



Personal Injury Claims

Where Next?

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The Insurance
Institute of
Leeds

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Agenda

- Background and Development of the Injury Claims Market
- Civil Liability Act 2018
- Other Topical Influences
- Effects, Opportunities and Communication
- Comments & Questions

Background & Development

- Pre-1988
- Legal Aid Act 1988
- Access to Justice Act 1999
- LASPO Act 2012
- Civil Liability Act 2018

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Approximate valuations for a 3-6 month whiplash claim

STATUTE	DAMAGES	LAWYERS' FEES
PRE-1988	0	0
LEGAL AID ACT 1988	£1500	HOURLY RATE
ACCESS TO JUSTICE ACT 1999	£2000	VARIABLE >£1200
LASPO ACT 2012	£2250 gross	£500
CIVIL LIABILITY ACT 2018	£450	£0

Civil Liability Act 2018

Objectives:



Minimise fraud



Minimise
'spurious' claims



Speed up the
claim process



Reduce legal
costs



Eliminate fear of
being sued



Reduce
premiums

CLA 2018 - Provisions

- Increase Small Claims Limit
- Definition of 'Whiplash'
- Introduce Tariff of Damages
- Ban on pre-medical offers
- New portal for Litigants in Person
- Effective From April 2021

New Portal Website

www.officialinjuryclaim.org.uk

Preparing for launch

Official Injury Claim is preparing for launch. From April 2021, individuals injured in a road traffic accident will be able to use this free service to claim compensation without legal help.

[Find out more](#)




Claimant representatives
Organisations that act on behalf of claimants can now register



Compensators
Compensator organisations can now register

[Find out more](#)



Other claims professionals
Find out more about how and when to access this service

[Find out more](#)

Other Topical Influences

Ogden Discount Rate

Claims Inflation

Climate Change

COVID-19

Ogden Effect

- Female aged 20
- Annual Costs, e.g. Physio £2,000
- Payable for Life

- Pre-August 2019 (-0.75%) £189,980
- Post-August 2019 (-0.25%) £155,880
- Assumed rate (+0.50%) £118,820

Insurer reserves impact post-Ogden August 2019

INSURER	ESTIMATED IMPACT
Admiral	-£50-60m
QBE	-£51.1m
Direct Line	-£15.9m
RSA	-£15m
LV	-£13m
Allianz	-£11m
Hastings	-£8.4m
Zurich	'No material adverse effect'
Ageas	'Undisclosed release of reserves'
Sabre	+£300,000

Other Topical Influences

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Effects - Insurers

Ogden Effect

CLA Savings

Report to
MOJ by
October 2023

LEI Sales
Opportunities

Effects - Brokers



CLIENT
COMMUNICATION



STAFF AWARENESS
& TRAINING



LEI SALES
OPPORTUNITIES

Effects - Law Firms



Many exiting PI
market



Job losses



Alternative markets



Claims Management
Companies

Effects – Commercial Clients

- CLA - Initial Reactions
- Manage Expectations
- Commercial Liability
- Communications
 - Newsletters
 - Seminars
 - Local media
 - Social media

Effects - Claimants



SHOCK/DISSATISFACTION



PORTAL



CHILDREN & VULNERABLE
PARTIES



CLIENTS CAN BE
CLAIMANTS TOO

Effects - Insuring public

Premiums???

Access to
Justice

Public
Reaction?

Predictions – Short term

- Injury claims plummet:-
 - Volume
 - Damages
 - Legal Fees
- Mitigated by Ogden effect
- One-off boost from COVID-19
- Unhappy would-be claimants
- Bewildered clients

Predictions – Long term

- Injury claim costs minimised (CLA)
- Shifting Motor market (electric, driverless vehicles, repair costs)
- Declining Motor market (climate change, COVID-19)
- Reduction in employment level
- Opportunities for agile players

Positives

CLA Savings

Covid-19

LEI Sales



Negatives

Ogden

Claims Inflation

Competition

Neutral

Traffic volumes

Driverless Cars

A Balancing Act for Insurers



Comments & Questions