

Personal injuries board to save €60m legal costs

Awards made by PIAB are three times quicker than through courts

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More than €60 million will be saved in litigation costs on the first 15,000 claims processed by the Personal Injuries Assessment Board (PIAB), according to its chief executive Patricia Byron.

Ms Byron was speaking at the publication of PIAB's first annual report yesterday. She said that in 2004 it had met all its targets, including setting up the organisation, recruiting management and staff, publishing a Book of Quantum and opening its doors to new claimants. This began in July last year.

The PIAB was set up by the Government to process claims for personal injuries where the question of liability is not contested by the respondent. Where it is contested, the case must go to court. However, the claim first goes to the PIAB, from where it is released to the courts.

The awards made by the PIAB

are based on court awards, and the range of awards for specific injuries are published in the Book of Quantum. Claimants fill in a form and submit it to the board with a medical report. The PIAB charges the respondent for processing the claim.

Three out of every four claimants were happy with the awards made, she said. The total amount awarded so far was just €2.7 million, but this was expected to rise substantially as more claims were processed.

So far, 13,000 claims have been received, the majority of them in 2005. Of these 5,000 have either been settled upfront between the parties, or claim papers are now being submitted by the claimant. She said that about 2,000 claims were settled between the parties without the involvement of the PIAB.

Ms Byron said the cost of making the €2.7 million in awards was €185,000, less than 10 per cent of the amount being assessed. According to the report of the Motor Insurance Advisory Board two years ago, litigation costs ran at 46 per cent of the cost

of awards. Therefore awards were being made by PIAB at a quarter of the cost. They were also being made within nine months, she said, which was three times quicker than through the courts. She said she expected the PIAB to be self-financing by the end of the year.

Projecting future savings from these figures, Ms Byron said that 15,000 awards were expected to result in a cost to respondents of €169.2 million. If PIAB continued to cost 10 per cent of the value of

the award, this would amount to €16.9 million, compared to a projected €77.8 million if all of these claims were litigated, a saving of more than €60 million.

She pointed out that in 2004, the last year before all claims had to go first to PIAB, 15,293 cases were lodged in the High Court. Figures are not yet available for the number lodged in the Circuit Court, but these normally run at about twice those lodged in the High Court.

Asked if any respondents had rejected the level of award, she said she knew of only one, and this was a company based outside the country.

Asked what was happening to the promised reduction in insurance costs, the chairwoman of the PIAB, Dorothea Dowling, said this was not the responsibility of the board.

However, the statistics showed there had been a reduction so far in insurance premiums of 24 per cent.

She said that initially about half of all claimants were represented by solicitors. Following a High Court judgment that the PIAB could not refuse to deal with a claimant through his or her solicitor, this had risen to 75 per cent. She pointed out that solicitors could not claim their costs from the PIAB, and that it was illegal for them to claim a percentage of the award.

Asked whether the PIAB would be dealing with claims for stress or bullying, she said the courts had not yet set compensation levels that could form the basis for PIAB awards.