

IMPROVING PROCEDURES AND PRACTICES

The Alliance for Insurance Reform brings together 20 civic and business organisations from across Ireland, representing almost 35,000 members with over 633,000 employees and 41,300 volunteers (see full list below).

The Alliance represents not-for-profit organisations, charities and small and medium- sized businesses, in highlighting the negative impact of persistently high insurance premiums on Irish society as a whole and is calling for real action to tackle the issue.

With regard to *procedures and practices* within the courts, our members have a serious issue with the lack of consistency in the awarding of general damages for personal injuries.

It was hoped when the Book of Quantum was first introduced that it would add some stability and predictability to the Irish insurance market. However the extent to which the courts choose to ignore the Book of Quantum when awarding general damages makes individual cases a lottery, makes policy holders and their insurers wary of pursuing legitimate cases through the courts and has the knock-on effect of forcing insurance companies to place unrealistically large reserves against individual claims, which ultimately leads to unrealistically increased premiums for policy holders. As a result, many of the smaller charities, voluntary groups and family businesses involved in our Alliance live in fear of their insurance renewal when a claim is made against them. This is not necessarily because of the fact that a claim has been made - they are a fact of life in a modern society - but because the level of damages is so unpredictable, even for simple, straightforward injuries, that the premium often rockets in anticipation of a worst case scenario in the courts.

Mindful of the legitimate rights of injured claimants, we respectfully suggest that it would be beneficial for society as a whole if the Courts fully adopted and implemented the Book of Quantum when assessing general damages.

ACHIEVING MORE EFFECTIVE AND LESS COSTLY OUTCOMES FOR COURT USERS

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With regard to *achieving more effective and less costly outcomes for court users*, we note that the Personal Injuries Assessment Board was established as method of doing just that. It achieves a delivery cost of 6.4% (Ref: PIAB Annual Report 2016). This compares to a delivery cost through the courts of 40% (Ref: Cost of Insurance Working Group). Despite this, the percentage declining PIAB offers in non-disputed cases and proceeding to the courts, with all the costs that entails, is up from 36% in 2008 to 45% in 2016.

As things stand, the high costs associated with pursuing a claim through the Courts (instead of PIAB) make it dangerous for small charities, voluntary groups and businesses to seek

justice on personal injury claims because it is they who have to shoulder the cost of cases, not their insurance company.

Our members collective experience is that this is because claimant solicitors regularly suggest that their clients will 'get more' if they reject the PIAB offer and take their case to the courts. As we suggested in our submission regarding court procedures and practices, while we are very mindful of the legitimate rights of injured claimants, we respectfully suggest that it would be beneficial for society as a whole if the Courts fully adopted and implemented the Book of Quantum when assessing general damages. This would eliminate the 'lottery' element in dealing with claims for similar injuries which attract hugely varying awards and eliminate the necessity to bypass PIAB except where there are genuine legal concerns.

This text was also submitted under the ACHIEVING MORE EFFECTIVE AND LESS COSTLY OUTCOMES FOR COURT USERS heading.

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With regard to *c) Encouraging alternative methods of dispute resolution*, we note that the Personal Injuries Assessment Board was established as method of doing just that. It achieves a delivery cost of 6.4% (Ref: PIAB Annual Report 2016). This compares to a delivery cost through the courts of 40% (Ref: Cost of Insurance Working Group). Despite this, the percentage declining PIAB offers in non-disputed cases and proceeding to the courts, with all the costs that entails, is up from 36% in 2008 to 45% in 2016.

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