

News Release

Personal Injuries Claims numbers down sharply

Reductions pre-date 50% drop in Compensation values since new Guidelines

Tuesday, 27 July 2021 – The Personal Injuries Assessment Board (PIAB) today publishes its **Annual Report 2020**. It shows PIAB dealt with **26,009** new personal injuries claims and awarded total compensation to accident victims of **over €206 million in 2020**.

The number of personal injuries claims made to PIAB fell by 16% last year, mainly driven by the pandemic. The number of claims has reduced by 22% over the past two years.

Highlights and developments:

- In 2020 Personal Injuries [PI] claims were **down 16% on 2019** and **down 22% versus 2018**
- PIAB Total Awards were **down €70m on 2019** figure and have **fallen €92m over 2 years** due to lower claims volumes
- These reductions in claims volumes should impact insurance costs significantly. These savings pre-date preliminary PIAB data showing a **50% fall in average PIAB awards following the introduction of the new Personal Injuries Guidelines earlier this year**
- Awards acceptance rates have fallen from **58% to 51%** since 2015 despite similar average awards.

PIAB Chief Executive Rosalind Carroll said: *“Claims costs are reducing significantly due to lower volumes and lower values and this new environment is ripe for premium reductions. Our claims data shows claims numbers are down sharply, while we also know Awards are already 50% lower in recent months, as new award guidelines take effect. All parties involved need to fully support the new guidelines, so that acceptance of PIAB awards and consenting to fully use the PIAB process increase.”*

“Despite significant progress on Awards Guidelines and insurance reform, low acceptance rates of awards and consent rates remain a problem. Though just 2% of claims ever make it through the Courts and though average awards by PIAB and through litigation are broadly similar, awards are being needlessly rejected resulting in huge legal costs and delays. The new personal injury Guidelines should ultimately improve acceptance rates but solicitors and insurers also have a key role to play by accepting awards that will not materially change in value through costly litigation.”

“It is important that we do not just concentrate on award values – to ensure a fair system for claimant, respondents, and society we need to ensure faster and cheaper ways to resolve claims. PIAB has proved it can do this, but we need to do more of this and the government commitment to enhance and reform our services is just as critical to insurance reform.”

Claims and Awards overview

2020 is the last full year in which the Book of Quantum was used as a guideline for determining compensation amounts. The report shows that the average PIAB award was €24,026 in 2020 compared to €23,861 in 2019, with over 56% of awards valued at under €20,000. As a result of the implementation of the new Personal Injuries Guidelines from April 2021, preliminary analysis shows average award values through PIAB have halved.

The reductions in claims numbers in 2020 were substantially due to lower levels of accidents resulting from far fewer people on Ireland's roads, attending workplaces or meeting together in public areas including hospitality, childcare, leisure or similar environments, due to Covid restrictions.

Motor liability (ML): ML claims continue to be the largest category of claims in Ireland. PIAB received **14,137** motor claims in 2020 and it issued **6,058** awards in relation to those claims. The average award in this category was **€22,357**. 85% of claims in this area related to soft tissue injuries, one of the areas where there has been significant decrease on values of awards under the new guidelines.

Employers Liability (EL): EL claims for workplace injuries are the smallest of the three liability categories. PIAB received **5,049** Employers Liability claims in 2020 and issued **1,103** awards in that category. The average award in this category was **€30,558**. Injuries in the workplace, can often involve more severe and life-changing injuries resulting in higher average awards.

Public Liability (PL): PL claims are those which arise where the claimant suffers an injury on a premises or in an area owned by another organisation or person, where the claimant believes that person or organisation is responsible. The number of Public Liability claims received by PIAB in 2020 was **6,823** and the number of awards made in that category was **1,426**. The average award in this category was **€26,065**.

COVID impact

Operationally, COVID resulted in the unavoidable cancellation and rescheduling of 6,000 medical examinations. Despite this the average time to assess a claim from the point of consent to award increased only marginally to 9 months.

Central Bank data

Central Bank of Ireland figures show that average award levels are very similar for cases resolved through PIAB and those resolved through litigation. The latest Central Bank report showed legal costs in the PIAB process were €1,000 while in litigation they were €21,000.

Dermot Divilly, Chairperson of PIAB commented: *“There has never been a period in which the major benefits and cost savings which the PIAB system brings have been needed more. As Ireland moves into a period of economic recovery, there is now, more than ever, a need for everyone to help us to fully crystallise the benefits of our service and to ensure it is not hampered or weakened.”*

Robert Troy, Minister of State at the Department of Enterprise, Trade and Employment with responsibility for PIAB added: *“Addressing the cost and availability of insurance is a priority for me and for the Government. The actions completed to date under the Action Plan for Insurance Reform are already having an effect with an average 50% reduction in awards arising from the Personal Injuries Guidelines.”*

“Even in light of Covid-19, thanks to the considerable efforts of its staff, PIAB continues to offer a cost-effective and efficient channel for the settlement of personal injuries claims across motor, public and employer liability.

“Strengthening and enhancing the role of PIAB is a key priority for me and I am currently considering legislative proposals to achieve this. I believe our proposals will deliver real reform to reduce the cost of litigation and ultimately, premiums.”

Ends

Appendices

Claims and Awards trends

Key Facts:	2016	2017	2018	2019	2020	Reduction 2019/'20		Reduction 2018/'20	
						No. / value	%	No. / value	%
No. of new Claims	34,056	33,114	33,371	31,072	26,009	-5,063	-16%	-7,362	-22%
No. of fatal accident claims	121	151	84	61	121	60	98%	37	44%
No. of Awards	12,966	12,663	12,112	11,527	8,587	-2,940	-26%	-3,525	-29%
Total value of Awards (€m)	€ 315.13	€ 315.04	€ 298.55	€ 275.04	€ 206.31	-€ 68.73	-25%	-€ 92.24	-31%

Composition of awards 2019/'20

	%	No. Awards		Reduction 2019/'20	
		2020	2019	No. / value	%
Motor Liability	70%	6058	8050	-1992	-25%
Employer Liability	13%	1103	1468	-365	-25%
Public Liability	17%	1426	2009	-583	-29%
Total	100%	8587	11,527	-2940	-26%

Value of awards in 2020

Average Value Category (€'s)	% of total awards in each value category	Motor Liability	Employers' Liability	Public Liability	Total
<20k	55.6%	3,675	438	664	4,777
20-38k	31.7%	1,849	396	480	2,725
38-100k	11.8%	485	253	274	1,012
>100k	0.9%	49	16	8	73
All		6,058	1,103	1,426	8,587

Accident statistics from PIAB Annual Report 2020

