

# New law to lower number of refused compo awards

by **Seán McCárthaigh**

THE number of compensation awards refused by claimants against the Personal Injuries Assessment Board (PIAB) is expected to drop significantly following the introduction of new legislation, it was predicted yesterday.

PIAB chief executive Patricia Byron expressed confidence that the passing of the Personal Injuries Assessment (Amendment) Act last month would further help to push down legal costs associated with claims for personal injuries.

Almost 40% of more than 5,500 awards made by the PIAB last year were rejected by claimants. However, Ms Byron said new laws should close off a number of loopholes that were capable of being used to add legal costs to compensation levels.

The PIAB, which was established in 2004 to reduce legal costs associated with uncontested personal injuries claims, has regularly expressed concern that solicitors are advising clients to reject its awards in order to seek legal costs in the courts.

However, the new legislation provides that a claimant who rejects a PIAB award is not entitled to legal costs if they take a subsequent court action and fail to obtain a higher sum than offered by the PIAB.

Ms Byron said the change in law should increase the levels of PIAB awards that are accepted by parties.

"Most claims are rejected solely for the purpose of obtaining [legal] costs," she explained. However, the PIAB stressed that its award levels are similar to those made by the courts.

Insurance companies are no longer "over a barrel" where they prefer to settle for a sum over the PIAB award rather than risk going to court, said Ms Byron.

The organisation has voiced concern that some solicitors charge their clients fees of up to €500 for lodging a claim with the PIAB, even though there is a standard fee of just €50 per claim. "We're aware of cases where solicitors have charged up to €1,500 for processing a claim through PIAB," said Ms Byron.

She pointed out that the new legislation, which was opposed by Fine Gael and the Law Society, meant the courts would no longer award legal costs for processing a claim through the PIAB.

Ms Byron also expressed surprise to learn that some solicitors had not even informed their clients that they were processing their claim through the PIAB.

"During research to find out about the PIAB's level of services, we discovered that some claimants were unaware they their award had been assessed by the PIAB," she said.

Commenting on the legal profession's opposition to law reform, Ms Byron accused the Law Society of acting "more like a lobby group than a professional body".