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In July 2008, as part of a new brand identity project, the working name of the Board was changed from the Personal Injuries Assessment Board or PIAB to InjuriesBoard.ie. As a consequence, throughout this Report the organisation is referred to as InjuriesBoard.ie or the Injuries Board.

[InjuriesBoard.ie](http://InjuriesBoard.ie)

**Annual Report of the Personal Injuries Assessment Board 2012**

September 2013

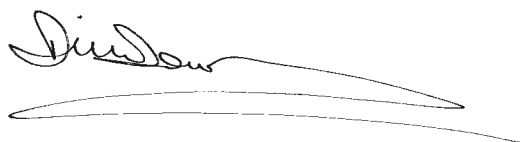
The Personal Injuries Assessment Board

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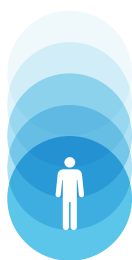
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# Chairperson's Foreword

Minister, we present herewith our Annual Report for 2012.



**Dorothea Dowling**  
*Chairperson*



## Chief Executive's Introduction

2012 has proven to be yet another busy year for the Injuries Board as the dynamics of Ireland's personal injury landscape continued to shift. Claims volumes were up 7% on 2011, due in large part to a 6.7% increase in the number of applications for compensation related to lower value motor accidents.

Taking the five-year period since 2007, we have witnessed a cumulative 25% increase in underlying claims volumes, with 2012 marking a notable shift from the low single digit increases of earlier years. This, in our view, reflects a combination of increased promotion of claims by claims farmers and other intermediaries, as well as greater focus on lower value claims in a still challenged economy.

Against this backdrop the Board has remained competitive despite reduced staffing. This has been achieved by implementing operational enhancements to our claims processing service, enabling the Board to continue

to meet our obligations and maintain our service delivery standards to both claimants and respondents alike.

Our mission is to process personal injury claims for public place, work place and road accidents in an efficient, fair and transparent manner. Our roots stem from a Government insurance reform agenda, almost ten years ago, to tackle the lengthy and costly litigation-based model for processing personal injury claims. Notwithstanding the many broader benefits of the Board's non-adversarial model I am pleased that one key output has been a 40% reduction in insurance premium costs, adjusting for inflation, over the past ten years.

2012 played a key part, as per the detail in this report, in this result, and of course has been powered by excellence in public service delivery, exemplified by a committed and skilled workforce, despite the resourcing challenges presented.

## Chief Executive's Introduction (continued)

The 2012 delivery highlights include:

- ▶ Development of a new website with upgraded accessibility for direct customers making online applications;
- ▶ Processed nearly 30,000 applications, many of which (about one in three) were facilitated for direct resolution through early engagement between claimants and responding parties, and just over 10,000 requiring formal assessment leading to statutory awards;
- ▶ Awards delivered within 7.2 months compared to three years through litigation;
- ▶ Cost of delivering service as a percentage of compensation awards came in at 8.7% for the year, a fraction (one seventh) of the comparable litigation costs;
- ▶ Achieving a 42% fee reduction for respondents in the two-year period to end of December 2012;
- ▶ Contribution to public sector reform agenda through Croke Park returns.

The year has not been without its challenges. The increase in the overall volume of claims in 2012 coincides with a number of broader external trends in the personal injury arena, including a significant increase in promotion and advertising activity by claims handling intermediaries.

Returning to the premise of our founding legislation ten years ago, we are as committed today as we were then to ensuring that personal injury compensation is delivered in a fair and prompt manner, within a statutory timeframe, but without the need for litigation and the associated costs.

At a strategic level, our agenda is clear. First and foremost, anyone suffering a personal injury as a result of the actions or inaction of another party is entitled to fair and prompt compensation. However, businesses and consumers in Ireland cannot afford to foot the bill for insurance

premia increases driven by an unnecessary layer of costs associated with the vast array of intermediaries seeking to eke out fees from a patently non-adversarial model where such services have no impact on underlying award values. The need to remain competitive is ever present and we are committed to continuing to play our part in safeguarding the consumer-focused and self-funding nature of our model and the savings it delivers.

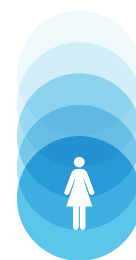
We move into 2013 in a strong operational position, targeting the upgrading of our ICT infrastructure as a follow on from the development of our user friendly website and online claims processing offering in 2012.

In the context of increases in claims volumes and an ongoing focus on doing more with less, I must acknowledge the contribution of our staff and management. Their professionalism and commitment to improvement and innovation has ensured we delivered increased outputs at a time when we have lower staffing levels and higher applications.

I would like to finish by thanking our governing Board and Chairperson, Dorothea Dowling, who continue to actively drive policy and ensure that we always strive for excellence in the public sector whether that is sustaining our self-funding structure or indeed defending our founding legislation from vested interests as and when required.



**Patricia Byron**  
*Chief Executive*



# Overview

## Mission Statement

The mission statement of InjuriesBoard.ie is “to facilitate the delivery of compensation in a fair, prompt and transparent manner for the benefit of society overall”.

In delivering on our mission and mandate InjuriesBoard.ie:

- ▶ Managed 29,603 Personal Injury claims, made 10,136 formal Awards and facilitated the resolution of circa 10,000 Awards;
- ▶ Achieved an average claims processing timeframe of 7.2 months – within the statutory nine-month timeline;
- ▶ Awarded total compensation for accident victims of €217.94 million at an administration cost of 8.7% of the actual compensation amount, a significant reduction on the 46% administration cost prior to the establishment of the Board.

# Core Strategic Objectives

The five core strategic objectives of InjuriesBoard.ie as set out in its current strategic plan are:

## **Objective 1**

To assess fairly and accurately the amount of compensation entitlement in personal injury claims within the remit of InjuriesBoard.ie in a timely manner.

## **Objective 2**

To promote the lowest possible administration costs associated with the resolution of personal injury claims.

## **Objective 3**

To promote a culture of innovation and excellence, fostering an efficient, flexible organisation with motivated and skilled staff and maximising the positive impact of technology.

## **Objective 4**

To promote and advance a superior customer service, focussed on making information about our services accessible to all, supported by a transparent and accessible claims assessment process and a cost-effective organisation.

## **Objective 5**

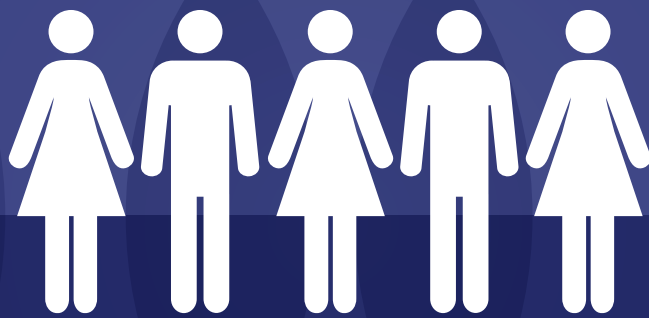
To continue to contribute positively to the changing personal injury claims resolution environment in Ireland through greater use of the Board's non-adversarial model.

During 2012, InjuriesBoard.ie continued to work towards the attainment of these Objectives. Sections 1 to 4 of this report set out in detail the initiatives and actions undertaken during the year.

# Section 1

Assessing compensation entitlements in a fair, accurate and timely manner.





# Section 1

## Assessing compensation entitlements in a fair, accurate and timely manner.



### Section 1

#### Awards

The Injuries Board assesses applications (claims) for compensation arising from Personal Injuries sustained as a result of a motor, workplace or public liability accident that was not their fault. In circumstances where, following submission of a claim, the Respondent (the party against whom the claim is made) consents to an assessment being made by the Injuries Board, that assessment is completed within a nine month period. Where a valid claim exists and both parties accept the award the matter is resolved without recourse to litigation, resulting in awards on par with the Courts but with a far lower administration cost arising. In 2012, the Board made 10,136 awards to the value of €217.94 million.

An Award is the value of compensation payable to an individual in respect of a Personal Injury caused through the fault of another. It includes General Damages for pain and suffering caused by the injury and Special Damages for financial loss both to date and into the future e.g. loss of wages, cost of medical care etc. Awards data in this Report relate to the total value of an Award and do not differentiate between General and Special Damages.

General Damages are assessed using The Book of Quantum, a guide to compensation levels in Ireland (available at [www.injuriesboard.ie](http://www.injuriesboard.ie)) to which the Courts are also required to have regard under The Civil Liability & Courts Act 2004. This ensures that where some cases are released by the Board to the Courts, the same level of awards for similar injuries continues to apply, whilst other matters, such as liability disputes, are addressed in Court. As anticipated,

such disputes arise in approximately one-third of Personal Injury cases. The Board's non-adversarial model has succeeded in removing two-thirds of Personal Injury cases from unnecessary litigation thereby saving the associated costs and reducing the time injured parties wait for their compensation in cases where there is no need for a full oral hearing.

#### Awards Volumes and Values

Set up in 2004, the Board made its first Awards in 2005. Table 1.1 sets out the number and value of Awards made each year since 2006.

**Table 1.1 Awards Volumes and Values by Year**

	No. of Awards	Value of Awards
2012	10,136	€217.94m
2011	9,833	€209.83m
2010	8,380	€186.63m
2009	8,643	€200.22m
2008	8,845	€217.16m
2007	8,208	€181.04m
2006	5,573	€115.28m
<b>Total</b>	<b>59,618</b>	<b>€1,328.10m</b>

#### Awards by Claim Category

In 2012, 75% of all awards were in respect of Motor cases, while 8% related to Employer's Liability and 17% related to Public Liability.

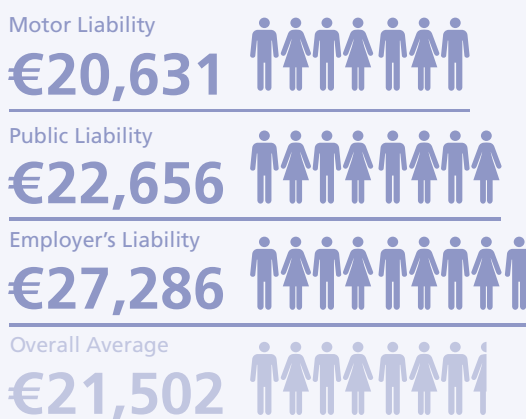
During 2012, and in line with earlier years, awards in the Employer's Liability category were highest at €27,286 reflecting the often more serious and complex nature of the injuries in such accidents



**Figure 1.1** Breakdown of 2012 Awards by Category



**Figure 1.2** Value of Average Awards by Category in 2012



Section  
1

### Value of Awards by Category

Figure 1.2 shows the average value of awards by each of the categories in 2012 i.e. Motor, Employer's Liability and Public Liability. The average award of €21,502 in 2012 was marginally (0.76%) higher than in 2011. The volume of cases in each category can vary year to year reflecting changes in the economic environment and the flow of new claims. This, in turn, causes variations in the overall average award from year to year. Award levels have been relatively stable over the past 2 years.

During 2012, and in line with earlier years, awards in the Employer's Liability category were highest at €27,286 reflecting the often more serious and complex nature of the injuries sustained in such accidents. The average awards in Figure 1.2 reflect the 10,136 Awards made of which 7,622 were Motor cases, 1,707 were Public Liability and 807 were Employer's Liability cases. Section 2 of this Report provides more detailed information in relation to research carried out on specific categories of claims.

### Range of Awards – Highest/Lowest Awards

The lowest and highest awards are shown in Figure 1.3.

The Board processes claims ranging from very low severity to very serious cases. The highest Award to date was made in 2011.

**Figure 1.3** Range of Awards



**Table 1.2 Breakdown of Total No. of Awards in 2012 (by Value and Claim Category)**

Average Value Category (€'s)	Motor Liability	Employer's Liability	Public Liability	Total
<20k	5,215	387	924	6,526
20-38k	1,878	279	549	2,706
38-100k	475	129	228	832
>100k	54	12	6	72
<b>All</b>	<b>7,622</b>	<b>807</b>	<b>1,707</b>	<b>10,136</b>

### Breakdown of Total No. of Awards in 2012 by Value and Claim Category

64% of InjuriesBoard.ie Awards are under €20,000 and 91% are under €38,000.

The profile of Personal Injury claims has remained relatively consistent since the Board became operational. Injuries sustained were and continue to be predominantly soft tissue or fractures, or a combination of both, with associated compensation award levels of approximately 90% of such cases below €38,000 and two thirds below €20,000.

The predictability this data offers to those involved in risk management, medical treatment and rehabilitation, should not be under-valued.

A detailed geographical analysis of awards by region and county can be found in Appendix 3.

It is noteworthy that serious injuries from accidents continue to be the exception rather than the rule in both pre-Board and Board statistics. It is the high volume of low to medium value claims which drives the underlying compensation claims bill and ultimately impacts on the cost of insurance premiums. Thus driving faster timelines and lower administration costs, while maintaining the same level of awards, continued to be a key priority for the Board in 2012 as well as keeping our cost base at the lowest possible level whilst not impacting the quality of our outputs.

### Average Award by Province/Category 2012

Table 1.3 shows the breakdown of the average award by category on a province-wide basis. Across the provinces Employer's Liability awards are typically of higher value due to the nature of the injuries sustained in workplace accidents.

Individual variations within provinces reflect the particular nature of the accidents involved.

**Table 1.3**

Dublin	2012 average award
Motor Liability	€19,043
Employer's Liability	€22,645
Public Liability	€21,033
Rest of Leinster	2012 average award
Motor Liability	€22,400
Employer's Liability	€28,207
Public Liability	€24,004
Connaught-Ulster	2012 average award
Motor Liability	€21,928
Employer's Liability	€30,838
Public Liability	€25,776
Munster	2012 average award
Motor Liability	€20,309
Employer's Liability	€31,456
Public Liability	€22,369

### Assessment Timeline

InjuriesBoard.ie is obliged, under the Personal Injuries Assessment Board Act 2003, to assess claims within nine months of the Respondent (those from whom compensation is sought) consenting to the Board's process. The 2012 results for InjuriesBoard.ie show that the average time to make an assessment was 7.2 months; this was achieved as a result of the Board's continuing commitment to efficiency and on-going process review.



## Section 1

**Table 1.4 Volumes of Claims by Category Over the Past Six Years**

Claims volumes	2012	2011	2010	2009	2008	2007
Total Claims	28,962*	27,669	26,964	25,919	24,722	23,345
Motor Liability	17,443	16,351	15,971	15,079	14,012	13,060
Employer Liability	3,828	3,866	3,742	4,119	4,390	4,235
Public Liability	7,691*	7,452	7,251	6,721	6,320	6,050

\* Excluding 641 one-off De Puy hip replacement claims

## Applications (Claims)

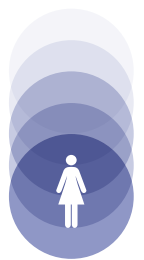
In accordance with the Personal Injuries Assessment Board Act 2003, all Personal Injury claims (apart from Medical Negligence and some categories as outlined in Section 4 of the Act) must be submitted to the Injuries Board for assessment regardless of whether the Claimant has legal representation or not. Direct Claimants can have their claims assessed for a fee of €45. In assessing claims the Board makes no distinction between a direct applicant and a Claimant who pays an intermediary to process the award on their behalf. In 2012 a total of 29,603 applications for Personal Injury claims were received by the Injuries Board, an increase of 7% on 2011.

These Applications related to Personal Injury claims for workplace accidents, motor crashes and claims for accidents in a public place. Motor claims increased by approximately 6.7%, Workplace related claims decreased by 1%, and Public Liability claims increased significantly by nearly 12% a significant proportion of which related to 641 “De Puy” hip replacement cases. The “De Puy” Applications involved two hip-replacement products which were the subject of a voluntary recall by the manufacturer. Applications received in respect of these products were not considered appropriate cases for assessment by the Board.

By excluding the De Puy cases a clearer picture of underlying trends emerges which shows the Board received 28,962 applications in 2012, an increase of 4.7% on 2011. Further analysis shows that total underlying claims increased by almost one quarter (24%) since 2007, driven by motor claims which increased by one third over the past five years. See Table 1.4.

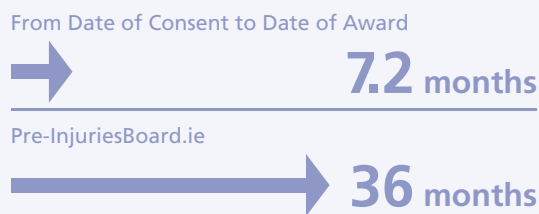
This steady but consistent increase in claims volumes over the past five years is at odds with the broader claims environment and contributory risk factors given that motor cases comprise the majority of the claims we receive, and that Ireland’s roads have never been safer. The Board notes that this increase coincides with a significant increase in promotion and advertising of Personal Injury claims, a practice that has seen a dramatic increase in Personal Injury volumes in the UK where whiplash claims are reported as having increased by 60% since 2006. The Board has flagged its concerns in this regard with a range of stakeholders including policy makers and regulators.

The Board has highlighted the upcoming Legal Services Regulation Bill as presenting an opportunity to address an emerging claims culture by extending restrictions (currently applying to solicitors) to all claims handling firms and intermediaries and by introducing strict powers of enforcement and sanctions for non-compliance.



## Section 1

**Figure 1.4 Compensation Timeline**



# Section 2

Contributing positively  
to the claims resolution  
environment.



# Section 2

## Contributing positively to the claims resolution environment.



### Section 2

Prior to the establishment of the Injuries Board's non-adversarial model in mid 2004, claims took three years to resolve and attracted processing costs of 46%. Today claims are resolved within a nine-month timeframe at a processing cost of 8.7%. The overall impact on the claims resolution environment has either met or surpassed initial expectations, as outlined hereunder.

#### I. Freeing Up of the Courts:

Prior to the establishment of the Board, between 30,000 and 35,000 personal injury proceedings were initiated in the Courts each year. The number of cases involving such litigation has reduced to approximately 15,000 per annum. This is in line with the target set at the outset i.e. two thirds of Personal Injuries cases would be removed from unnecessary litigation. Typically, the latter third of cases arise where InjuriesBoard.ie has no authority under the Personal Injuries Assessment Board Act 2003 to assess such claims (e.g. Medical Negligence cases excluded) and other cases are released by the Board where consent is not received to assess the claim (e.g. where liability is disputed).

A significant majority of Personal Injury claims are now resolved either through a formal Award by the Board or through early settlement between the parties facilitated by the Board. Although complete data is not yet available from insurers, trends indicate that for every formal award made another case is resolved through the early intervention facility. While it is mandatory for all cases to be submitted through the Board, many do not need to go through the full awards process. By connecting Claimants

with Respondents and by sharing claim papers at an early stage the Board facilitates open and transparent dialogue that in many cases results in early settlement being agreed directly between the parties. Dispute cases are released to the Courts by the Board as some cases are deemed to be more appropriate for an oral hearing in the Courts. The remaining claims proceed through the full awards process. This "triage" ensures that cases are not unnecessarily tied up in a process when a resolution is available through early dialogue/intervention within our non-adversarial system.

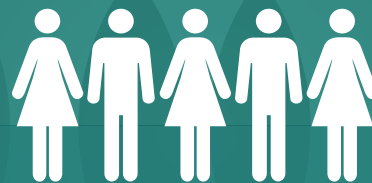
These outcomes are confirmed by a Central Bank inspection of Personal Injury settlements made by insurance companies, reported on in October 2011. The results confirm that some 70% of cases are either settled directly between the parties or through awards made by the Board.

#### II. Competitiveness/ Insurance Costs:

As set out in more detail in the following chapter, the Injuries Board is self-funded, having repaid in November 2011 an initial establishment grant from the Exchequer. The Board generates a fee income from the Claimants and Respondents who use its service. Continuous efficiency improvements over recent years have seen successive reductions in the fees charged, totalling 42% for Respondents in the two-year period to January 2013. This coincided with productivity improvements by the Board, including increased use of a dedicated outsourced Service Centre for non-core roles.



As a consequence of the Board's efforts and other insurance reform measures, motor insurance premiums have reduced by 25% over the past decade



These savings, together with the substantial cost savings relative to litigation – which is over five times more costly – gives rise to estimated total savings of over €100 million annually (see Section 3). This €100+ million saving has placed considerable downward pressure on insurance premiums to the benefit of consumers, businesses and society as a whole. As a consequence of the Board's efforts and other insurance reform measures, motor insurance premiums have reduced by 25% over the past decade and the claims/premium spiral evident in the early 2000s has been reversed. This experience has led to significant interest from other markets, including the UK, where claims and premiums have continued to soar over the past decade.

### III. Claimant Experience:

Under the litigation model a victim injured as a result of an accident allegedly caused by another party had to suffer the additional trauma and stress of a potential Court appearance in order to pursue a legitimate claim, including out of pocket costs incurred over a three year period. This stress was heightened by the default position of insurers which was to deny liability. The processes involved were adversarial, complex and legalistic making legal representation unavoidable in most cases.

Today a claim can be submitted directly via post or online, 24/7. In general, the Claimant will know within a maximum of three months of a completed application if the Respondent wishes the claim to be assessed by the Board, in which case an award will be made within nine months from the date of this consent. Outside of medical costs the only upfront cost is an application fee of €45 and Claimants have access to a dedicated Service Centre as well as online support for assistance throughout the process. The fact that a claim is easier to process has no impact on the incidence or veracity of claims as only those claims where the Respondent (typically an insurance company) has already consented to an assessment, can be assessed by the Board. The fact that the Injuries Board connects Claimants and Respondents much earlier in the resolution process, means that claims can be investigated sooner, and may help improve the prospects of 'weeding-out' fraudulent claims.

### IV. Claims and Policy Insights:

In fulfilling its remit to deliver compensation awards, the Injuries Board gathers substantial data on injuries and the circumstances of accidents in a wide variety of settings. Access to this data provides an important insight into the types of injuries people sustain and the nature of the accidents in which they are involved. This information can be particularly useful to those responsible for risk management and accident prevention, including other State Agencies. Such insights can also be of value to the general public by enabling the Board to highlight perennial preventable risks as well as emerging insights on rehabilitation measures and policies.



## Section 2



### Section 2

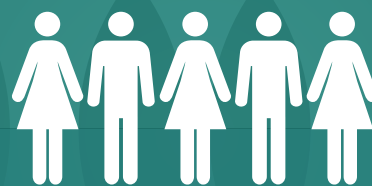
The Board's data also enables the Board to comment objectively on matters in the public interest. For example, insurers from time to time articulate reasons why premiums should increase, perhaps as a result of an adverse weather event, in circumstances where Injuries Board data shows no material increase in claims volumes. Acting in the public interest, the Board has openly challenged those advocating premium increases.

Similarly, where the Board identifies emerging trends, that unchecked might increase upward pressure on insurance premiums for consumers and businesses, the Board raises these issues with the appropriate stakeholders. Over recent years the Board has been critical of increased promotion of claims handling services, especially by claims farming firms. A review of claims trends over the past five years would suggest that this concern is justified given the increase in claims volumes.

In previous years the Board published a comprehensive review of injuries which arose from workplace accidents, motor accidents and accidents in public places. These reviews provided significant insight into accidents and the subsequent effects on the people involved in those occurrences. In 2012 the Board published a Review of Workplace Accidents in 2011. The main findings were:

- ▶ Compensation totalling €22.5 million was awarded in respect of 830 personal injury workplace claims.
- ▶ Accidents in the workplace accounted for 8.4% of all personal injury awards in 2011, compared to 11% of all awards in 2010. The decrease in the number of claims for workplace accidents reflects the reduced numbers in employment during the period.
- ▶ The manufacturing and production sectors accounted for the majority of claims with slips, trips and falls, defective equipment and poor lifting and handling of goods the most common accidents.
- ▶ **Men were twice as likely as women to receive an award** for a workplace accident – accounting for **70% of all awards** (2010: 75%) versus **30% of awards to women** (2010: 25%). However, the number of women receiving awards increased by 5% due to their increased presence in the workforce during the recession.
- ▶ **Men** received an average compensation award of **€27,246** (2010: €28,924) compared to **€26,771** (2010: €25,876) for **women**.
- ▶ Those in the **25-34 age group received one in three awards** (32.4%) accounting for the largest proportion of workplace claims. Meanwhile, those aged 35-44 are twice as likely (24.6%) to receive an award for a workplace accident than those aged 18-24 (12.5%).

The Board's data also enables the Board to comment objectively on matters in the public interest



- ▶ **Thursday** was deemed the most **dangerous workday** while Sunday proved the safest due to the smaller proportion of people in the workplace at weekends.
- ▶ **November** was the most **dangerous month** for workplace accidents while **April was the safest**.
- ▶ **Limerick, Carlow, Kildare, Waterford** and **Louth** were the counties with the **highest** number of awards for workplace accidents per head of population.
- ▶ Counties **Roscommon, Cavan, Mayo, Donegal** and **Laois** recorded the **lowest** number of claims per head of population.
- ▶ Leitrim had the highest average award value per county at €46,578 while Laois recorded the lowest at €18,438.



## Section 2

# Section 3

Reducing administration costs associated with resolving personal injury claims.



# Section 3

## Reducing administration costs associated with resolving personal injury claims.



### Section 3

#### Self-Funding Agency

2012 marked the seventh successive year in which the Board has operated at nil cost to the Exchequer or taxpayer. As reported last year, in 2011 the Board repaid its initial set-up grant received from its parent Department. Since inception the Board has been a net contributor to the Exchequer, not drawing any funds but contributing in terms of tax, PRSI and pension remittances as well as boosting competitiveness for society and the economy as a whole.

The Board's income is derived from the fees it charges, primarily on Respondents (or their insurers) with a modest application fee levied on Claimants. In 2012, the Board charged fees of €850 for Respondents and €45 for Claimants. This followed reductions from €1,050 and €50 respectively in 2011. The Respondent fee was further reduced to €600 with effect from 1st January 2013. This represents an overall reduction in the Respondent fee of 42% since February 2011 and as these costs are incurred predominantly by insurers will assist in asserting further downward pressure on premiums. Motor insurance premiums are down 25% in the past 10 years as a result of the introduction of the Injuries Board as well as other reform measures.

#### Continuous Efficiency Focus

In 2012 the Board recorded a surplus of €3.7m. This was achieved through a combination of on-going operational efficiencies and cost control. Costs have been contained through careful management of expenditure. Outsourcing of routine tasks has taken place where efficiencies can be achieved. Better prices for services have been achieved through competitive procurement and careful management of contracts including utilising volume discounts. Electronic correspondence is used to reduce costs, and increases in our overall volumes have provided increased income.

There was a continued focus in 2012 on securing value for money in the supplies and services procured by the Board. Competitive tendering was used and Central Government contracts were fully exploited in order to facilitate savings. Price negotiations over recent years – in support of the Government's policy to reduce professional fees – facilitated the Board obtaining savings of €494,000 in the cost of procuring independent medical reports in 2012, with an on-going focus on effective management of key medical panel suppliers. Separately, the Revenue Commissioners removed the exemption from VAT of medical reports commissioned by the Board for assessment purposes. In 2012 43% of the medical invoices had VAT levied for a total cost of €495,000 – while this adds to the overall costs for Respondents it benefits the Exchequer.

In 2012, InjuriesBoard.ie delivered the current level of compensation at a delivery cost of 8.7% as against 46% under the litigation system prior to the Board's establishment



**Table 2.1 Total Number and Value of InjuriesBoard.ie Accepted Award**

	2007	2008	2009	2010	2011	2012
No. of Accepted Awards	5,000	5,670	5,387	5,038	5,875	6,124
<b>Total Value of Accepted Awards</b>	<b>€102m</b>	<b>€131.34m</b>	<b>€118.2m</b>	<b>€108.24m</b>	<b>€122.71m</b>	<b>€127.62m</b>

**Table 2.2 InjuriesBoard.ie Delivery Costs and Estimated Cost Saving**

	2007	2008	2009	2010	2011	2012
Total InjuriesBoard.ie Delivery Costs	€7.4m	€10.19m	€10.3m	€9.52m	€10.68m	€11.47m
Comparable Litigation Costs	€47.15m	€60.41m	€54.4m	€49.79m	€56.45m	€58.71m
<b>Actual Savings (InjuriesBoard.ie Vs. Litigation System)</b>	<b>€39.75m</b>	<b>€50.22m</b>	<b>€44.1m</b>	<b>€40.27m</b>	<b>€45.59m</b>	<b>€47.24m</b>



Section  
3

The Board strives to pay its suppliers within the terms of the prompt payments legislation (which is 30 days from the resolution of any issues arising from invoicing). In 2012, our compliance was in excess of 97% with 86% of the invoices paid within Government Guidelines of 15 days. In cases where the number of days exceeded 30 days, prompt payment interest was paid. The quarterly returns are available on our website.

The Board pays approximately 19,000 claim related invoices annually. In 2012 91% of these invoices were paid by EFT (Electronic Funds Transfer).

### Cost Savings

In 2012, InjuriesBoard.ie delivered the current level of compensation at a delivery cost of 8.7% as against 46% under the litigation system prior to the Board's establishment. The Board's delivery costs are not based on a percentage of the amount of the award but are predominantly fixed fees. As reported in last year's Annual Report, data available from compensation schemes outside the remit of the Board suggest that litigation costs remain a matter of significant concern in Ireland. It appears that many Personal Injury cases, processed outside the Board's non-adversarial system, attract litigation costs significantly in excess of the 46% average as identified in the Motor Insurance Advisory Board Report (2004). A recent Forfás report on the 'Costs of Doing



### Section 3

*Business in Ireland'* (March 2013) would suggest that the comparable litigation costs today are considerably higher. The report found the cost of legal services had increased since the boom, despite a significant reduction in other business costs. Solicitor fees are now 11% higher than they were in 2006. As this Report does not capture increases between 2004 and 2006, litigation costs are likely nearer 60% of awards than the 46% level established in 2004.

In 2012, 6,124 Awards were accepted by customers of InjuriesBoard.ie resulting in €127.62 million of compensation. The relevant figures from 2007 are outlined in Table 2.1. The volume of accepted awards at circa 60%, has been fairly consistent over the past 6 years. The value of compensation is impacted by the mix of claims received i.e. whether Motor, Public place or Workplace, in addition to the severity of the injuries and financial losses within each of these categories.

#### **Direct Savings (conservative estimate):**

While the Board made 10,136 Awards in 2012, for the purposes of calculating direct savings, the Board only includes, in its evaluation, the Awards which are accepted by both Claimants and Respondents. Accordingly, this is a most conservative calculation, as it excludes cases where the Board facilitates direct settlement at the early stage of its process as well as cases that are concluded directly during, or directly after our process. Such resolution between the parties is, by and large, due to the Board's facilitation process.

Table 2.2 shows the actual InjuriesBoard.ie delivery costs of €11.47m and compares it to the estimated overhead cost of delivering the same award value under the litigation system (46%) i.e. €58.71m. The resulting savings are shown in the bottom row. Direct InjuriesBoard.ie savings in 2012 were €47.24m.

A more realistic, albeit still conservative, assessment of annual savings directly attributable to accepted Board Awards can be derived by applying a more realistic 55% administration overhead (reflective of increased litigation costs). On this basis annual direct savings would increase to a more realistic €59m in 2012 as outlined in the sub total in Table 2.3.

Indisputably, significant additional savings arise in relation to direct settlements through the Service Centre which almost routinely entered litigation prior to our existence. The Central Bank Study from October 2011 found that 70% of all claims either settle directly between the parties (facilitated by the Injuries Board process which facilitates communication between the key parties) or through an Injuries Board Award and hence do not proceed to litigation. This would suggest that up to 10,000 cases are resolved between parties following initial contact with the Board's Service Centre. Applying pro rata savings to those settlements would generate additional savings of €96 million, thereby increasing 2012 savings to €155 million.



In 2012, 6,124 awards were accepted by customers of InjuriesBoard.ie resulting in €127.62 million of compensation



**Table 2.3 InjuriesBoard.ie Delivery Costs and Estimated Cost Saving**

	2012 Delivery Cost @ 46% overhead	2012 Delivery Cost @ 55% overhead
Total InjuriesBoard.ie Delivery Costs (millions)	€11.47	€11.47
Comparable Litigation Costs (millions)	€58.71	€70.20
<b>Estimated Savings (millions) – excluding direct settlements</b>	<b>€47.24</b>	<b>€58.73</b>
Incremental savings (millions) associated with estimated 10,000 settlements		€96
<b>Total savings (millions) including direct settlements</b>		<b>€154.73</b>



**Section 3**

Such savings take no account of additional Central Bank research which indicates that even rejected Injuries Board assessments settle quickly and typically do not proceed to Court – even if it is most likely some legal costs are being paid to settle these cases; nor does it factor in the direct savings to insurance companies whose litigation departments must have reduced substantially. It is hoped that additional data from insurance companies might assist in understanding the overall cost of litigation versus the Injuries Board process and would assist in developing a definitive cost-benefit analysis of the two systems in place to resolve Personal Injury claims. Such data would assist in understanding the overall favourable cost impact as a result of the establishment of the Board.

# Section 4

Delivering superior customer service from an efficient, flexible and cost-effective organisation.



# Section 4

Delivering superior customer service from an efficient, flexible and cost-effective organisation.



## Section 4

### Customer Service

In 2012, InjuriesBoard.ie continued to provide a transparent and accessible claims assessment process. Over 29,000 applications were handled and assessments were made in 10,136 cases.

Customer service is delivered through the front line Service Centre which operates from 8am to 8pm Monday to Friday, and through activities completed by the Assessment Teams. The Board's Customer Service Centre provides:

- ▶ Detailed information and assistance to potential Claimants and Respondents in progressing claims;
- ▶ Detailed guidance and assistance to claimants completing applications;
- ▶ The Customer Service Centre is accessible on Lo-call number 1890 829 121 from 8am to 8pm Monday to Friday.

In 2012, the Centre received over 53,265 telephone calls, 96.56% of which were answered within 20 seconds following a short automated greeting; 431,445 items of post, 52,296 electronic mail items and 12,989 faxes were handled, all of which are handled within 10 days. In addition over 17,994 medical appointments were arranged in 2012 to support timely assessments.

The Customer Service Centre assists Claimants with special needs (e.g. those hard of hearing), linguistic and other vulnerabilities. Feedback from customers who contacted the Board's helpline is very positive with high satisfaction levels recorded.

The Board's Complaints Procedure is published on our website and a dedicated complaints mailbox is provided for customers. A total of 50 complaints were notified and recorded in 2012. This volume represented a 36% reduction on 2011 volumes. The average handling time for a complaint from date of receipt to finalisation was < 24 days.

### Website

The Board's website [www.injuriesboard.ie](http://www.injuriesboard.ie) is a primary focus for engagement and information sharing with our customers. During 2012 the existing site was re-developed and went live in December. The new site provides a more customer focussed element including enhanced online options to submit and manage claims directly, thereby mitigating unnecessary legal fees for claimants.

The main features of the new site are:

- ▶ Use of the 'harp' symbol to convey that this is an official/Government site and as a differentiator from 'copycat' claims farming websites
- ▶ Enhanced user experience through improved navigation and design and more understandable and accessible language:
  - ▼ Clearer information on how to make a claim etc.
  - ▼ Clearer and more relevant FAQ's
  - ▼ Less use of legalistic terms/jargon
  - ▼ Glossary of terms
- ▶ Significantly streamlined online form:
  - ▼ Less information required
  - ▼ Clearer instructions and help functions
  - ▼ Options relating to submitting medicals

As part of the Board's e-Services Strategy the InjuriesBoard.ie website was redeveloped during 2012 offering a more user friendly experience to those Claimants who wish to process their claim online



- ▼ Ability to save and come back again to complete
- ▼ Ability to print own record
- ▼ Key validations to ensure data integrity
- ▶ Provision of case studies and useful tools including a claims estimator and loss of earnings calculator
- ▶ Improved functionality to submit online claims on a complete, or piece-meal, basis
- ▶ Enhanced online support including web chat capability
- ▶ Variety of contact options:
  - ▼ Request a call-back
  - ▼ Contact us form
  - ▼ Web chat capability
  - ▼ Feedback options through site and form
- ▶ Greater accessibility for persons with disabilities including specific complaints policy
- ▶ More comprehensive privacy policy
- ▶ Online tutorial with video footage from Dr Mark Hamilton, to take claimants through each step of the process
- ▶ Tailored information for respondents and medics
- ▶ Dynamic news and information area
- ▶ Links to gov.ie website and social media enabled
- ▶ Improved search engine optimisation
- ▶ Ability to cater for other stakeholders in subsequent web development phases

## ICT

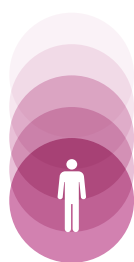
Information and Communications Technology is a key enabler. The Board's technical platform and key applications support the current business needs. The Board's strategy is to continue investing in ICT to enhance service and to assist an ongoing programme of efficiency improvement as part of an Agency-wide drive to do more with less – not least in the context of the recruitment moratorium and the ongoing economic pressures evident across the public and private sectors.

The Board completed a three-year IT Strategic Plan in 2012 (2012-2014). As part of this Plan the Board also completed a review of its Claims Management System and is currently exploring the option of upgrading to a web enabled version which would interface more readily with the Board's stakeholders (Claimant, Respondent, Medical/Legal Community). This has the potential to deliver significant service and value propositions in the future. During the latter part of 2012 a Proof of Concept project commenced in relation to the proposed new system to determine required enhancements and identify functional gaps if any. This work will continue during 2013, when it is also anticipated that a project plan for implementation/transition to the new system will be agreed.

As part of the Board's e-Services Strategy and as outlined above, the Board's website was redeveloped during 2012 offering a more user friendly experience to those Claimants who wish to process their claim online. The development of e-Services is part of the Board's overall IT Strategy and the redeveloped website is the first initiative in a series of initiatives being considered for stakeholders, some of which are dependent from a timing perspective on the Board's transition to the upgraded Claims Management System.



## Section 4



### Section 4

#### Facilities – Energy Management

In the National Energy Efficiency Action Plan 2009 (NEEAP) the Government committed to improving its energy efficiency by 2020. “The Public Sector will improve its energy efficiency by 33% and will be seen to lead by example showing all sections what is possible through strong committed actions.”

The Board is committed to this Government target and in 2012 continued with an Energy Management Programme that included: employee awareness initiatives and competitions, reduced reliance on air conditioning, a review of paper usage and paper waste and a review of current lighting with a view to replacing with LED lighting and energy efficient lamps.

Actions planned for 2013 and beyond, include improved energy performance by upgrading lighting to more energy efficient systems and continued focus on employee awareness of energy matters.

#### Human Resources

The Board employs an experienced, skilled and motivated workforce to deliver on its core function of the assessment of claims. The Board is subject to the Government’s moratorium on recruitment and had 69 staff in 2012 against an Employment Control Framework (ECF) staff allocation of 77. In support of Government policy, the Board has succeeded in increasing throughput, with less staff and at lower cost. Productivity gains – on an already efficient process – have been achieved over each of the past two years through smarter working and increased use of an outsourced Service

Centre for a broader range of non-core assessment roles. By maximising the use of this facility, reallocation of internal resources and reviewing processes and procedures the Board has delivered the highest number of annual assessments to date.

As an Agency, the Injuries Board has made great strides in terms of outsourcing and cost containment. We are engaging with others to share our experiences and to assess learnings from best practice in other agencies.

A number of Human Resource Policies were revised and enhanced and several new Policies were introduced during the year in consultation with staff. In addition the Performance Review System was reviewed and updated.

The Board’s Partnership Committee and Joint Consultative Committee continued to meet regularly.

All staff received refresher training on the revised/new Human Resources Policies and the updated Performance Review System. This training was facilitated in-house and by the Board’s procured training providers, Baker Tilly Ryan Glennon.

Technical Training was provided in-house and by the Irish College of Ophthalmologists, Dublin Dental University Hospital, Irish Payroll Association (IPASS) and Irish Business and Employers Confederation (IBEC).

## During the year the Board fully embedded new procedures for dealing with Risk Management including a new Risk Management Framework



### Corporate Social Responsibility

During the year, employees of the Board organised a number of fundraising activities for Muscular Dystrophy Ireland and the Irish Cancer Society, facilitated by the Board.

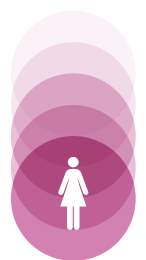
### Use of External Delivery Model

InjuriesBoard.ie is modelled on an in-house/out-house delivery model. The remit of the Board effectively translates into an administrative (rather than heretofore a legal and adversarial) process to assess Personal Injury claims. We identified technical assessment work as our core work and we recruited a team of qualified assessors for this purpose. This core work is supported by non-core back-end administrative work which is provided under contract by our outsourced Service Centre. Our Service Centre deals with a high volume of activities. It is the public's contact point with the Board and deals with all incoming calls and post for the Board. The external delivery unit handles over 430,000 items of post (many involving multiple documents) and over 53,000 telephone calls per annum with high service levels as agreed under contract. The Service Centre also follows up on routine matters arising with customers in the course of managing in excess of 28,000 claims applications per annum. The Board strategically decided not to grow our expertise in non-core work flows but rather to harness the cost-benefit of external delivery solutions. This approach has underpinned our sustained self-funding model.

The external delivery model allows greater flexibility in terms of opening hours and variations in work volumes. Volumes variations within certain margins do not by necessity lead to higher rates. The Board is also in a position to open between 8am and 8pm, making the Agency entirely accessible to our customers at times they find most convenient to submit their Personal Injury claims. (Applications may also be made 24 hours a day via our online facility, providing a high level of flexibility to the Claimant).

The model has been demonstrated to be sustainable and has afforded the Board ongoing flexibility to continuously innovate and avail of back office workflow solutions which otherwise would not have been available for an Agency of our size. Generic activities such as routine call servicing, document management and debt management were availed of in the early years of the Board which have now extended to additional services of greater technical complexity, all of which have contributed to lowering our cost base in 2012 whilst dealing with ongoing volume increases, which were circa 7% in 2012.

The external provider model could potentially offer a cost effective and efficient solution for other organs of the State for activities such as Licensing, Registrations, Certification, where a shared solution and single point customer access could bridge into the formal statutory/core work in each unique area. Such an approach could lower the cost of delivery of services whilst providing high quality services to the citizen.



### Section 4



### Section 4

The Board is actively engaging with Government, Civil Servants, and other Agencies in relation to potential cross functional reform opportunities. We are investigating developing innovative framework agreements with service providers where other Agencies/Organisations will also have the opportunity to avail of the services. At the same time we hope to avail of other frameworks developed by other Agencies, all with a view to delivering better output, with increased customer satisfaction, and at a lower cost base.

### Internal Audit

The Internal Audit function is a key element in informing the Board on the effectiveness of the system of internal financial control. The internal auditors operate in accordance with the Code of Practice for the Governance of State Bodies. Internal Auditor reports were prepared in 2012 covering a wide range of areas: Finance, Debtors, Operational, ICT, Procurement, and Records Management and brought before the Audit Committee. No significant issues were identified.

### Corporate Governance

InjuriesBoard.ie operates in accordance with the provisions of the Personal Injuries Assessment Board Act 2003. The Board operates under the aegis of the Minister for Jobs, Enterprise and Innovation who is empowered to provide funds to the Agency to enable it to discharge its obligations and to seek certain information on the Agency's activities. The Board has not called upon Exchequer funds since an establishment grant was approved at the outset and which was fully reimbursed subsequently in 2011.

In addition to the terms of its governing legislation, the Board is also required to comply with a range of other statutory (National and EU) and administrative requirements. In particular, it has put in place procedures to ensure compliance with the following specific requirements:

### Code of Practice for the Governance of State Bodies

InjuriesBoard.ie has developed and implemented procedures to ensure that it complies with this code of practice. Annually, the Board's Chairperson formally confirms to the Minister for Jobs, Enterprise and Innovation the Board's compliance with the above mentioned Code.

### Risk Management

During the year the Board fully embedded new procedures for dealing with Risk Management including a new Risk Management Framework. This comprehensive framework is now fully integrated with the Board's Quality Assurance Programme.

### Ethics in Public office Act, 1995

InjuriesBoard.ie comes within the scope of the Ethics in Public Office Act, 1995 and has adopted procedures to comply with the Act. Accordingly, where required, Board Members and staff holding designated positions have completed statements of interest in compliance with the provisions of the Act. Furthermore, procedures are in place for the on-going disclosure of interests by Board Members and staff at Management level.



The Board has not called upon Exchequer funds since an establishment grant was approved at the outset and which was fully reimbursed subsequently in 2011



### **Safety, Health and Welfare at Work Act 2005**

In accordance with the Safety, Health and Welfare at Work Act 2005, the Board has implemented procedures to comply with the provisions of the Act and has adopted a safety statement that encompasses all of the aspects of staff welfare.

### **Employment Equality Acts, 1998 and 2004**

InjuriesBoard.ie is committed to a policy of equal opportunity and adopts a positive approach to equality in the organisation. The Board is committed to developing a balanced work/life environment. It currently operates flexi time for graded staff with requirements in relation to the minimum and maximum number of hours to be worked.

### **Data Protection Acts, 1988 and 2003**

InjuriesBoard.ie is a registered data controller under the Data Protection Acts. The Board operates in accordance with a formal Data Protection Policy as agreed with the Office of the Data Protection Commissioner. This places the Board at the forefront of implementing data protection procedures, thus protecting the individual's fundamental right to privacy and exercising control over how personal information may be made available under the Data Protection Acts.

### **Official Languages Act 2003**

InjuriesBoard.ie comes under the remit of the Official Languages Act 2003 which provides a statutory framework for the delivery of services through the Irish Language. In accordance with Section 10 of the Act, this Annual Report is published simultaneously in Irish and English.

### **Procurement**

Competitive tendering is the normal procedure utilised by the Board in the procurement process. Tenders issued have had due regard to the value thresholds for the application of procurement rules. InjuriesBoard.ie confirms compliance with procurement procedures in respect of competitive tendering. This includes adherence to both national guidelines and the relevant EU Directives, which have the force of law in this and all Member States. The Board continually updates and revises its procurement policies and procedures and also provides training to relevant personnel in this important technical area.

Various tender competitions were held in 2012 including IT Licences, Consumables, Office Stationery, Office Equipment and Utilities.

### **Prompt Payment of Accounts Act, 1997**

InjuriesBoard.ie acknowledge their responsibility for ensuring compliance in all material respects with the provisions of the Prompt Payment of Accounts Act, 1997, and the European Communities (Late Payment in Commercial Transactions) Regulations 2002. It is the policy of the Board to ensure that all invoices are tracked and paid promptly before their due date for interest and charges purposes. Procedures are in place to provide reasonable assurances against non-compliance with the Act and Regulations.



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### Section 4

#### **Taxation**

InjuriesBoard.ie confirms compliance with tax laws. Procedures are in place to ensure that the Board is exemplary in its compliance with its obligation under taxation laws and that all tax liabilities are paid on or before the relevant due dates.

#### **Strategic Planning**

The Board's second Strategic Plan was published during the year. The 2012-2016 Plan sets out the Board's key Strategic Objectives over the coming years along with the key actions to be undertaken to achieve these Objectives. At Operational level, staff objectives and Annual Business Plans continue to be aligned with the Board's Strategic Objectives.

#### **Stakeholder Relations**

During 2012, InjuriesBoard.ie maintained its programme of engagement with key stakeholders. In addition to regular meetings with its parent Department (Jobs, Enterprise & Innovation) and representatives of Claimant and Respondent groups, the Board met many other stakeholders during the year. Feedback from our stakeholders is essential as we continue to develop, improve and implement policies.

The following is a selection of organisations which we met during the year: National Consumer Agency, the Law Society (where a User Forum has been established), the Health and Safety Authority, the Data Protection Commissioner's Office, the Medical Protection Society. Additionally, a number of presentations were made to various bodies including the Insurance Institute of Ireland, Health & Safety

Review Conference, Deloitte Motor Insurance Seminar, Car Rental Council of Ireland, and third level educational institutions such as NUI Galway.

#### **User Groups**

In an effort to improve services, the Board established two User Groups: Insurance companies, through the Irish Insurance Federation (now known as Insurance Ireland) and solicitors through the Law Society. During 2012 meetings were held with the Law Society on the 21st May and 15th November and with the Irish Insurance Federation on the 26th April.

#### **Inter-Agency Co-Operation**

The Board is represented on the Health & Safety Work Place Related Vehicle Safety Committee which is run by the Health & Safety Authority (HSA) and the Road Safety Authority (RSA). As a representative the Board has supplied relevant aggregated data in relation to workplace accidents involving vehicles. This information is useful in terms on the HSA's and the RSA's safety programmes.

A press and radio advertising campaign 'BeSmart', launched by the HSA, deals with the cost and impact of workplace accidents and draws on Board data to inform its average compensation values. This is an important step in recognising the Board as the main authority on the cost of Personal Injuries.

During 2012, InjuriesBoard.ie maintained its programme of engagement with key stakeholders



### Awareness Research

The Board commissioned research during the year to measure the public's awareness of the Injuries Board and its processes. Unsurprisingly, prompted awareness of the brand name reduced from 50% in October 2011 to 42% in December 2012, as the Board focussed its resources on highly targeted audiences in preference to the mass awareness initiatives of prior years. This change in strategy meant no advertising was undertaken (other than Google Ads) and no sponsorship arrangements were put in place, relying instead on specific stakeholders and potential claimants e.g. Google Ads, doctors surgeries leaflet & Central Bank leaflet, rather than the public at large.

Board research also indicated that awareness of the need not to use a solicitor when dealing with the Injuries Board had reduced from 21% in October 2011 to 18% in December 2012. Significantly, of those that are aware 51% indicated they would apply directly, whereas only 33% would apply via a solicitor. Given the consumer and societal benefits of direct lower cost applications, the Board remains concerned at elevated levels of promotion and advertising by intermediaries who benefit substantially from the aforementioned awareness gap.

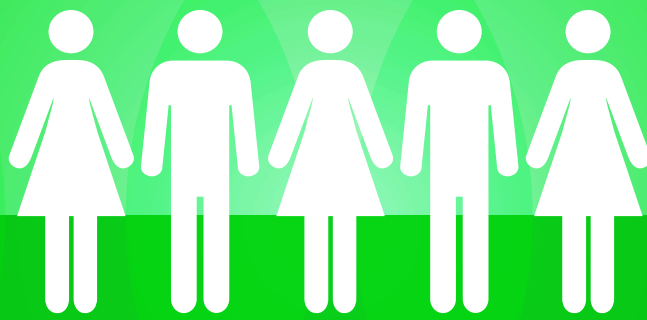
This research will assist the Board in its future public information programmes. While only a small percentage of the public will make a claim in any given year it is vital that those who have accidents have information available to them at the earliest possible juncture to make an informed decision about how to proceed if they intend to seek compensation.



### Section 4

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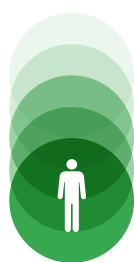
Financial Statements  
for the year ended  
31 December 2012



# Section 5

Financial Statements for the year ended  
31 December 2012

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# General Information

## Members of the Board

Dorothea Dowling – Chairperson

Joe O'Toole

Patricia Byron

John Fay

Membership ceased on 12th April 2012

Tom Noonan

Jerry Fitzpatrick

Ann Fitzgerald

Membership ceased on 15th October 2012

Breda Power

Bernard Sheridan

Frank Cunneen

Membership ceased on 12th April 2012

Professor Denis Cusack

Membership ceased on 12th April 2012

Martin Naughton

Joined 5th April 2012

John Lynch

Joined 1st August 2012

Fionnuala O'Loughlin

Joined 1st August 2012

Sean Murphy

Joined 20th December 2012



Section  
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## Office

Grain House

Exchange Hall

Belgard Square North

Tallaght

Dublin 24

## Auditor

Comptroller and Auditor General

Dublin Castle

Dublin 2

## Bankers

Bank of Ireland

4-6 Priorsgate

Main Street

Tallaght

Dublin 24

## Solicitors

Arthur Cox & Co.

Earlsfort Centre

Earlsfort Terrace

Dublin 2

## Website

[www.injuriesboard.ie](http://www.injuriesboard.ie)

# Statement of Responsibilities of the Board

Section 77 of the Personal Injuries Assessment Board Act 2003, requires the Board to prepare annual financial statements in the format and manner specified by the Minister for Jobs, Enterprise and Innovation.

In preparing those financial statements, the Board is required to:

- ▶ Select suitable accounting policies and then apply them consistently.
- ▶ Make judgements and estimates that are reasonable and prudent.
- ▶ Prepare the financial statements on the going concern basis unless it is inappropriate to presume the Board will continue in operation.
- ▶ State whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements.

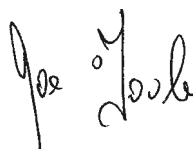
The Board is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Board and which enable it to ensure that the financial statements comply with Section 77 of the Act. The Board is also responsible for safeguarding the assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On Behalf of the Board



**Jerry Fitzpatrick**

**27th June 2013**



**Joe O'Toole**



## Section 5



# Statement on Internal Financial Control

On behalf of the Personal Injuries Assessment Board I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

Such a system of internal financial control can provide only reasonable and not absolute assurance against material error. The system provides reasonable assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

## Key Control Procedures

The Board has taken steps to ensure an appropriate control environment by:

- ▶ clearly defining management responsibilities;
- ▶ establishing formal procedures for reporting significant control failures and ensuring appropriate corrective action takes place;
- ▶ establishing an Audit Committee to advise the Board on discharging its responsibilities for the internal financial control system.

The Board continues to develop and improve management processes to identify and evaluate business risks by:

- ▶ identifying the nature, extent and possible implication of risks facing the Board including the extent and categories which it regards as acceptable;
- ▶ assessing the likelihood of identified risks occurring;
- ▶ assessing the Board's ability to manage and mitigate the risks that do occur;
- ▶ assessing the costs of operating particular controls relative to benefit obtained.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation practices and accountability. In particular it includes:

- ▶ a comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board via its Finance Committee;
- ▶ monthly income and expenditure statements with analysis of major income and expenditure categories, which are reviewed by the Board's Finance Committee;
- ▶ the implementation of a financial accounting system – the Board has put in place a computer software system incorporating an accounting package to facilitate the internal financial controls.

The Board has appointed an Audit Committee and a firm of independent professional auditors to undertake its internal audit function. The internal audit function operates in accordance with the Code of Practice for the Governance of State Bodies. The work of internal audit is informed by an analysis of the risk to which the Board is exposed. The Audit Committee review the annual financial statements. A Finance Committee has been established to review performance against budgets and to take an overview of financial procedures generally.

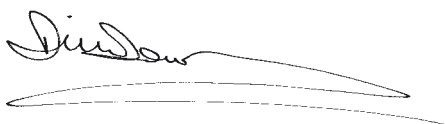
The analysis of risk and the internal audit plans are approved by the Chief Executive and are subject to endorsement by the Audit Committee and approval by the Board.

## Annual Review of Controls

I confirm that in respect of the year ended 31st December 2012, the Board conducted a review of the system of internal financial control.

## Code of Practice for the Governance of State Bodies

I confirm that in respect of the year ended 31st December 2012 the Board has complied with the Code of Practice for the Governance of State Bodies.



**Dorothea Dowling**  
Chairperson



## Section 5

# Report of the Comptroller and Auditor General

I have audited the financial statements of the Personal Injuries Assessment Board for the year ended 31 December 2012 under the Personal Injuries Assessment Board Act 2003. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in the form prescribed under Section 77 of the Act, and in accordance with generally accepted accounting practice in Ireland.

## Responsibilities of the Members of the Board

The Board is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Board's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

## Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- ▶ whether the accounting policies are appropriate to the Board's circumstances, and have been consistently applied and adequately disclosed
- ▶ the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- ▶ the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the Board's annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

## Opinion on the Financial Statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Board's affairs at 31 December 2012 and of its income and expenditure for 2012.

In my opinion, proper books of account have been kept by Board. The financial statements are in agreement with the books of account.



### Section 5

## Matters on which I report by exception

I report by exception if

- ▶ I have not received all the information and explanations I required for my audit, or
- ▶ my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- ▶ the information given in the Board's annual report is not consistent with the related financial statements, or
- ▶ the Statement on Internal Financial Control does not reflect the Board's compliance with the Code of Practice for the Governance of State Bodies, or
- ▶ I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



**Patricia Sheehan**

*For and on behalf of the Comptroller and Auditor General*

**31 July 2013**



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5**

# Statement of Accounting Policies

## Basis of Preparation

The financial statements have been prepared under the accrual method of accounting, the historical cost convention, in accordance with generally accepted accounting practice and are in the format agreed with the Minister for Jobs, Enterprise and Innovation. The unit of currency in which the financial statements are denominated is the Euro.

## Fee Income

Fee Income consists of Claimant and Respondent Fees. Claimant fees are recognised on a cash receipts basis. Respondent Fees are recognised on consent to the Board's assessment process.

## Tangible Fixed Assets

Tangible Fixed Assets are stated at cost or valuation less accumulated depreciation. Depreciation is provided on a straight line basis at rates which are estimated to reduce the assets to their realisable values by the end of their expected useful lives as follows:

Leasehold Improvements	Remaining years of the lease	
IT Hardware/Software	25%	Straight Line
Office Equipment	20%	Straight Line
Fixtures & Fittings	12.50%	Straight Line
Office Furniture	12.50%	Straight Line

## Taxation

The Board is exempt from Income Tax and Corporation Tax under Section 220 of the Taxes Consolidation Act 1997. This exemption does not apply to deposit interest. Where interest receivable is subject to tax (e.g. DIRT) the net receivable amount is credited to the Income and Expenditure account.

## Operating Lease

Payments under the operating lease are charged to the Income and Expenditure Account.

## Superannuation

In view of the arrangements, as described in Note 14, which the Board has put in place in relation to the defined benefit scheme it will operate for employees, the Board is of the view that the provisions of Financial Reporting Standard 17, Accounting for Retirement Benefits, in relation to accounting for pension liabilities which arise under defined benefit schemes, are not applicable to its circumstances.

Accordingly, the Board charges the employer contributions to the Income and Expenditure Account in the year, as if the scheme was a defined contribution scheme.

## Debtors

Known bad debts are written off and specific provision is made for any amount the collection of which is considered doubtful.



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# Income and Expenditure Account

for the year ended 31 December 2012

	Notes	2012 €	2011 €
<b>Income</b>			
Fee Income	1	12,764,769	12,977,558
Interest Receivable		263,485	406,791
Transfer from Capital Account	13	23,000	23,000
Other Income		65,253	138,420
<b>Total Income</b>		<b>13,116,507</b>	13,545,769
<b>Expenditure</b>			
Salaries, Pensions and related expenses	2	5,392,303	5,495,002
Claims Processing expenses	3	1,710,689	1,567,941
Board Member Fees	2	66,272	85,485
Accommodation & Establishment Costs	4	432,241	437,151
Recruitment, Training & Education	4	49,557	28,083
Information, Research & Communication	4	259,496	260,986
Legal Costs & Professional Fees	4	225,641	208,014
Judicial Review Costs	4	166,420	(109,673)
IT Costs	4	302,302	317,443
Telecommunication Costs		115,495	113,025
General Administration	4	474,968	544,505
Loss on Disposal of Fixed Assets		172	0
Depreciation		211,765	181,940
<b>Total Expenditure</b>		<b>9,407,321</b>	9,129,902
<b>SURPLUS FOR THE YEAR</b>		<b>3,709,186</b>	4,415,867
<b>Repayment to Department of Jobs, Enterprise and Innovation</b>	5	0	(6,680,857)
<b>Balance at 1 January</b>		<b>10,206,531</b>	12,471,521
<b>BALANCE AT END OF YEAR</b>		<b>13,915,716</b>	10,206,531



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The Board has no gains or losses in the financial year other than those dealt with in the financial statements. The Statement of Accounting Policies and Notes 1 to 17 form an integral part of these financial statements.

On Behalf of the Board

**Jerry Fitzpatrick**  
27th June 2013

**Joe O'Toole**

# Balance Sheet

at 31 December 2012

	Notes	2012 €	2012 €	2011 €	2011 €
<b>Fixed Assets</b>					
Tangible Assets	6		905,993		915,234
<b>Current Assets</b>					
Debtors	7	1,523,456		1,479,908	
Cash at bank and on hand		13,773,399		10,292,281	
<b>Total Current Assets</b>		<b>15,296,855</b>		<b>11,772,189</b>	
<b>Current Liabilities</b>					
Creditors: Amounts falling due within one year	8	1,160,218		1,316,744	
<b>Net Current Assets</b>			<b>14,136,637</b>		<b>10,455,445</b>
<b>Total Assets less Current Liabilities</b>			<b>15,042,630</b>		<b>11,370,679</b>
Provision for liabilities	9		896,915		911,148
<b>Net Assets</b>			<b>14,145,716</b>		<b>10,459,531</b>
<b>Financed By:</b>					
Capital Account	13		230,000		253,000
Income & Expenditure Account			13,915,716		10,206,531
<b>Total Financed by:</b>			<b>14,145,716</b>		<b>10,459,531</b>

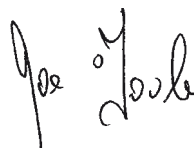
The Statement of Accounting Policies and Notes 1 to 17 form an integral part of these financial statements.

On Behalf of the Board



**Jerry Fitzpatrick**

27th June 2013



**Joe O'Toole**



# Cash Flow Statement

for the year ended 31 December 2012

	Notes	2012 €	2011 €
<b>Cash Flow Statement</b>			
Net Cash Flow from Operating Activities	10	3,420,329	3,229,633
Returns on Investment and Servicing of Finance			
Bank Interest		263,485	406,791
Repayment to Department of Jobs, Enterprise and Innovation		0	(6,937,640)
<b>Cash Flow before Capital Expenditure</b>		<b>3,683,814</b>	<b>(3,301,216)</b>
<b>Capital Expenditure</b>			
Purchase of Tangible Fixed Assets	6	(202,696)	(431,471)
Sale of Tangible Fixed Assets		0	0
<b>Net Cash outflow from Capital Expenditure</b>		<b>(202,696)</b>	<b>(431,471)</b>
<b>Movement in Cash for the Year</b>	10	<b>3,481,118</b>	<b>(3,732,687)</b>



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On Behalf of the Board

**Jerry Fitzpatrick**  
27th June 2013

**Joe O'Toole**

# Notes to the Financial Statements

for the Year ended 31 December 2012

## 1 Fee Income

	2012 €	2011 €
Claimant Fee Income	<b>1,297,296</b>	1,220,290
* Respondent Fee Income	<b>11,467,473</b>	11,757,268
	<b>12,764,769</b>	12,977,558

\* The respondent fee is in respect of the Board dealing with an application (as outlined in the PIAB Act). The respondent fee is recognised on consent to the InjuriesBoard.ie process. The average time taken to complete the assessment of a claim is 7.1 months.

## 2 i) Salaries, Pensions and Related Expenses

	2012 €	2011 €
Salaries	<b>3,997,627</b>	4,085,180
Employer Superannuation Contributions	<b>1,030,767</b>	1,046,993
Employer PRSI Contributions	<b>363,909</b>	362,828
	<b>5,392,303</b>	5,495,001

\* €282,268 of Pension Related Deduction has been deducted and paid over to the Department of Jobs, Enterprise and Innovation in 2012, €279,484 was deducted and paid over in 2011.

### Staff Numbers

Average Staff directly employed by the Board	69	70
----------------------------------------------	----	----

### Emoluments of Chief Executive

Patricia Byron

Salary	178,793	178,798
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Included in the above salary figure is €10,994 for a car allowance which was €11,000 in 2011. Performance related payments were discontinued in 2010.



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## 2 ii) Board Fees and Expenses

	2012 €	2011 €
Board Fees	<b>66,272</b>	85,485
<b>By Board Member</b>		
* Dorothea Dowling – Chairperson	<b>9,747</b>	19,440
Joe O’Toole	<b>11,970</b>	11,340
John Fay	<b>3,391</b>	11,340
Tom Noonan	<b>11,970</b>	11,340
Jerry Fitzpatrick	<b>11,970</b>	11,340
Frank Cunneen	<b>3,391</b>	11,340
Martin Naughton	<b>8,845</b>	0
John Lynch	<b>4,988</b>	0
Professor Denis Cusack	<b>0</b>	9,345
	<b>66,272</b>	85,485

\* The payment of Board fees to Chairperson Dorothea Dowling was discontinued on 21st June 2012, after clarification had been sought by the Board on the applicability of the amended One Person One Salary principle issued in November 2011 by Department of Public Expenditure and Reform.

The following Board Members were paid no fees during 2012: Ann Fitzgerald, Fionnuala O’Loughlin, Breda Power, Sean Murphy and Bernard Sheridan.

**There were no expenses paid to Board members for 2012.**

## 3 Claims Processing Expenses

	2012 €	2011 €
Outsourced Service Centre Costs	<b>1,710,689</b>	1,567,941
Claim related Medical Fees	<b>5,282,507</b>	4,348,426
Claim related Other Costs	<b>113,382</b>	81,111
Claim related Costs to be Reimbursed	<b>(5,395,889)</b>	(4,429,537)
	<b>1,710,689</b>	1,567,941

\* As part of the process (see Note 1) the Board retains the services of a range of professional practitioners including general practitioners, consultants, and actuaries. The information obtained provides the Statutory Assessors with the information necessary to make an assessment of damages. The level of claim processing costs varies per claim. Due to the average timeline of the process there will be claim processing costs incurred in 2013 relating to consents received in 2012, these costs are not provided in the financial statements. These costs and other claim related costs are reimbursed to the Board by the respondent.



### Section 5

## 4 Expenditure

	2012	2011
	€	€
<b>Accommodation &amp; Establishment Costs</b>		
Rent, Rates and Service Charges	<b>308,681</b>	309,522
Cleaning and Security	<b>54,254</b>	55,994
Light & Heat, Maintenance and Other	<b>69,306</b>	71,635
	<b>432,241</b>	437,151
<b>Recruitment, Training &amp; Education Costs</b>		
	€	€
Training, Education and other costs	<b>48,143</b>	28,083
Advertising, Interviews and other recruitment costs	<b>1,414</b>	0
	<b>49,557</b>	28,083
<b>Information, Research &amp; Communication Costs</b>		
	€	€
Branding & Awareness Campaign	<b>111,776</b>	94,568
Advertising – Other	<b>120,974</b>	105,155
Advertising – Sponsorship	<b>0</b>	40,000
Leaflets/Brochures & Publications	<b>26,746</b>	21,263
	<b>259,496</b>	260,986
<b>Legal Costs &amp; Professional Fees</b>		
	€	€
Statistical, Internal Audit and other Professional Fees	<b>120,958</b>	119,364
Audit Fees	<b>12,925</b>	12,100
General Legal Advices	<b>91,758</b>	76,550
	<b>225,641</b>	208,014
<b>Judicial Review Costs</b>		
	€	€
Additional Judicial Review Provision – S.44 Cases (Note 9)	<b>0</b>	56,383
Additional Judicial Review Provision – Other (Note 9)	<b>634,637</b>	121,655
Release of Judicial Review Provision – S.44 Cases (Note 9)	<b>(28,496)</b>	(53,163)
Release of Judicial Review Provision – Other	<b>(439,721)</b>	(234,548)
	<b>166,420</b>	(109,673)



### Section 5

## 4 Expenditure (note continued)

	2012	2011
	€	€
<b>IT Costs</b>		
IT Software Development	<b>(26,979)</b>	5,058
IT Licence Fees	<b>194,231</b>	212,517
IT Support & Maintenance	<b>112,815</b>	77,756
IT Consumables & Training	<b>18,508</b>	20,794
IT Other Costs	<b>3,727</b>	1,318
	<b>302,302</b>	317,443
<b>General Administration</b>	<b>€</b>	<b>€</b>
Postage	<b>332,681</b>	286,884
Travel & Subsistence	<b>4,454</b>	8,162
Office Stationery	<b>25,128</b>	36,654
Insurances	<b>51,556</b>	54,463
Temporary Staff	<b>5,062</b>	26,614
Sundry Costs	<b>11,634</b>	16,738
Employee Related Expenditure	<b>5,077</b>	7,504
Prompt Payment Interest	<b>735</b>	5,501
Provision for Doubtful Debts	<b>(115,239)</b>	(50,888)
Respondent Fee Write Offs	<b>109,150</b>	118,800
Claim Related Fee Write Offs	<b>44,730</b>	34,073
	<b>474,968</b>	544,505



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## 5 Repayment to Department of Jobs, Enterprise and Innovation

Arising from a decision of the Board in December 2011 set-up costs incurred by the Board in 2004 and 2005 of €6.938m (\* broken down by year) were repaid to the Department of Jobs, Enterprise and Innovation. In the 2004 and 2005 accounts the set-up costs were treated as Government Grant received in the Board's Income and Expenditure account and were used both for day-to-day running costs of the Board and for the purchase of capital assets. As a consequence of repaying the amounts used to purchase capital assets the capital account was adjusted:

	2012	2011
Government Grant repaid to Department	<b>0</b>	(6,937,640)
Capital Account released (Note 13)	<b>0</b>	256,783
	<b>0</b>	(6,680,857)

## 5 Repayment to Department of Jobs, Enterprise and Innovation (note continued)

	2012	2011
<b>* 2004 Financial Accounts</b>		
Government Grant	0	2,000,000
Expenditure borne by Department on behalf of the Board	0	2,437,640
	<b>0</b>	<b>4,437,640</b>
<b>2005 Financial Accounts</b>		
Government Grant	0	2,500,000
<b>Total set-up costs received from the Department</b>	<b>0</b>	<b>6,937,640</b>

## 6 Fixed Assets

	Leasehold Improvements €	IT Hardware/ Software €	Office Equipment €	Fixtures & Fittings €	Office Furniture €	Total €
<b>Cost/Valuation</b>						
As at 1 January	832,664	1,804,868	175,017	52,324	243,143	3,108,016
Additions	0	194,068	8,628	0	0	202,696
* Disposals	0	(641,163)	(5,368)	0	0	(646,531)
As at 31 December	832,664	1,357,773	178,277	52,324	243,143	2,664,181
<b>Accumulated Depreciation</b>						
As at 1 January	355,180	1,400,757	175,016	38,046	223,782	2,192,780
Charge	41,672	154,740	0	4,495	10,858	211,765
* Disposals	0	(640,991)	(5,368)	0	0	(646,359)
As at 31 December	396,852	914,505	169,649	42,541	234,640	1,758,187
<b>Net Book Value</b>						
<b>As at 31 December 2012</b>	<b>435,812</b>	<b>443,268</b>	<b>8,628</b>	<b>9,783</b>	<b>8,503</b>	<b>905,993</b>
As at 31 December 2011	477,484	404,111	1	14,278	19,361	915,235

\* The disposals arise from a desktop and server replacement programme conducted in 2011/2012.



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## 7 Debtors

	2012 €	2011 €
<b>Amounts Falling Due Within One Year</b>		
Fees Receivable	<b>839,000</b>	805,400
Respondent Fees		
Claim Related Fees	<b>603,639</b>	667,740
Provision for Doubtful Debts	<b>(139,469)</b>	(254,707)
Interest Receivable	<b>47,321</b>	34,284
Prepayments	<b>162,786</b>	163,107
Other Debtors	<b>10,179</b>	64,084
	<b>1,523,456</b>	1,479,908

The pension cost of two InjuriesBoard.ie pensioners is discharged by the InjuriesBoard.ie and reimbursed by the Department of Jobs, Enterprise and Innovation. The cost in 2012 of €55,374 was reimbursed in full by the Department of Jobs, Enterprise and Innovation prior to year end.



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## 8 Creditors

	2012 €	2011 €
<b>Amounts Falling Due Within One Year</b>		
Trade Creditors	<b>237,828</b>	109,861
Accruals	<b>520,406</b>	757,361
Taxes & Social Welfare	<b>213,926</b>	211,125
Pension Liability	<b>115,346</b>	117,158
Other Creditors	<b>72,712</b>	121,239
	<b>1,160,218</b>	1,316,744

## 9 Provision for Liabilities

	2012 €	2011 €
Opening Balance	<b>911,148</b>	1,187,131
Additional Provision – S44 Cases (Note 4)	<b>0</b>	56,383
Additional Provision – Other (Note 4)	<b>634,637</b>	121,655
Reversed during the year – S44 Cases (Note 4)	<b>(28,496)</b>	(53,163)
Utilised During Year	<b>(620,374)</b>	(400,858)
Closing Balance	<b>896,915</b>	911,148

Provisions represent a prudent estimate of liabilities that may arise to third parties, in respect of legal actions notified prior to year end. Due to the nature of its operations the Board is involved in various legal actions, principally the judicial review of sections of the Personal Injuries Assessment Board Act 2003.

## 9 Provision for Liabilities (note continued)

The provisions are based upon an assessment of the probable costs of defending known actions to the extent that such costs can be reliably estimated. The assumptions made in assessing the appropriate level of provision include the likely outcome of the actions, future trend of legal costs (both our own and third party) and the estimated date the action will be heard. The Board is satisfied that it has made the best estimate of the appropriate provision in the financial statements for the likely outcome, the provision may be subject to revision from time to time as more information becomes available.

## 10 i) Reconciliation of Surplus for Year to Net Cash Flow from Operating Activities

	2012 €	2011 €
Surplus for Year	3,709,186	4,415,867
Bank Interest	(263,485)	(406,791)
Disposal of fixed asset	172	0
<b>Non-Cash Items</b>		
Capital Account Transfer	(23,000)	(23,000)
Depreciation Charge		
– Tangible Fixed Assets	211,765	181,931
(Increase)/Decrease in Debtors	(43,548)	113,308
Increase/(Decrease) in Creditors	(156,525)	(775,697)
Increase/(Decrease) in Provision for Liabilities	(14,236)	(275,985)
<b>Net Cash Flow from Operating Activities</b>	<b>3,420,329</b>	<b>3,229,633</b>

## 10 ii) (Decrease)/Increase in Cash

	2012 €	2011 €
<b>Reconciliation of (Decrease)/Increase in Cash to Cash at Bank</b>		
Movement in Cash for the Year	3,481,118	(3,732,687)
Cash at Bank at 1 January	10,292,281	14,024,968
Cash at Bank at 31 December	<b>13,773,399</b>	10,292,281



### Section 5



## 11 Contingent Liability

### Legal Actions

As stated in Note 9 the Board is, from time to time, party to various legal actions. Based on a number of factors, the Board believes that it is probable that further actions will be notified during 2013.

## 12 Financial Commitments

### Operating Leases

The Board occupies premises at Grain House, Exchange Hall, Belgard Square North, Tallaght, Dublin 24. The premises are leased by the Office of Public Works and the lease costs are borne by the Board. The lease is for a twenty-year term commencing from 2004 with an initial rent of €188,554 per annum. Rent review dates occur at the commencement of the sixth, eleventh and sixteenth years of the lease.

### Post Balance Sheet Event

There is a break clause in the lease in April 2014 for which twelve months notice must be given and which we are informed by the Lessee (Office of Public Works) is expected to be exercised. The financial result of the break clause cannot be determined until a future date when negotiations in the context of the Board's future premises requirements are complete.

	2012	2011
	€	€
Due within one year	0	0
Due after one year and before five years	188,554	0
After five years	0	188,554
	<b>188,554</b>	188,554

## 13 Capital Account

	2012	2011
	€	€
Balance at 1 January	253,000	532,783
Amortisation in line with asset depreciation	(23,000)	(23,000)
Adjustment arising from repayment of Govt Grant	0	(256,783)
Balance at 31 December	<b>230,000</b>	253,000

The capital account represents assets transferred from Department of Jobs, Enterprise and Innovation prior to the set-up of the Board. The assets are amortised in line with depreciation on the related fixed assets.

## 14 Accounting Treatment for Retirement Benefits

The Board operates a defined benefit pension scheme for its employees. The scheme structure is based on the Public Service Model. The employee scheme was approved by the Minister of Enterprise, Trade and Employment and the Minister for Finance in 2008. The Spouse and Children scheme was approved in 2009.

Benefits payable under the scheme are funded by the Exchequer.

The scheme has a number of specific characteristics:

- ▶ The Board makes an agreed contribution to the Department of Jobs, Enterprise and Innovation.
- ▶ The contribution comprises of an employee element along with an employer element. The employer contribution in 2012 was 25% of gross pay.
- ▶ There is an explicit commitment from the Department of Jobs, Enterprise and Innovation with the agreement of the Department of Finance, that the Exchequer will meet the cost of benefits as they fall due.

The Board considers that its pension arrangements, as described above, have the same financial effect from the Board's point of view as a defined contribution scheme. It is of the view that the provisions of Financial Reporting Standard 17, Accounting for Retirement Benefits, which arise under defined benefit schemes, are not appropriate to its circumstances. Accordingly, it accounts for its contributions as if the scheme was a defined contribution scheme.

## 15 Board Members Interests

In accordance with the Code of Practice for the Governance of State Bodies, the Board has in place Codes of Business Conduct for Board Members and employees. These codes include guidance in relation to the disclosure of interests by Board members and these procedures have been adhered to by the Board during the year covered by these financial statements. There are no transactions in the period in which the members had an interest.

## 16 Comparative Figures

A number of adjustments have been made to assist presentation and comparative figures for 2011 have been restated on a consistent basis.

## 17 Approval of Financial Statements

The Financial Statements were approved by the Board on the 21st March 2013.



### Section 5





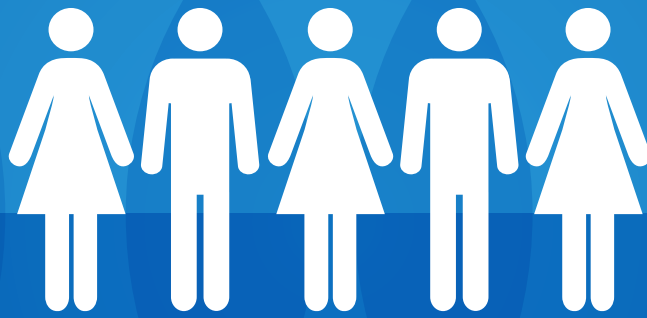
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# Appendices

Appendix 1 – InjuriesBoard.ie Process

Appendix 2 – The Organisation

Appendix 3 – Geographical Analysis of Claims



# Appendix 1

## InjuriesBoard.ie Process

In accordance with the Personal Injuries Assessment Board Act 2003, all Personal Injury claims, with the exception of a small number of categories of claims, must be made through InjuriesBoard.ie, unless settled directly between the parties.

The table below summarises the stages involved in InjuriesBoard.ie's claims process.

Stage	Description
Stage 1	Claimant notifies InjuriesBoard.ie of claim via InjuriesBoard.ie's Service Centre or online via <a href="http://www.injuriesboard.ie">www.injuriesboard.ie</a> .  The Service Centre can be contacted by telephone Monday to Friday, 8am to 8pm on LoCall 1890829121 or by post to P.O. Box 8, Clonakilty, County Cork.
Stage 2	An InjuriesBoard.ie representative assists the Claimant with their application.
Stage 3	Claimant submits their application and Medical Assessment Form.
Stage 4	InjuriesBoard.ie informs Respondent of claim.
Stage 5	Respondent consents to InjuriesBoard.ie assessment.*
Stage 6	An assessment is made and both Claimant and Respondent are informed of the amount of the award.
Stage 7	Both parties accept the award and InjuriesBoard.ie issues an 'Order to Pay' directing the Respondent to pay the amount of the award to the Claimant.
Stage 8	Claimant receives payment and matter is closed.

\* If the Respondent does not consent to the assessment or if either party reject the assessment, InjuriesBoard.ie will issue an 'Authorisation' to the Claimant which allows them to pursue their action through the Courts, if they so wish. A Board authorisation is required if a claim is to proceed to the Courts/litigation.



### Appendices

# Appendix 2

## The Organisation

### Organisational Structure

This following section outlines the organisational structure of InjuriesBoard.ie. InjuriesBoard.ie is led by a Board of Directors (detailed below).

The Board is appointed by the Minister for Jobs, Enterprise and Innovation and consists of a Chairperson, and 10 ordinary members, including the Chief Executive. The Board is responsible for formulating InjuriesBoard.ie policies and the execution of other fiduciary duties.

### Full List of Board Members

Name	Position	Attendance Record
Dorothea Dowling	Non-Executive Chairperson	8 of 8
Joe O'Toole	Vice Chairperson and Irish Congress of Trade Unions (ICTU) nominee	7 of 8
Patricia Byron	Chief Executive	8 of 8
Tom Noonan	Irish Business & Employers Federation (IBEC) nominee	8 of 8
Jerry Fitzpatrick	Irish Insurance Federation (IIF) nominee	7 of 8
Bernard Sheridan	Consumer Protection Director, Central Bank of Ireland	6 of 8
Breda Power	Department of Jobs, Enterprise & Innovation	8 of 8
Ann Fitzgerald (ceased 15th October 2012)	Chief Executive of the National Consumer Agency	5 of 6
Sean Murphy (appointed 20th December 2012)	Acting Chief Executive of the National Consumer Agency	0 of 0
John Fay (ceased 12th April 2012)	ICTU nominee	2 of 2
Professor Denis Cusack (ceased 12th April 2012)	Department of Forensic Medicine, University College Dublin	2 of 2
Frank Cunneen (ceased 12th April 2012)	Former Chairperson Health & Safety Authority	2 of 2
Martin Naughton (appointed 5th April 2012)	ICTU nominee	4 of 6
John Lynch (appointed 1st August 2012)	Business Consultant	3 of 3
Fionnuala O'Loughlin (appointed 1st August 2012)	Consultant Psychiatrist	3 of 3
Stephen Watkins	Secretary to the Board	

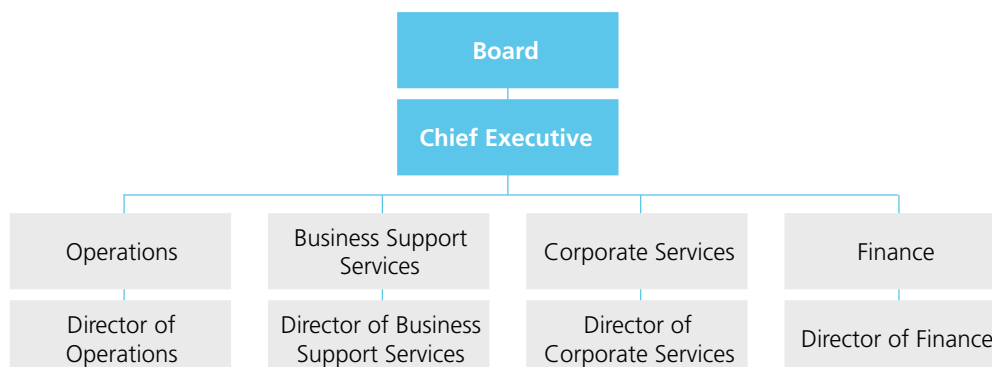
Details of fees paid to Board Members are set out in the Financial Statements. As in previous years, no expenses were paid to Board Members.

In addition to full Board meetings there were five meetings of the Board's Audit Committee during 2012 and three meetings of the Board's Finance Committee.



Appendices

### Organisational Structure



### Executive Management Team

Chief Executive Patricia Byron is a member of the Board. She also leads the Executive Management Team which includes:

- ▶ Maurice Priestley – Director of Operations
- ▶ Helen Moran – Director of Business Support Services
- ▶ Stephen Watkins – Director of Corporate Services
- ▶ Bernadette King – Director of Finance

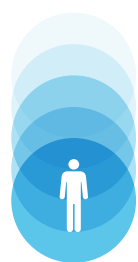
The Chief Executive is responsible for the day-to-day management of InjuriesBoard.ie operations supported by Directors, Managers, Assessors and Support Staff. At the end of 2012, InjuriesBoard.ie employed 69 staff in Tallaght, Dublin 24.

In addition, InjuriesBoard.ie has an outsourced Service Centre.

### Functions of the Personal Injuries Assessment Board

The Personal Injuries Assessment Board is obliged to make assessments on the same basis, and by reference to the same principles, as govern the measure of damages in the law of tort by the Courts. The InjuriesBoard.ie process is based on the provision of information, records or other documents. No oral hearings are conducted by the Board as this is a documents only process focused on the medical facts rather than representation of the facts in an adversarial environment. InjuriesBoard.ie is also charged with the following statutory functions:

- ▶ To prepare and publish a document (which shall be known as the “Book of Quantum”) containing general guidelines as to the amounts that may be awarded or assessed in respect of specified types of injury;
- ▶ To cause a cost-benefit analysis to be made of the legal procedures and the associated processes (including those provided for by the Act) that are currently employed in the State for the purpose of awarding compensation for personal injuries;
- ▶ To collect and analyse data in relation to amounts awarded on foot of, or agreed in settlement of, civil actions to which the Act applies and;
- ▶ To perform any additional functions conferred on the Board under Section 55 of the Act.



### Appendices

# Appendix 3

## Geographical Analysis of Claims

**Table 6.1 Breakdown of Awards by Location (Based on Address of Claimant) 2012 vs. 2011**

	<b>2012 No. of Awards</b>	<b>2012 % of Awards</b>	<b>2011 No. of Awards</b>	<b>2011 % of Awards</b>
Republic of Ireland	<b>9,888</b>	<b>97.6%</b>	9,574	97.4%
Northern Ireland	<b>143</b>	<b>1.4%</b>	150	1.5%
UK (other than Northern Ireland)	<b>72</b>	<b>0.7%</b>	69	0.7%
Rest of World	<b>33</b>	<b>0.3%</b>	40	0.4%
<b>TOTALS</b>	<b>10,136</b>	<b>100.0%</b>	<b>9,833</b>	<b>100%</b>

**Table 6.2 Breakdown of Award Categories by Location (Based on Address of Claimant) 2011 vs. 2012**

	<b>2011 ML</b>	<b>2011 EL</b>	<b>2011 PL</b>	<b>2011 Total</b>	<b>2012 ML</b>	<b>2012 EL</b>	<b>2012 PL</b>	<b>2012 Total</b>
Republic of Ireland	7,311	814	1,449	9,574	<b>7,425</b>	<b>792</b>	<b>1,671</b>	<b>9,888</b>
Northern Ireland	131	4	15	150	<b>126</b>	<b>4</b>	<b>13</b>	<b>143</b>
UK (other than Northern Ireland)	56	2	11	69	<b>52</b>	<b>3</b>	<b>17</b>	<b>72</b>
Rest of World	23	10	7	40	<b>19</b>	<b>8</b>	<b>6</b>	<b>33</b>
<b>TOTALS</b>	<b>7,521</b>	<b>830</b>	<b>1,482</b>	<b>9,833</b>	<b>7,622</b>	<b>807</b>	<b>1,707</b>	<b>10,136</b>

**Table 6.3 Provincial Breakdown of Number of Awards (Based on Address of Claimant) 2011 vs. 2012**

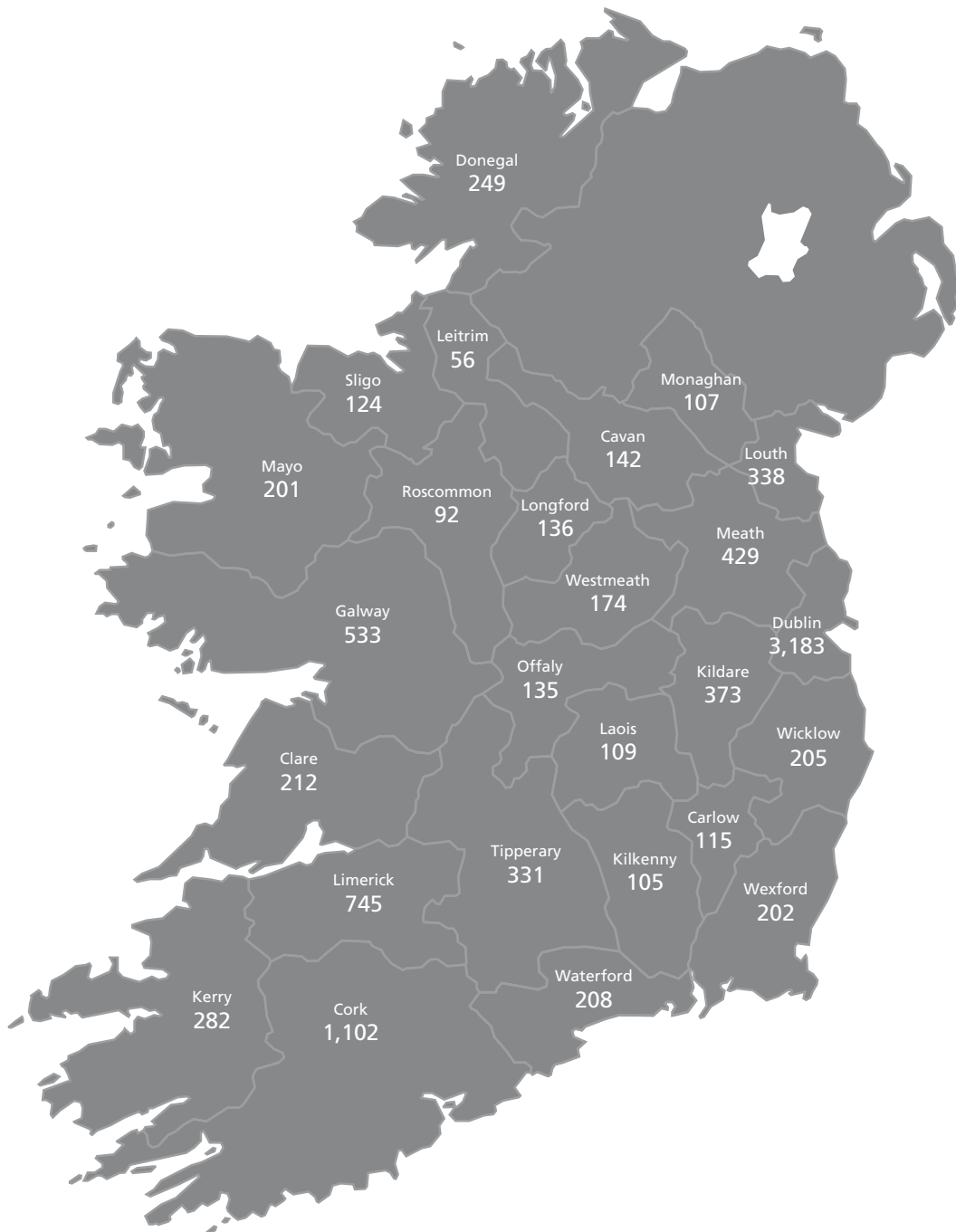
	<b>2011 ML</b>	<b>2011 EL</b>	<b>2011 PL</b>	<b>2011 Total</b>	<b>2012 ML</b>	<b>2012 EL</b>	<b>2012 PL</b>	<b>2012 Total</b>
Dublin	2,101	258	507	2,866	<b>2,240</b>	<b>295</b>	<b>648</b>	<b>3,183</b>
Rest of Leinster	1,790	232	323	2,345	<b>1,792</b>	<b>187</b>	<b>342</b>	<b>2,321</b>
Connaught-Ulster	1,260	84	143	1,487	<b>1,242</b>	<b>87</b>	<b>175</b>	<b>1,504</b>
Munster	2,160	240	476	2,876	<b>2,151</b>	<b>223</b>	<b>506</b>	<b>2,880</b>
Outside the State	210	16	33	259	<b>197</b>	<b>15</b>	<b>36</b>	<b>248</b>

*ML = Motor Liability; EL = Employer Liability; PL = Public Liability*



Appendices

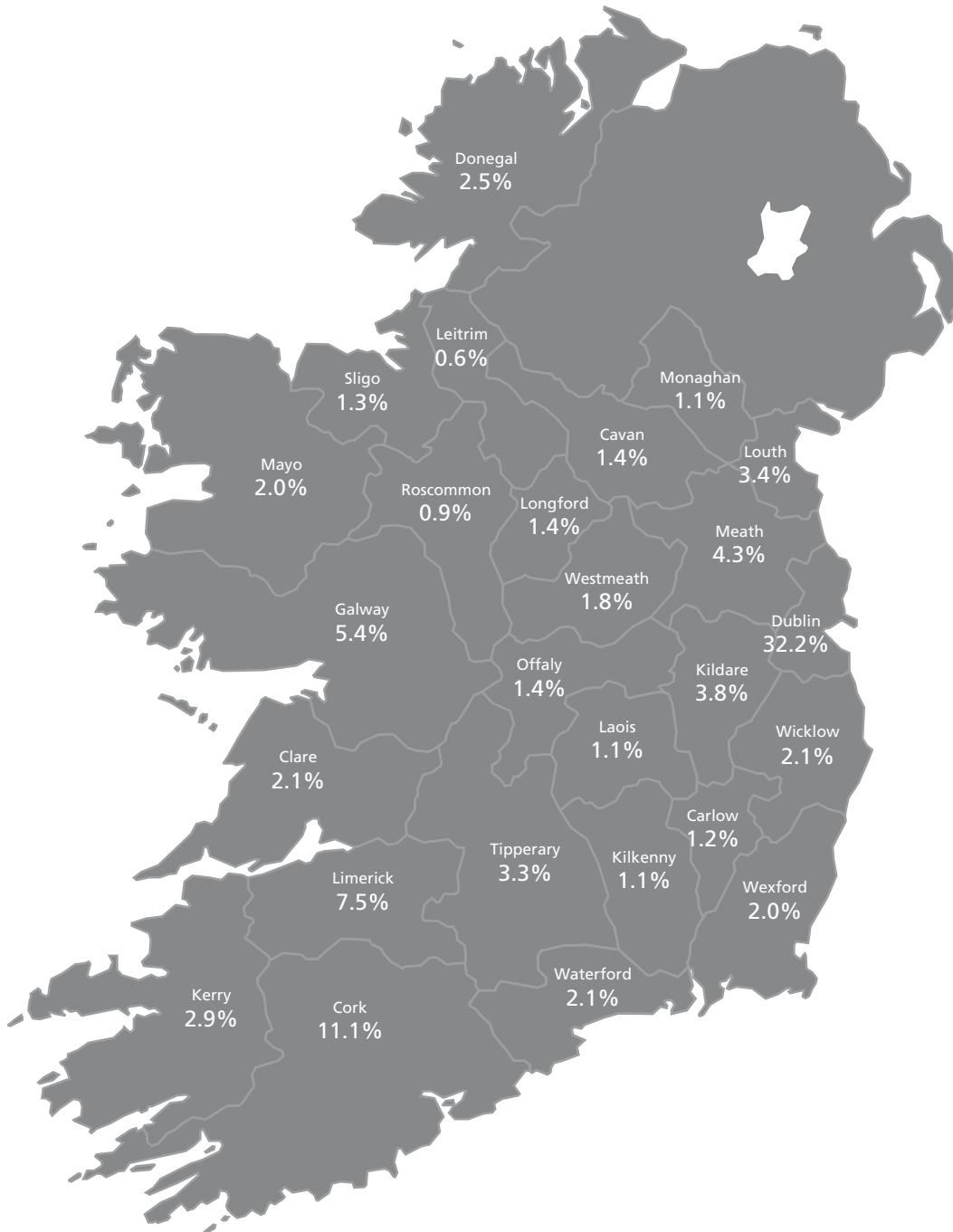
Figure 3.1 Number of Awards per County



Appendices

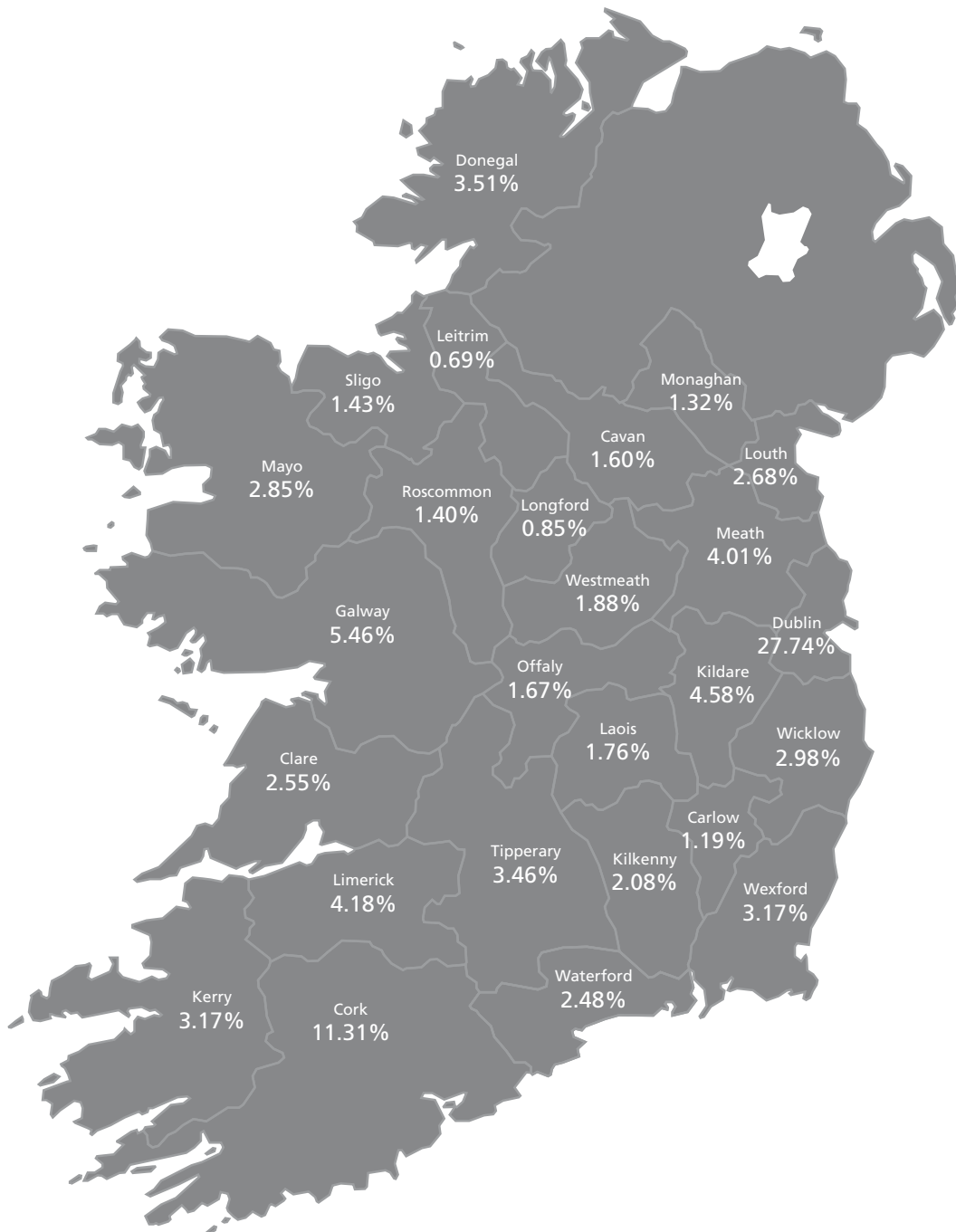


Figure 3.2 % of Awards per County



Appendices

Figure 3.3 % of Total Population per County\*

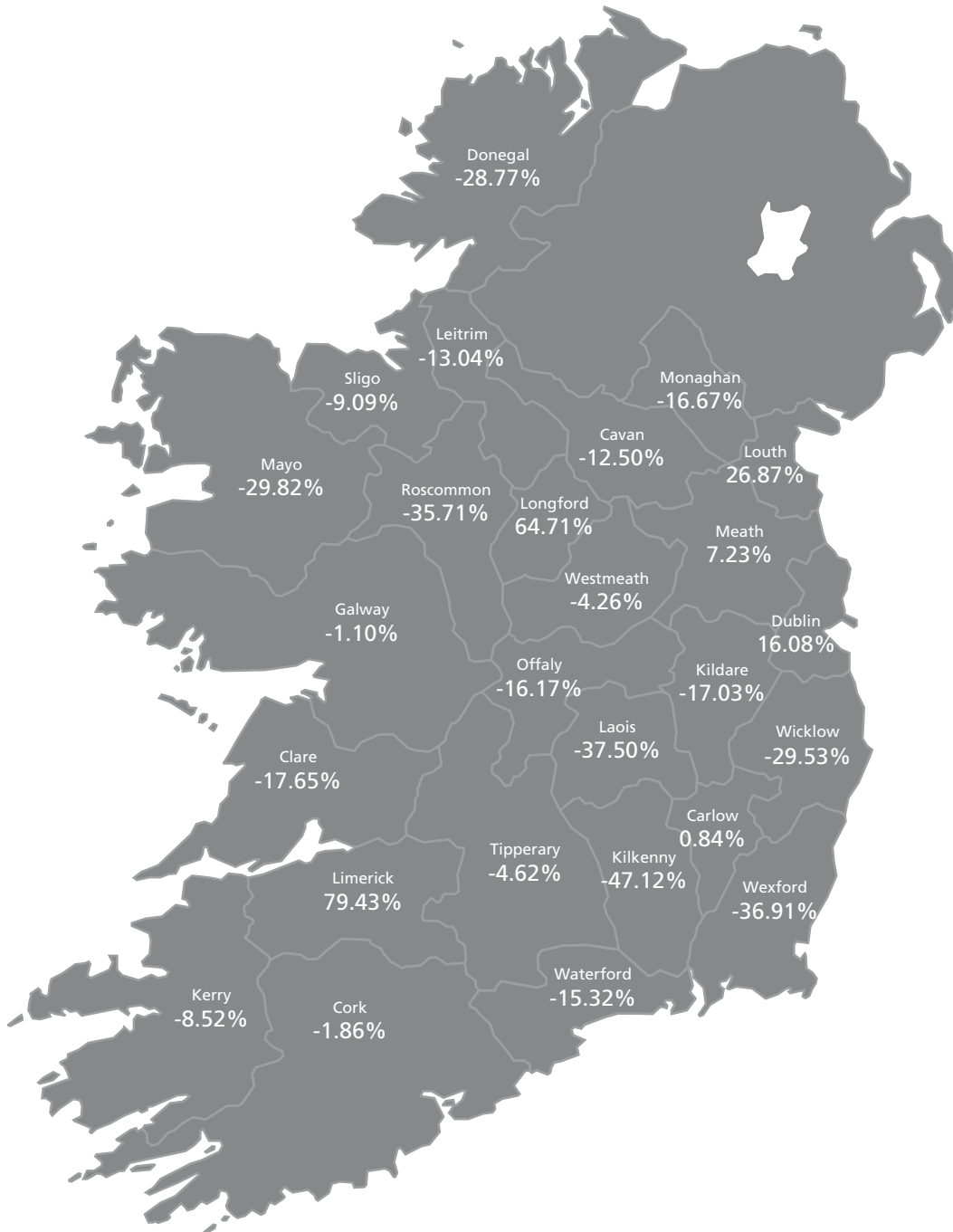


\* Based on Central Statistics Office 2011 Census Results



Appendices

Figure 3.4 % Variance of Awards vs. Population per County\*



Appendices

\* Based on Central Statistics Office 2011 Census Results

**Table 6.4 Top 5 Counties by Awards as per Head of Population 2012**

	<b>% of Awards per County</b>	<b>% of Total Population in County</b>	<b>Variance to National Average</b>
Limerick	7.5%	4.18%	79.43%
Longford	1.4%	0.85%	64.71%
Louth	3.4%	2.68%	26.87%
Dublin	32.2%	27.74%	16.08%
Meath	4.3%	4.01%	7.23%

**Table 6.5 Bottom 5 Counties by Awards as per Head of Population 2012**

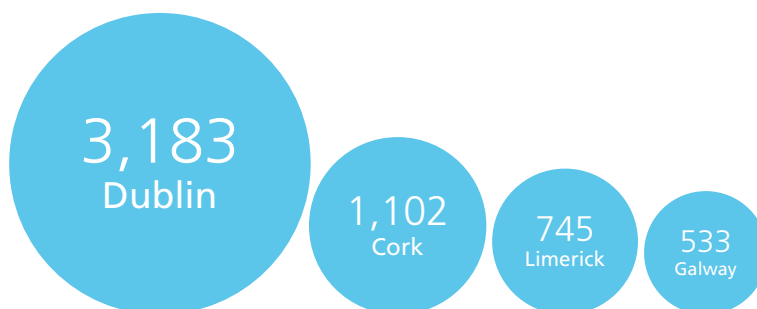
	<b>% of Awards per county</b>	<b>% of Total Population in County</b>	<b>Variance to National Average</b>
Kilkenny	1.1%	2.08%	-47.12%
Laois	1.1%	1.76%	-37.50%
Wexford	2.0%	3.17%	-36.91%
Roscommon	0.9%	1.40%	-35.71%
Mayo	2.0%	2.85%	-29.82%



Appendices

## Overall Awards 2012

**Figure 3.5 Highest No. of Overall Awards by County 2012**  
(Based on Address of Claimant)



**Figure 3.6 Lowest No. of Overall Awards by County 2012**  
(Based on Address of Claimant)



## Motor Liability Awards 2012

Figure 3.7 Highest Number of ML Awards by County 2012 (Based on Address of Claimant)

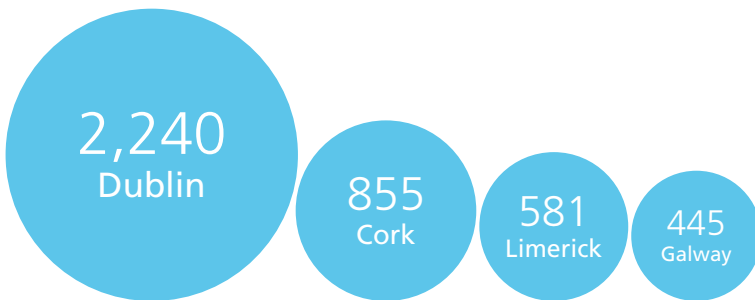
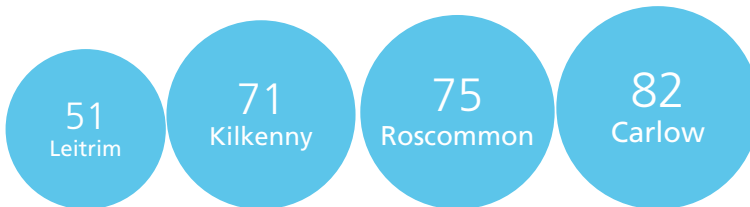


Figure 3.8 Lowest Number of ML Awards by County 2012 (Based on Address of Claimant)



Appendices

## Employer's Liability Awards 2012

Figure 3.9 Highest Number of EL Awards by County 2012 (Based on Address of Claimant)

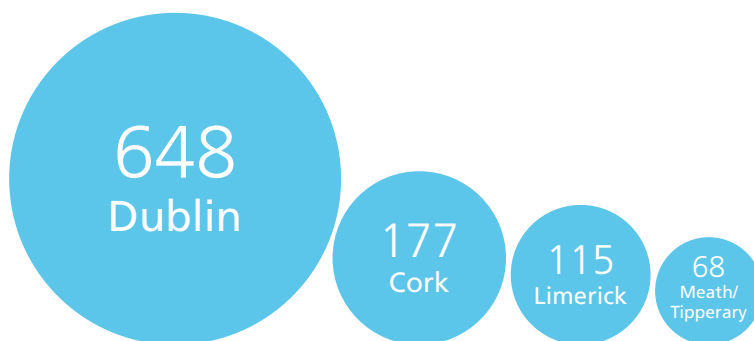


Figure 3.10 Lowest Number of EL Awards by County 2012 (Based on Address of Claimant)



### Public Liability Awards 2012

**Figure 3.11** Highest Number of PL Awards by County 2012  
(Based on Address of Claimant)



**Figure 3.12** Lowest Number of PL Awards by County 2012  
(Based on Address of Claimant)



Appendices





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