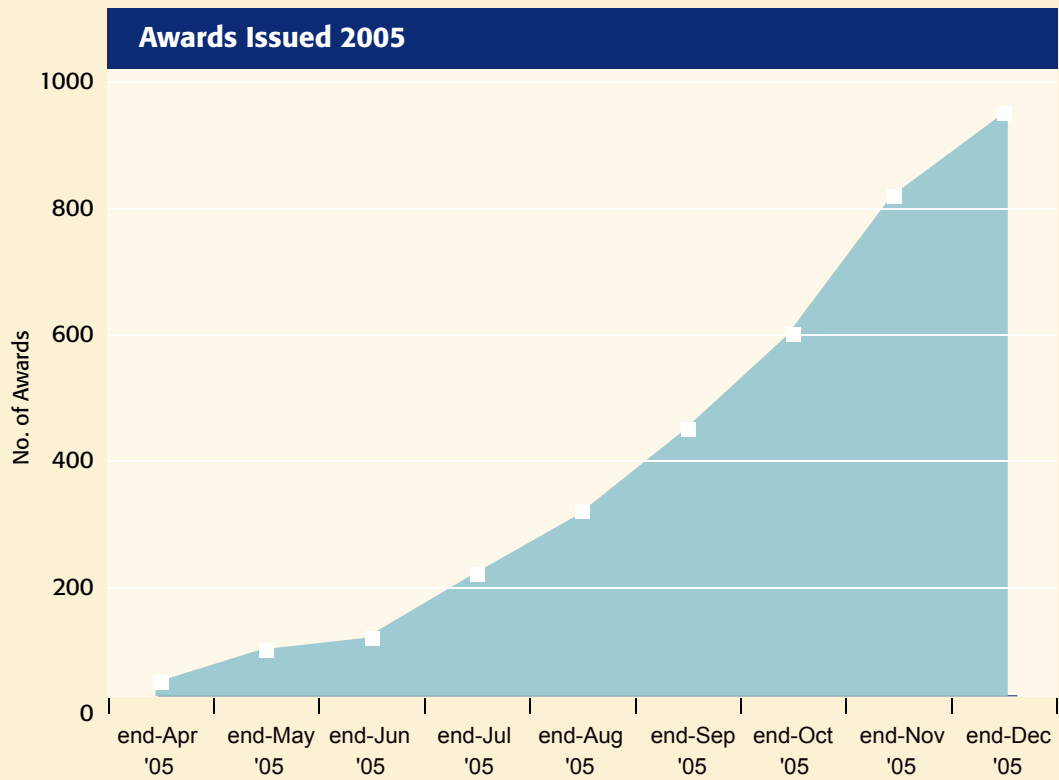
Bars = Counties with Highest Number of Claims 2005 (as % of total claims)

Bars = Counties with Lowest Number of Claims 2005 (as % of total claims)

Awards

PIAB's core function is to assess the value of compensation due to accident victims. Once relevant medical and other information in relation to financial loss is received, PIAB issues an Award to both the Claimant and the Responding party. The Claimant has 28 days to accept or reject the Award. The Respondent has 21 days to accept or reject the Award. If both parties accept the Award or if the Claimant accepts the Award and the Respondent fails to reply within the 21-day period, PIAB issues an Order to Pay directing the Respondent to pay the compensation to the Claimant. An Order to Pay holds the same status as a Court Decree.

As the first cases made their way through the new system, PIAB made its first Awards in March 2005. The table below shows the increasing number of Awards throughout 2005. In 2005, 951 Awards were made with a further 800 Awards made in Q1 2006. The projected year-end figure for 2006 is 4,500 Awards with 10,000 projected for 2007. This is in addition to claims being resolved through PIAB's Service Centre.



Analysis of Awards made

Awards Issued – December 2005: 951

At year-end the acceptance rate ranged from 67% for Motor Accident cases to 75% for Public Liability cases with an overall acceptance rate of 70%.

The majority of the rejections were made by Claimants rather than Respondents as set out below

Breakdown of Rejections:	Total 30%
Rejected by Claimant only	24%
Rejected by Respondent only	4%
Rejected by both	2%

As outlined earlier both parties must accept Awards in order to enable PIAB issue an Order to Pay (non-response from a Respondent is deemed to be an acceptance by default).

PIAB has commenced analysing the reasons for rejection of cases. At this stage it is too early to validly conclude why certain cases are rejected. There are some indications that certain rejected cases are subsequently settled at the same level and there is some evidence that some legal firms, representing Claimants, reject Awards at a much higher rate than the average rejection rate. In some instances we have also identified that these rejected cases are settled subsequently at a similar amount, although an additional amount had been sought from the Responding party. PIAB continues to analyse rejected cases and the level of awards being made by the Courts in order to ensure PIAB Awards reflect the current level of awards within the country.

Features of Awards

A PIAB award comprises amounts for:

- General Damages covering compensation for pain and suffering, and
- Special Damages covering:
 - Loss of Income
 - Medical bills
 - Out of pocket expenses and property damage, if applicable.

In some cases there may be future losses and/or expenses i.e. income, ongoing physiotherapy etc. PIAB awards reflect current levels of compensation payable in this country as required under the PIAB Act 2003.

Total Accepted Compensation in 2005 amounted to €11,268,936

Average compensation by category is set out below

- ML - €15,074
- EL - €25,908
- PL - €16,894

Note: The differing levels in average Awards are reflective of the differing nature of the injuries and/or losses sustained.

PIAB Accepted Awards categorised by levels

- 82% of accepted Awards are less than or equal to €20,000
- 94% of accepted Awards are in the Circuit Court range i.e. up to €38,000
- Lowest Award €1,350
- Highest Award €405,711
- 59% of Awards between €10k and €20k

PIAB Accepted Awards by value (2005)

Range €	%
< 10k	(23%)
10k – 20k	(59%)
20k – 30k	(9%)
30k – 38k	(3%)
38k – 100k	(5%)
100k – 1m	(1%)
Total	(100%)

The Courts Service Annual Report 2005 shows that 84% of the Personal Injury Court Awards were less than €38,000 (the Circuit Court Limit), this compares to 94% of PIAB Awards which are within the same range. These statistics reflect the historical pattern where the majority of Personal Injury claims were always of low to medium complexity and value.

Savings

The Motor Insurance Advisory Board (MIAB) reported that litigation overheads for 2003, when expressed as a percentage of compensation, were 46%. In 2004 nearly €1 billion was paid in compensation with an equivalent litigation overhead of circa €450 million i.e. 46% of €1 billion.

By contrast, to deliver the Accepted Compensation of €11,268,936, PIAB delivery costs amounted to a total of €853,195, comprising the Claimant’s flat fee of €50, the Respondent’s flat fee of €850*, €150 towards a medical report (which is not a new examination but a record of treatment administered by the treating doctor) and the balance payable for further independent reports (mainly medical, but also including actuarial, engineering reports etc. if required). The typical cost involved in a Personal Injury claim assessed by PIAB is on average €1,300 regardless of the level of compensation involved.

PIAB costs are significantly less than litigation costs. Referring to the findings of the MIAB’s Report the savings amount to the following:

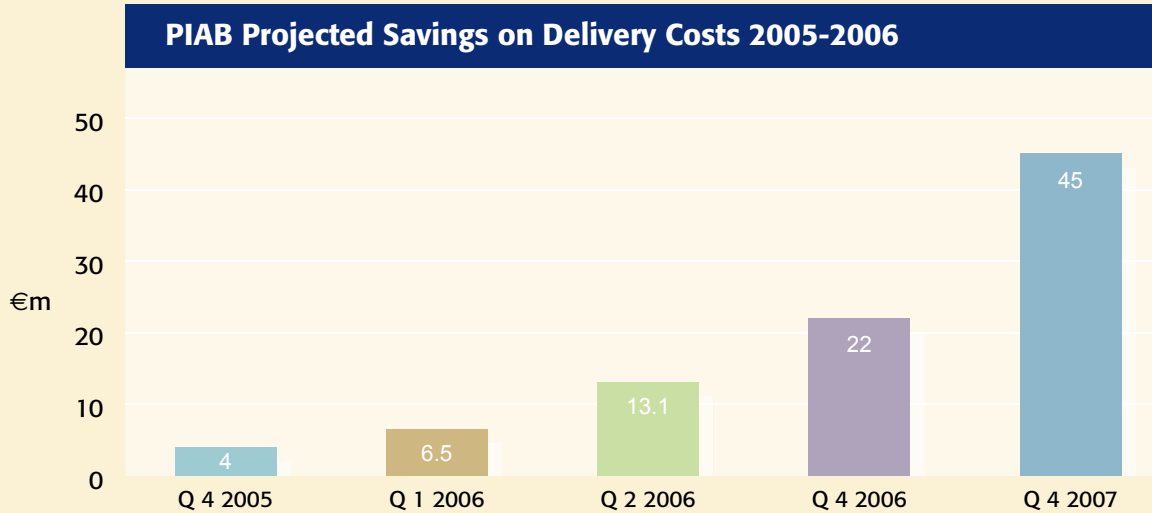
Amount of Compensation Accepted in 2005	€11,268,936
PIAB Delivery Costs for Accepted Awards in 2005	€853,195
Litigations Costs of Pre-PIAB Litigation System (46% overhead)	€5.18 million
Actual Savings (PIAB v Litigation System)	€4.32 million

This would indicate that by the end of 2005 there were actual savings achieved of over €4 million.

Note 1: In practical terms an award of €30,000 would cost approximately €1,300 through the PIAB system compared with a delivery cost of €14,000 approximately through litigation, a real saving of €12,700 in addition to a significantly shortened delivery timeframe.

*Note 2: * In June 2006 the Respondent’s Fee increased to €900.*

By the end of Q1 2006, with more Awards issued and accepted, the savings had increased to €6.5m, by mid-year to €13.1m, and the projected figure for year-end 2006 is over €20m.



Time to Assess

Prior to the introduction of PIAB it was established by the MIAB findings that personal injury cases took many years to conclude. The Second Report of the Special Working Group on Personal Injury Compensation (McAuley Report), 1999, highlighted the then existing delays in settling Personal Injury Claims. From date of accident to date of trial it took between 3 and 4 years on average.

Litigation timelines

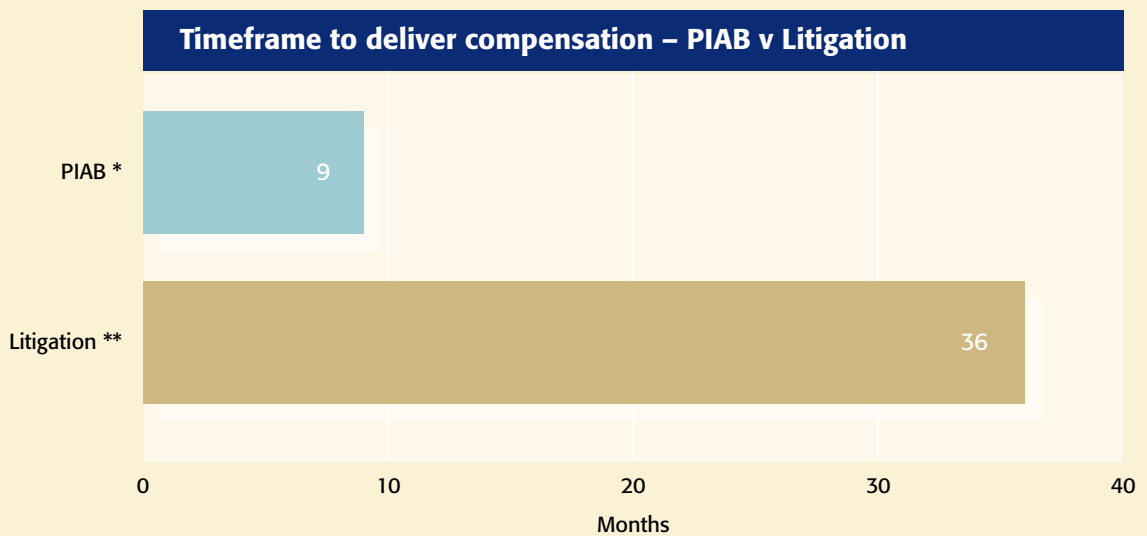
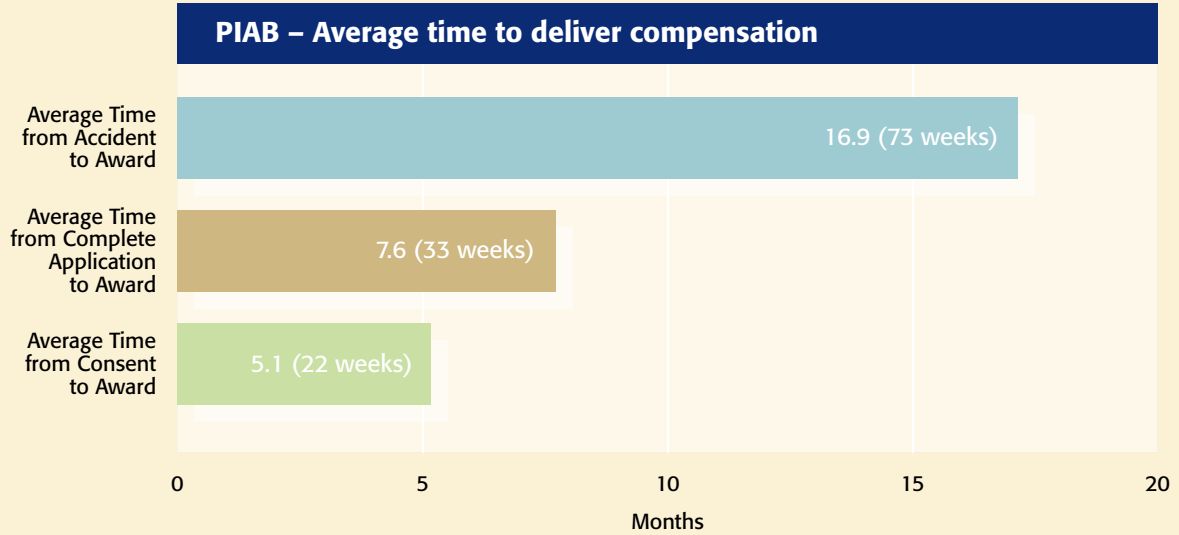
Average Duration	
From Accident to Trial	c. 3-4 years

Source: McAuley Report 1999 (p.119)

PIAB is obliged, statutorily, to assess claims within 9 months of a Respondent consenting to the PIAB process. There will be cases where a stable medical prognosis is not available within that timeframe and legislation allows for an extension in these cases. These cases are the exception and our experience has supported the MIAB findings that the vast majority of Personal Injury cases are of a low to medium complexity.

Cases which have completed the entire PIAB process have been finalised in about one third of the timeframe or three times faster than litigation resolution. Detailed timeframes for dealing with PIAB cases are set out on the following pages.

PIAB Timeline



* PIAB Awards are made within 9 Months

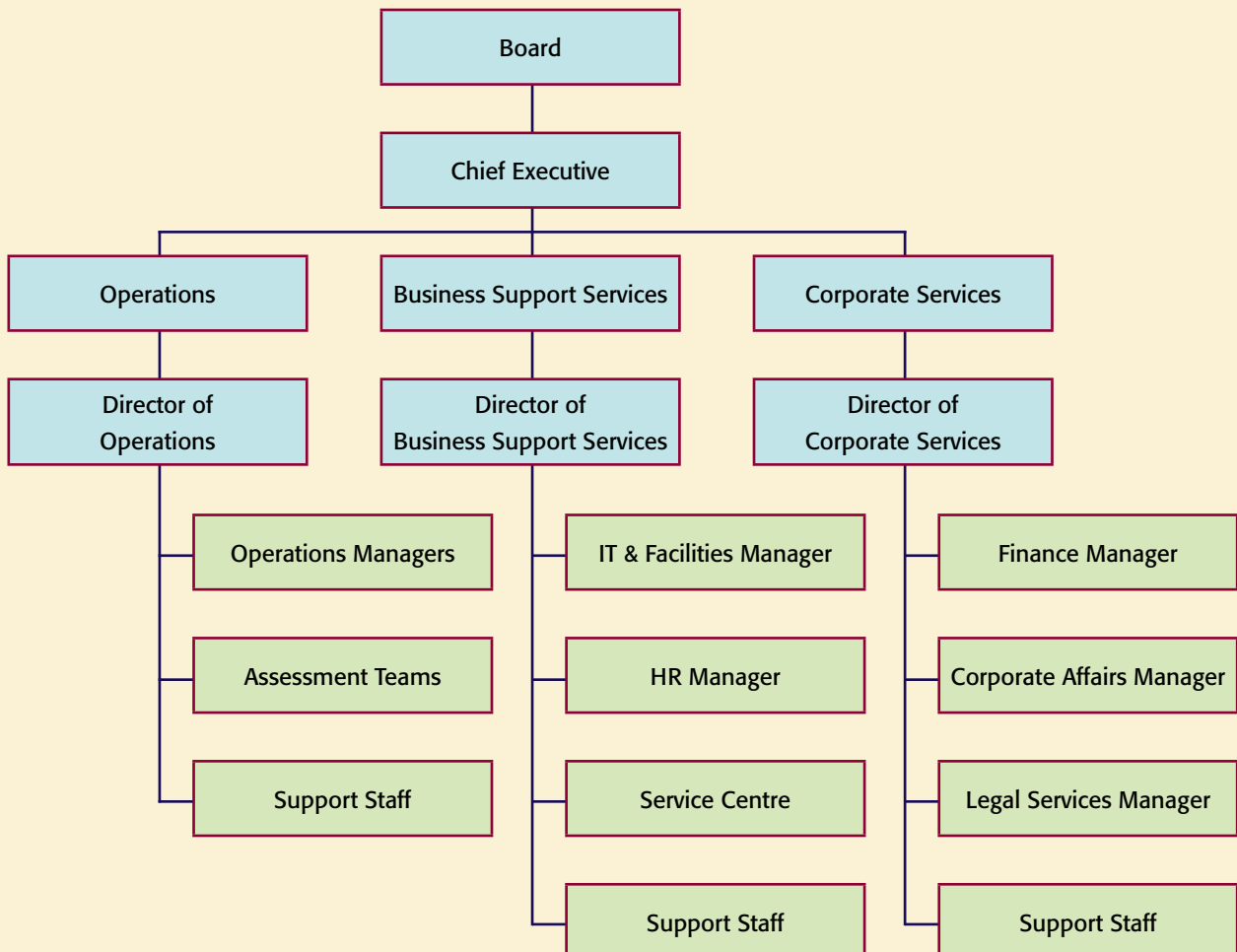
** Average Litigation timeframe 3-4 years – Source: McAuley Report 1999

ORGANISATIONAL STRUCTURE OF PIAB

PIAB has developed a flexible and efficient organisational structure which can react to changes in the internal and external environments. The organisational structure of PIAB is led by the Chief Executive and supported by an Executive Management team, a General Management team and a staff complement of 49 at end of 2005. Employees are based in PIAB offices in Tallaght, Dublin 24. In addition PIAB has an outsourced Service Centre, based in Clonakilty, Co. Cork, which deals with claims preparation, high volume activities and the operation of the PIAB Helpline.

The internal structure of PIAB is organised into three divisions namely: Business Support Services, Operations and Corporate Services. An organisation chart outlining the structure of PIAB operations is set out in the diagram below. A brief description of each division is provided thereafter. The Chief Executive reports directly to the Board and is a full Board Member.

PIAB Organisational Chart



Operations

The Operations division within PIAB manages the Assessment Centre, based in Tallaght. This is where the core business of conducting personal injury assessments is carried out. This division, led by the Director of Operations, consists of assessment teams, comprising assessors and their support staff.

PIAB is committed to continuously reviewing the quality of the service it provides to its key customers (Claimants and Responding parties) and the efficiency of how it operates. In line with this in 2005 PIAB reviewed and improved upon its service proposition. In addition an ongoing Quality Assurance programme is in place.

Business Support Services

Business Support Services has responsibility for the following areas:

- Service delivery including the Service Centre and in-house Service Centre Support team;
- HR Services including recruitment, selection, placement, training and development;
- IT and Facilities including provision and maintenance of infrastructure and key business systems;
- Independent Panels e.g. a panel of independent medical practitioners, a panel of actuaries and other experts who assist in the PIAB assessment process.

Service Delivery

In delivering a quality service, PIAB is committed to ensuring that customers are highly satisfied with the service they receive. From the outset, PIAB has recognised that in order to achieve its mission a strong focus on quality service is required. To deliver this focus, PIAB operates a Helpline LoCall 1890 829 121 six days a week from 8am to 8pm through its Service Centre.

Daily monitoring and quality assurance allows the Board to ensure that high standards for customer care are met, and improved on continuously. At present the satisfaction rates are running at over 90% with some very positive customer feedback e.g.

"I found the process to be very efficient. I was dealt with very quickly and understood all the information given. Opening hours are great"

"I found the whole process very helpful"

"The person I spoke to was very knowledgeable and helpful"

"The website was very good and had lots of information; Agent was very good at explaining the various options available to me"

Service levels for phone answering were maintained at above 95%, with in excess of 40,000 calls handled by the Service Centre in 2005.

Throughout 2005, PIAB received some very positive media coverage creating a positive awareness of PIAB with the public. Typical headlines during this period included:

Injuries Board Settling Claims Faster and Cheaper – Irish Times 14/09/2005

Injuries Board a resounding success story – Irish Examiner 14/09/2005

Injuries Board to Save €60m in legal costs – Irish Times 14/09/2005

IT and Facilities

PIAB is committed to ensuring that Information Communications Technology (ICT) is leveraged to ensure the maximum operational efficiency and effectiveness of the organisation. The Information Technology (IT) Unit in PIAB is responsible for developing, installing and maintaining the Systems and Technical Infrastructure necessary to support delivery of PIAB services.

As part of the start-up strategy, PIAB developed and implemented a robust, industry standard technical platform in conjunction with key applications to support the current and future business needs. Key systems critical for the successful delivery of the business were selected and implemented from various suppliers. These include a case management system (all documents are electronically stored), a financial system, email, office automation and the communications infrastructure to support the Service Centre. PIAB is currently re-designing its website (www.piab.ie) to ensure that all users continue to find the system informative and easy to navigate as well as providing accessibility options for all.

These systems facilitate the cost-effective processing and time-efficient delivery of PIAB's assessment service in addition to providing valuable information on the day-to-day performance of the organisation.

Other achievements for 2005 include

- 99.99% key systems availability to all PIAB users across all locations (Monday to Saturday 8am to 8pm)
- Website www.piab.ie achieved approximately 1m hits in 2005
- Intranet developed and deployed internally
- Additional support systems were deployed
- IT led and played a key role in several projects which spanned the business
- Technical Architecture deployed at the start-up has delivered and supported business i.e. no fundamental structural changes have been required
- Comprehensive Business Continuity Plan produced

The ICT strategy currently supports the existing business. As PIAB reviews its Business Strategy the ICT Strategy will be reviewed to ensure it is in line with the PIAB 2006-2010 Strategy and that it continues to deliver value to the organisation.

Human Resources

Staffing

PIAB held a number of national recruitment competitions for various positions in 2005. 17 new members of staff were appointed during 2005, increasing PIAB's permanent staff numbers to 49 by year-end. Staff will continue to be recruited on an incremental basis as work volumes increase. PIAB staff continue to be supported by the Service Centre.

Several staff were appointed to higher grades following a competition open to both internal and external candidates. This reflects the positive career development provided in PIAB in these early years and confirms the high calibre of its staff. An independent external expert was involved in recruitment programmes.

Training and Development Programme

Training in PIAB is crucial to organisational effectiveness. PIAB recognises that the organisation's performance is dependent on the competencies of staff being developed to the levels needed to:

- Perform effectively in their jobs;
- Enable them to realise their potential;
- Enjoy greater job satisfaction; and
- Advance their careers

A comprehensive Competency Framework covering Technical skills, Teamwork, Communication, Priority Management and Customer/Stakeholder focus was designed for all staff members in PIAB in 2005, this framework underpins PIAB's development plan and recruitment procedures in 2006.

In 2005 PIAB held training for all staff in core and technical competencies in addition to a management development programme employed directly by PIAB.

Payroll

At the end of 2005, PIAB moved the administration of salaries from Department of Enterprise, Trade & Employment to an outsourced provider employed directly by PIAB.

Work Life Balance

PIAB piloted flexible working arrangements in 2005 to address the holistic needs of staff members. Staff have benefited from being able to vary the start and finish times of their working day, allowing them to have greater control over their work life balance.

Health and Safety

PIAB continues to develop, review and train all staff on the necessary requirements under the Health and Safety Act 2005. PIAB launched a voluntary Health Check-Up scheme in December 2005 where staff were able to avail of a full health check-up.

Equality

PIAB is an equal opportunities employer and is committed to a policy of equal opportunities in the organisation.

Corporate Services

Corporate Services provides the necessary support to the entire business in areas such as:

- Legal Services;
- Corporate Affairs; and
- Finance Services

Legal Services

PIAB's legal services team provides the Board with a full support service in relation to legal issues, whether in the carrying out of its functions as laid down in the Personal Injuries Assessment Board Act 2003, or whether in relation to compliance with other aspects of the law. The team comprises a Legal Manager and a Legal Officer.

The primary purpose of the PIAB Act is to establish a Board charged with making assessments of compensation for personal injuries, without the need for legal proceedings to be brought where legal issues are not disputed by Respondents. The Board is obliged to make assessments on the same basis, and by reference to the same principles, as govern the measure of damages in the law of tort by the Courts. The Board is also charged with a number of statutory functions as outlined in Appendix 3 of this report.

Judicial Review – O'Brien vs PIAB

At the outset PIAB adopted a policy of corresponding directly with Claimants and of copying correspondence to Claimants' advisors. This policy was challenged in the High Court by way of Judicial Review by a Claimant who had authorised the Board to correspond directly with his legal advisors. This challenge was heard in December 2004 and Judgement against the Board was delivered in January 2005 in the High Court. It was found that the policy of corresponding directly with Claimants and copying legal advisors was without express warrant. This judgement is under Appeal to the Supreme Court. Since the Judgement, the Board has abided by the terms of the decision and it now corresponds directly with legal advisors when notified of their involvement in a claim. If an agent is employed by a Claimant, PIAB deals only with the agent. For Claimants not employing an agent, PIAB deals directly with the Claimant.

Corporate Affairs

This area includes the areas of Strategy, Research, Corporate Governance to which PIAB is strongly committed, Press and Media Relations, in addition to the management of a focused external information and awareness programme.

Communications

During 2005 PIAB embarked on an extensive communications campaign aimed at providing the general public with a basic awareness of PIAB and educating key stakeholders in relation to the process. This was achieved by adopting a multi-faceted approach including engagement with approximately 40 key stakeholders as part of our Strategy consultation process, attendance at various events/presentations throughout the year, provision of key information to Citizen Information Centres, libraries etc, publication of articles in relevant publications, Press and Media releases and interviews, and the use of our website (www.piab.ie) as a valuable source of information.

During 2005 PIAB engaged in extensive consultations prior to producing its first Strategic Plan which will be published in 2006. The strategy identified for PIAB reflects both its environment and the complex array of challenges facing the organisation, in addition to the fact that it has only recently been established in terms of its business purpose and structure. This strategy evolved through a series of workshops with the executive and wider management teams, in addition to building on its legislative foundations and the purpose for which PIAB was established. The strategy also conveys both the solidity of its achievements to date and the further evolution of these into the future.

Audit

PIAB's internal audit function is outsourced to a professional firm. During 2005 a 3-year Strategic Audit plan was prepared. As part of this plan, a comprehensive review of the effectiveness of the system of internal financial control was undertaken. The review established that PIAB has put in place a framework of processes and control procedures which will contribute to the reliability of financial information and the safeguarding of assets.

Corporate Governance

The Board operates to best practice Corporate Governance principles and in line with the guidelines set out in the Code of Practice for the Governance of State Bodies, as issued by the Department of Finance, both in its own activities and in its use of committees. In accordance with these guidelines Personal Injuries Assessment Board Members comply with a Code of Business Conduct for Board Members. Additionally the Personal Injuries Assessment Board was prescribed under the Ethics in Public Office Act 1995 and Standards in Public Offices Act 2001 from 01/01/2006. These Acts apply both to Board Members and senior staff of PIAB. PIAB is committed at all levels, both Board and Executive, to pursuing exemplary corporate behaviour.

Finance and Accounts

Introduction

PIAB was established on 13th April 2004. Operations commenced with Employer Liability cases in June followed by all Personal Injury cases in late July. PIAB received Exchequer funding to support its establishment in 2004. Details are available in the annual Government Estimates publications – Subhead S3 of Vote 34 of the Department of Enterprise, Trade and Employment. Department sanction for 2004 was €5m while sanction for 2005 was €2.5m reflecting the higher level of income being generated directly by the Board itself.

The funding of PIAB operations is met by levying fees on Claimants and Respondents (those who pay the compensation) and by running a flexible organisation whose income and expenditure are both directly linked to work volumes.

Fee income in 2005 grew steadily reflecting increased underlying claims activities in the year following the commencement of operations. Fee income amounted to €5.2m in 2005.

Provisional un-audited expenditure incurred for the twelve months to 31 December 2005 amounts to €7.4m of which €2.8m relates to salaries and related expenses and non-pay items of €4.6m.

PIAB's Finance team implements the regulatory financial framework to support the PIAB organisation.

Extract from the Financial Statements

Income & Expenditure Account for the Year Ended 31 December 2005

	12 months to 31.12.2005 €'000's	8.5 months to 31.12.2004 €'000's
Income		
State Grant	2,500	2,000
Transfer from/(to) Capital Account	334	(1,082)
Fee Income	5,229	137
Interest Receivable	14	3
Expenditure borne by Department of Enterprise, Trade and Employment on behalf of PIAB	-	2,438
	8,077	3,496
Expenditure		
Salaries, Pension and related expenses	2,759	1,132
Claims Processing costs	1,216	427
Accommodation and Establishment Costs	353	108
Board Members Fees & Expenses	83	41
Recruitment, Training & Education	46	85
Information, Research & Communication	195	157
Legal Costs and other Professional Fees	1,086	773
General Administration, IT & Telecommunication Costs	1,348	317
Depreciation	292	319
	7,378	3,359
Surplus of Income over Expenditure	699	137
Transfer to General Reserve	(250)	-
	449	137

The Board has no gains or losses in the year other than those dealt with in the Income and Expenditure Account.

Note – 2005 amounts are provisional and un-audited. Comparative amounts stated for 2004 are from the 2004 financial statements which have been audited by the Comptroller and Auditor General and represent transactions in the period from Establishment Day to 31 December 2004.

APPENDIX 1 - STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

Responsibility for System of Internal Financial Control

On behalf of the Personal Injuries Assessment Board (PIAB) I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

Such a system of internal financial control can provide only reasonable and not absolute assurance against material error. The system provides reasonable assurance that assets are safeguarded, transactions authorized and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

Key Control Procedures

The Personal Injuries Assessment Board has taken steps to ensure an appropriate control environment is in place by:

- clearly defining management responsibilities;
- establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action takes place;
- establishing an Audit Committee to advise the Board on discharging its responsibilities for the internal financial control system.

PIAB continues to develop and improve management processes to identify and evaluate business risks by:

- identifying the nature, extent and possible implication of risks facing the Board including the extent and categories which it regards as acceptable;
- assessing the likelihood of identified risks occurring;
- assessing the Board's ability to manage and mitigate the risks that do occur;
- assessing the costs of operating particular controls relative to benefit obtained.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation practices and accountability. In particular it includes:

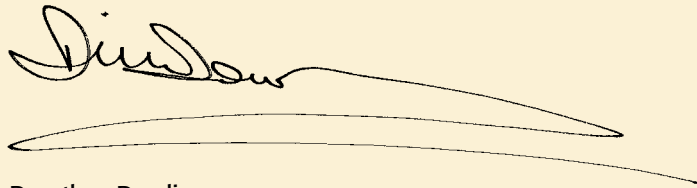
- a comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board via its Finance Committee;
- monthly cash-flow statements with analysis of major income and expenditure categories, which are reviewed by the Board's Finance Committee;
- the implementation of a financial accounting system - the Board has put in place a computer software system incorporating an accounting package to facilitate the internal financial controls.

The Board has appointed an Audit Committee and a firm of independent professional auditors to undertake its internal audit function. The internal audit function operates in accordance with the Code of Practice for the Governance of State Bodies. The work of internal audit is informed by an analysis of the risk to which PIAB is exposed. A Finance Committee has been established to review the annual financial statements, budgeting and to take an overview of financial procedures generally. The analysis of risk and the internal audit plans is approved by the Chief Executive and is subject to endorsement by the Finance Committee and Audit Committee and approval by the Board.

Annual Review of Controls

I confirm that for the year ended 31st December 2005, a formal and detailed review of the effectiveness of the system of internal financial control was undertaken. The Board carried out this review on 16th March 2006. The review established that PIAB has put in place a framework of processes and control procedures which will contribute to the reliability of financial information and the safeguarding of assets.

Signed on behalf of the Members of the Board

A handwritten signature in black ink, appearing to read 'Dorothea Dowling', is written over a horizontal line. Below the signature is a long, thin, horizontal line that tapers at both ends, resembling a stylized underline or a decorative flourish.

Dorothea Dowling

Chairperson

Personal Injuries Assessment Board

APPENDIX 2 – PRIMARY AND SECONDARY LEGISLATION GOVERNING THE BOARD

The following is a list of the primary legislation under which the Board acts. Two minor amendments to the principal act (the Act of 2003) were introduced by the Civil Liability and Courts Act 2004.

- Personal Injuries Assessment Board Act 2003
- Civil Liability and Courts Act 2004

The following is a list of the secondary legislation relating to the establishment and commencement of the functions of the Board and includes the Board’s Rules and the Fees Regulations.

- SI No 155 of 2004 Personal Injuries Assessment Board Act 2003 (Commencement) Order 2004
- SI No 156 of 2004 Personal Injuries Assessment Board Act 2003 (Establishment Day) Order 2004
- SI No 219 of 2004 Personal Injuries Assessment Board Rules 2004
- SI No 251 of 2004 Personal Injuries Assessment Board (Fees) Regulations 2004
- SI No 252 of 2004 Personal Injuries Assessment Board Act 2003 (Commencement) (No. 2) Order 2004
- SI No 438 of 2004 Personal Injuries Assessment Board Act 2003 (Commencement) (No. 3) Order 2004
- SI No 517 of 2004 Rules of The Superior Courts (Personal Injuries Assessment Board Act 2003), 2004
- SI No 542 of 2004 Circuit Court Rules (No. 1) (Personal Injuries Assessment Board Act, 2003), 2004
- SI No 526 of 2004 Personal Injuries Assessment Board Act 2003 Forms 46C.1, 46C.2 and 7.6
- SI No 264 of 2006 Personal Injuries Assessment Board (Fees) (Amendment) Regulations 2006

APPENDIX 3 – FUNCTIONS OF THE PERSONAL INJURIES ASSESSMENT BOARD

The Personal Injuries Assessment Board is obliged to make Assessments on the same basis, and by reference to the same principles, as govern the measure of damages in the law of tort by the Courts. The PIAB process is based on the provision of information, records, or other documents only and no oral hearings are conducted by the Board.

PIAB is also charged with the following statutory functions:

- to prepare and publish a document (which shall be known as the “Book of Quantum”) containing general guidelines as to the amounts that may be awarded or assessed in respect of specified types of injury,
- to cause a cost-benefit analysis to be made of the legal procedures and the associated processes (including those provided for by the Act) that are currently employed in the State for the purpose of awarding compensation for personal injuries,
- to collect and analyse data in relation to amounts awarded on foot of, or agreed in settlement of, civil actions to which the Act applies, and
- to perform any additional functions conferred on the Board under section 55 of the Act.

Personal Injuries Assessment Board – Your Claim – Your Call 1890 829 121

PO Box 8, Clonakilty, Co Cork
LoCall 1890 829 121
www.piab.ie

