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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 2013**

July 2014

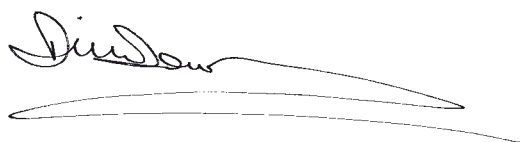
The Personal Injuries Assessment Board

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# Chairperson's Foreword

Minister, we present herewith our Annual Report for 2013.

A handwritten signature in black ink, appearing to read 'Dorothea Dowling', with a long, sweeping horizontal line underneath it.

**Dorothea Dowling**  
*Chairperson*



# Chief Executive's Introduction

It is 10 years since the passage of the Personal Injuries Assessment Board Act 2003 through the Houses of the Oireachtas. The legislation has been well tested during the interim years, with no less than 31 Judicial Reviews mounted against the Board. Fortunately we lost just one of these cases and at that, whilst the decision stipulated that we were denied an option to write to claimants and copy advisors, it was agreed we could write to the advisors and copy the claimants, the transparency we sought still being achieved.

The building of a new State agency with no "blue print" nationally or internationally, despite persistent legal challenges, tested the Board as it sought to establish a new culture, transparency and efficiency in the delivery of personal injury financial compensation. I am pleased to report that a sustainable self-funding non-adversarial model has been delivered, all set up costs have been refunded to the State (€6.9m) and the cost of motor car insurance has reduced by 40% in real terms, (Source: CSO) as a direct result.

Over 2013 we continued with our on-going commitment to improvement and key deliverables included:

- ▶ Over 31,000 personal injury claims managed
- ▶ 10,656 formal awards made in an average time of 7.4 months
- ▶ Compensation of over €240m assessed with a delivery cost of only 7.3%
- ▶ Over €70m in direct savings (when compared to the current cost of litigation)

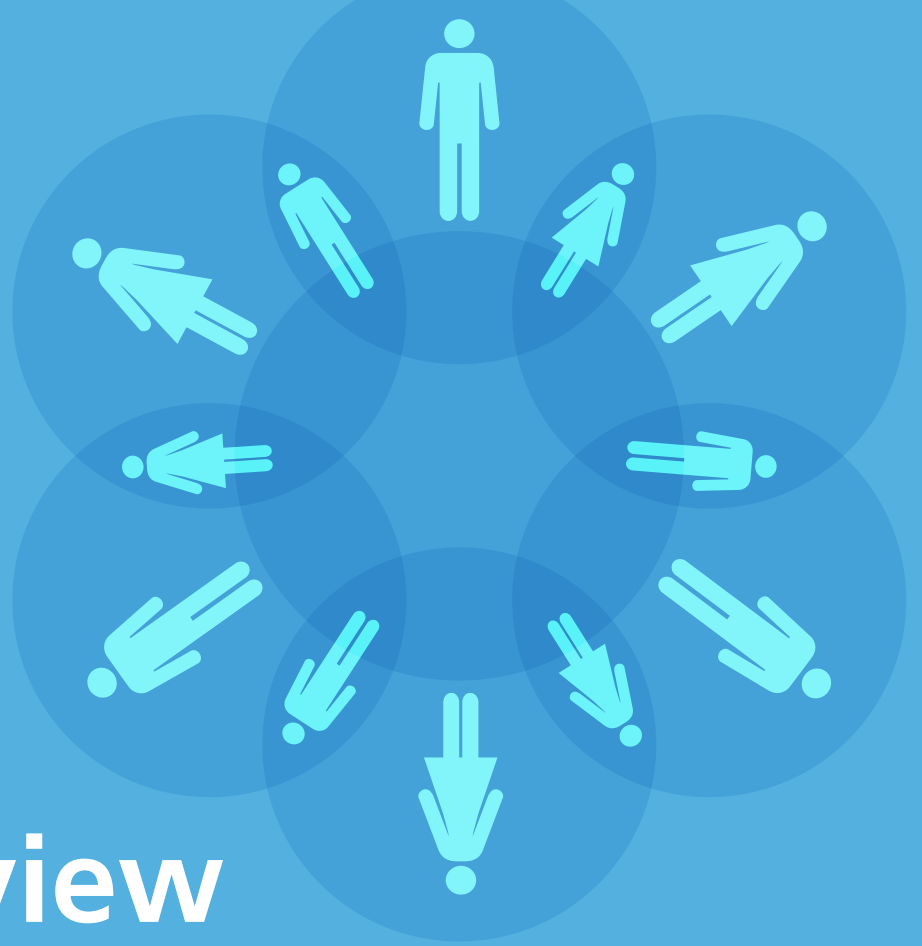
The Board always segmented non-core and core activities since 2004, non-core activities being outsourced at the best market rates. In 2013 we improved productivity yet again, always raising the bar, seeking on-going innovation in our processes and procedures to deliver the same level of financial compensation to accident victims at the lowest delivery cost and in the fastest delivery time. In 2013 we reduced our processing fee by 29%. Despite the moratorium on recruitment of staff to the public service we increased our output again in terms of more formal awards, continuing with trends over the last three years, starting with a modern business build from the outset in 2004.

Ten years on, as mentioned above, we have further improved the functionality of our website offering, and completed a full upgrade of our ICT infrastructure. Further ICT projects and upgrades are planned for 2014, positioning the Board for the next 10 years and, most importantly positioning us to meet the changing needs and demands of our customers, claimants and those paying for claims, respondents.

The Board looks forward to the next 10 years being lean and fit for purpose. We have created additional capacity, capability and scalability over 2013. This positions us to manage a range of other activities including volume processing of generic claims applications/back office processing (not just personal injury claims) and the administration of other classes of claims through our non-litigation/non-adversarial based resolution model.



**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 during 2013 InjuriesBoard.ie has:

- ▶ Managed 31,311 personal injury claims, made 10,656 formal awards and facilitated the resolution of circa 10,000 direct settlements;
- ▶ Achieved an average claims processing timeframe of 7.4 months – within the statutory nine month timeline;
- ▶ Awarded total compensation for accident victims of €243.46 million at an administration cost of 7.3% 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

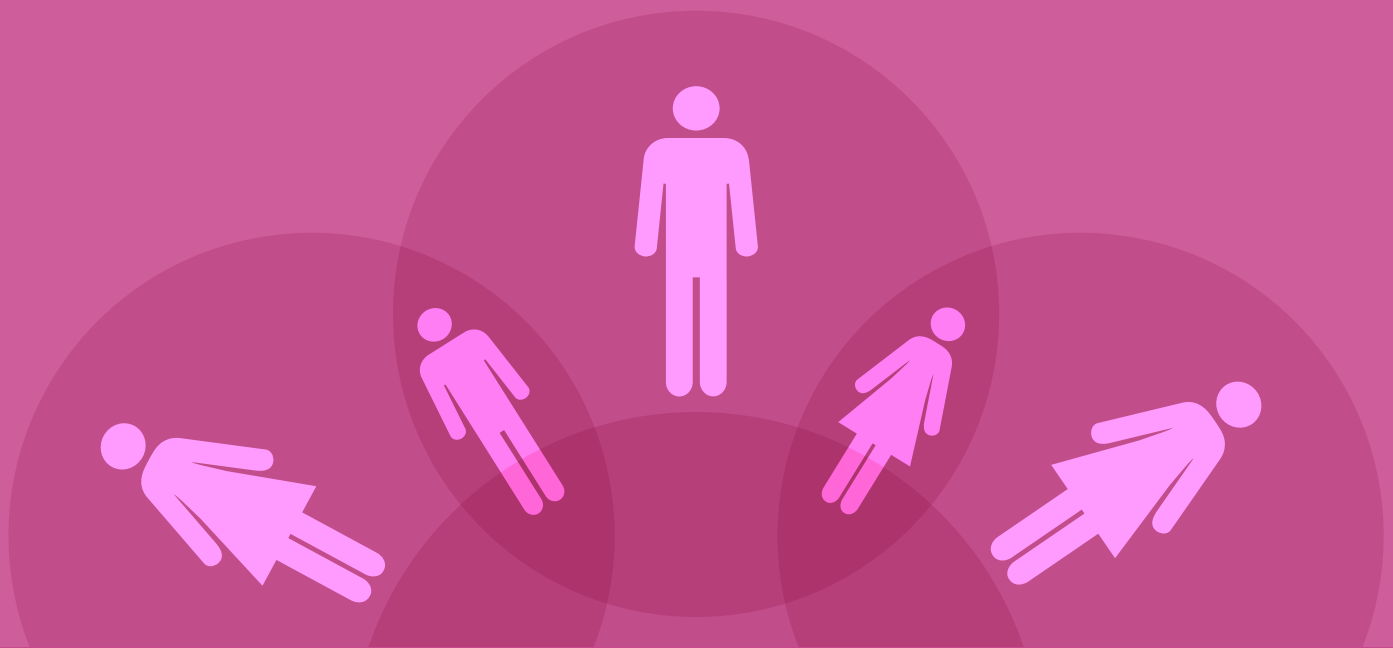
To continue to contribute positively to the changing personal injury claims resolution environment in Ireland through greater use of the Board's non-adversarial model.

During 2013, 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 the compensation payable for personal injuries sustained as a result of a motor, workplace or public liability accident. All such cases must by law be submitted to the Board unless resolved at an earlier stage between the parties. In circumstances where the respondent (the party against whom the claim is made) consents to an assessment being made by the Injuries Board, the assessment is completed within a nine month period. Where both parties accept the assessment the matter is resolved without recourse to litigation, resulting in legally enforceable awards on par with the Courts but with a far lower administration cost arising. In 2013, the Board made 10,656 awards to the value of €243.46 million.

An Award is the value of compensation payable to an individual in respect of a personal injury allegedly 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 relates to the total value of an Award and does 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.

### 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. The Board has made over 70,000 awards with a value exceeding €1.5 billion to date.

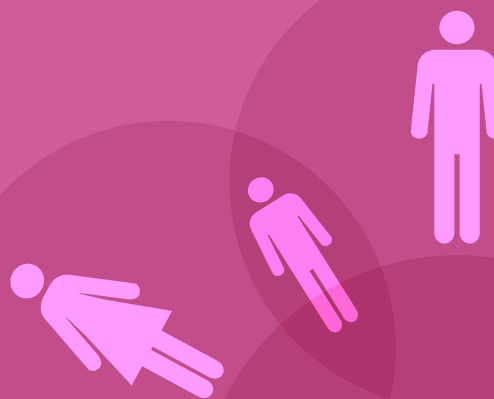
**Table 1.1 Awards Volumes and Values by Year**

	No. of Awards	Value of Awards
2013	10,656	€243.46m
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>70,274</b>	<b>€1,571.56m</b>

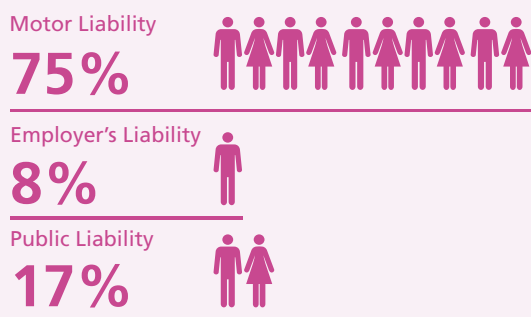
### Awards by Claim Category

In 2013, 75% of the number of all awards were in respect of Motor cases, while 8% related to Employer's Liability and 17% related to Public Liability – the same as the 2012 split.

The average award of €22,847 in 2013 was 6% higher than the average award in 2012.



**Figure 1.1 Breakdown of 2013 Awards by Category**



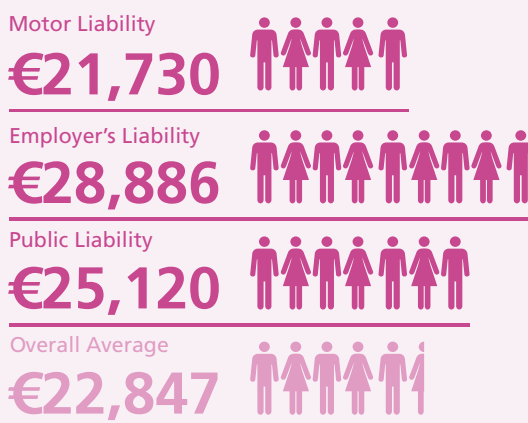
### Value of Awards by Category

Figure 1.2 shows the average value of awards by each of the categories in 2013 i.e. Motor, Employer's Liability and Public Liability. The average award of €22,847 in 2013 was 6% higher than the average award in 2012. 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.

The increase in average awards is explained by the Board being required to assess an increasing number of higher value cases (over €100,000) coupled with a reduction in the number of lower value cases requiring to be assessed (less than €20,000). See also Table 1.2 overleaf. In this context we note a developing pattern, where more respondents (mostly insurers responding to claims on behalf of policyholders) are consenting to the Board assessing a higher percentage of more complex cases while in turn seemingly

targeting a higher volume of the lower value and less complex cases by their own staff or their externally appointed loss adjusters.

**Figure 1.2 Value of Average Awards by Category in 2013**



During 2013, and in line with earlier years, average awards in the Employer's Liability category were highest at €28,886 reflecting the often more serious and complex nature of the injuries sustained in such accidents. The average awards in Figure 1.2 details the 10,656 Awards made during the year, of which 8,062 were Motor, 1,768 Public Liability, and 826 Employer's Liability. Section 2 of this Report provides more detailed information in relation to research carried out on specific categories of claims.



**Section 1**



Section 1

**Table 1.2 Breakdown of Total No. of Awards in 2013 (by Value and Claim Category)**

Average Value Category (€'s)	Motor Liability	Employer's Liability	Public Liability	Total
<20k	5,278	356	862	6,496
20-38k	2,113	311	639	3,063
38-100k	601	143	249	993
>100k	70	16	18	104
<b>All</b>	<b>8,062</b>	<b>826</b>	<b>1,768</b>	<b>10,656</b>

**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 2013.

**Figure 1.3 Range of Awards**

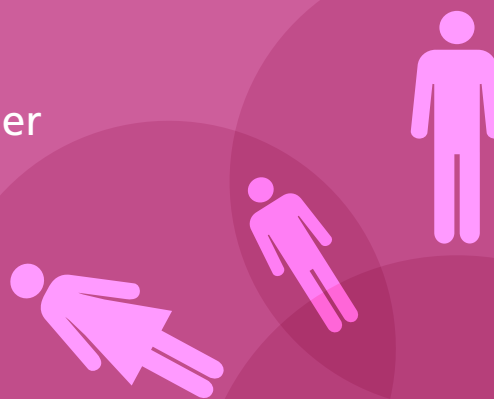


Note: There is no cap on the value of awards the Board are authorised to award.

**Breakdown of Total No. of Awards in 2013 by Value and Claim Category**

61% of all InjuriesBoard.ie awards are under €20,000 and 90% are under €38,000. This has been a consistent feature of Motor, Work and Public place claims in Ireland whether claims were historically administered under the old litigation only system or in recent years, under the Injuries Board model. The nature, severity, range and volumes remain quite predictable in our experience, a finding which may benefit from further analysis by those involved in risk management, medical treatment and rehabilitation, particularly when the Board has amassed 10 years of reliable data at this stage. In this regard the Board will further contribute by building a more advanced injury coding model, adopting best European practices/platforms.

61% of all InjuriesBoard.ie awards are under €20,000 and 90% are under €38,000. This has been a consistent feature of Motor, Work and Public place claims in Ireland.



Injuries sustained were and continue to predominantly involve soft tissue or fractures, or a combination of both, with associated compensation award levels of approximately 90% of such cases below €38,000 and over 60% below €20,000. There has been a drop in the percentage of cases under €20,000 compared to 2012 (61% v 64%) and this reflects in the higher average award value as referred to earlier.

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

Serious injuries continue to be the exception rather than the rule in both pre-Board and Board data reviews. It is consistently clear that it is the high volume of low to medium value claims which drive the underlying aggregate claims bill and ultimately this directly impacts upon the cost of insurance premiums for consumers and business in Ireland. Driving faster timelines and lower administration costs, while maintaining the same level of awards for claimants, continued to be a key priority in 2013 in addition to maintaining our cost base at the lowest possible level through our on-going commitment to continuous improvement programmes.

The Board by its very nature is an “after the event” resolution mechanism. However, the key at this juncture is to fully avail of the valuable data which not alone reaffirms our anecdotal understanding of the claims which arise year in year out and in turn drive insurance costs, jobs and the economy but also we encourage all risk management entities to avail of our data to predict/forecast accidents with this robust data in mind. This can only drive us all forward in addressing the ultimate objective i.e. to lower Motor, Work and Public place accident frequency and severity.

### Average Award by Region/ Category 2013

Table 1.3 shows the breakdown of the average award by category on a regional basis. Employer’s Liability awards are typically of higher value due to the nature of the injuries sustained in workplace accidents. Regional variations are reflected in the particular nature of the accidents involved.



#### Section 1

**Table 1.3**

Dublin	2013 Average Award
Motor Liability	€19,858
Employer’s Liability	€22,901
Public Liability	€22,110
Rest of Leinster	2013 Average Award
Motor Liability	€22,785
Employer’s Liability	€29,568
Public Liability	€27,526
Connaught-Ulster*	2013 Average Award
Motor Liability	€24,070
Employer’s Liability	€37,829
Public Liability	€28,369
Munster	2013 Average Award
Motor Liability	€21,736
Employer’s Liability	€31,723
Public Liability	€25,839

\* Republic of Ireland counties.



Section 1

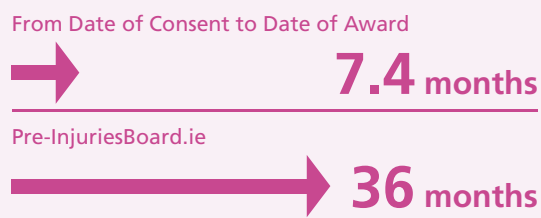
**Table 1.4 Volumes of Claims by Category over the Past Six Years**

Claims volumes	2013	2012	2011	2010	2009	2008
Total Claims	31,311	29,603	27,669	26,964	25,919	24,722
Motor Liability	18,877	17,443	16,351	15,971	15,079	14,012
Employer Liability	4,040	3,828	3,866	3,742	4,119	4,390
Public Liability	8,394	8,332	7,452	7,251	6,721	6,320

### Assessment Timeline

InjuriesBoard.ie is obliged, under the Personal Injuries Assessment Board Act 2003, to assess claims within nine months of a respondent’s (those responding to claims – mostly insurers on behalf of policyholders) consent to the assessment process. The 2013 results for InjuriesBoard.ie show that the average time to deliver Awards was 7.4 months.

**Figure 1.4 Compensation Timeline**



### Applications (Claims)

In accordance with the Personal Injuries Assessment Board Act 2003, all personal injury claims (with exceptions as per the Act) must be submitted to the Injuries Board. Awards are legally enforceable. Claimants who deal directly with the Board incur a €45 processing fee which is returned when an Award has been accepted. Claimants may ask a third party, including solicitors, to submit their claim but there are no legal procedures. This is an administrative system with no oral hearings or adversarial processes. The Board requires the treating doctor(s) to provide a medical update based on treatment records for their patient relating to the accident injuries. At this point the Board appoints the necessary independent experts to assist the Statutory Assessors in determining the full nature and extent of injury including financial losses such as reduced income, medical and other such costs arising from the accident injuries. On occasion more than one report may be required depending on the nature of the injury sustained, stage of recuperation and future medical prognosis. The Board, as an independent State entity, ensures this is all

In 2013 a total of 31,311 applications for personal injury claims were received by the Injuries Board, an increase of 5.8% on 2012. To date the Board has received over 230,000 claims since it was established.



thoroughly completed. On occasion the Board avails of extended timelines by agreement with the claimant but, as our results confirm, the average timeline to award in 2013 was 7.4 months.

In assessing claims the Board makes no distinction between a direct applicant and a claimant who pays an intermediary to process the application to the Board on their behalf. In 2013 a total of 31,311 applications for personal injury claims were received by the Injuries Board, an increase of 5.8% on 2012. To date the Board has received over 230,000 claims since it was established.

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 8.2%, Workplace related claims increased by 5.5%, and Public Liability claims increased by less than 1%.

Further analysis shows that total underlying claims received by the Board increased by over one quarter (26%) since 2008, driven by motor claims which increased by over 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. There are likely to be a number of factors involved in the increase. Some of the increases have coincided with a significant increase in promotion and advertising of personal injury claims, a practice that led to a dramatic increase in personal injury volumes in the UK. As reported previously the

Board has flagged its concerns in this regard with a range of stakeholders and has highlighted the Legal Services Regulation Bill as presenting an opportunity to address advertising of legal services by not just solicitors (as is currently the case) but to extend to all claims handling firms/intermediaries. It is the potential interactions between such groups, as actually occurred in the UK, which raises concern.

The increase in claims received by the Board in 2013 is also likely to be partly due to the behaviour of respondents who are opting in greater numbers to avail of the Injuries Board's assessment process at the reduced fee of €600 (the lowest level since establishment in 2004).

The full picture in relation to overall claims volumes cannot be definitively confirmed without having access to respondents/insurance company data on the volume of all personal injury claims made including those that settle outside the Board's process. This data has been consistently sought from the Insurance sector and has not been forthcoming. This is a matter which may best be addressed in terms of statutory returns to the Central Bank although in the interest of transparency, it would be preferable if the insurance industry addressed this matter on a voluntary basis.



## Section 1

# 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 on average three years to resolve and attracted processing costs of 46%. Today claims are resolved within a nine month timeframe at a processing cost of 7.3%. 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 remaining one 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 are currently 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's Service Centre open 8am to 8pm weekdays. 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 that involve legal issues are released to the Courts by the Board as such cases are deemed to be more appropriate for an oral hearing. The remaining claims proceed through the full awards process. This "triage" ensures that cases are not unnecessarily tied up in a litigation process when a resolution is available through early dialogue/ intervention within our non-adversarial system.

These outcomes were 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 the formal 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 December 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.

Claims are resolved within a nine month timeframe at a processing cost of 7.3%. The overall impact on the claims resolution environment has either met or surpassed initial expectations.



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 40% in real terms since 2002 and the claims/premium spiral evident in the early 2000's has been reversed.

### III. Claimant Experience:

Under the litigation model a person 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 often default position of defendants and/or their 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.

### 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 anonymised data provides an important insight into the types of injuries people sustain and the nature of the accidents in which they are involved. This statistical 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. When the processing of these claims is accepted to be faster and more cost effective, the remaining question arises – can we harness this claim data to better prevent or reduce the impact of accidents, i.e. accident frequency and/or severity? 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 resulting in property



#### Section 2



### Section 2

damage claims, in circumstances where Injuries Board data may show no material increase in claims volumes for motor and liability. Acting in the public interest, the Board continues to openly challenge 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.

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 insights into accidents and the subsequent effects on those involved.

Key statistics from the Injuries Board analysis of employer liability awards in 2012 (published in 2013) were as follows:

- ▶ The average award for a workplace accident was €27,286. The average award for men was slightly higher at €27,657, while women received an average award of €26,456.
- ▶ Men are twice as likely as women to sustain a workplace injury with men accounting for 7 in 10 awards (69.1%) and 54% of the labour force, while women accounted for the remaining 3 in 10 (30.9%) awards and represent 46% of the labour force\*. (\* CSO 2011)
- ▶ The majority of awards were to workers in the 25 to 34 age group (32.2%) while over 1 in 5 (22.6%) were in the 35 to 44 age bracket.
- ▶ The vast majority of awards (82.6%) were under €38,000.
- ▶ For the second consecutive year, Thursday was the most common day for workplace accidents while the least number of accidents occurred on Sunday.
- ▶ Slips, trips and falls were the most common accident type accounting for one third (33.6%) of all awards for workplace accidents.
- ▶ January was the safest month while July saw the highest level of accidents throughout the year.
- ▶ Dublin, Cork and Limerick were the counties with the highest number of awards, whereas Leitrim, Roscommon and Laois had the lowest.

Acting in the public interest, the Board continues to openly challenge those advocating premium increases.



Key statistics from the Injuries Board analysis of motor liability awards in 2012 (published in 2013) were as follows:

- ▶ 51% of awards were for accidents involving female claimants, while men accounted for 49%. Year-on-year, there has been an almost 1% reduction in the number of women claiming for motor accidents.
- ▶ The average award for a motor accident was €20,631 (2011: €20,438). The average award for women was slightly higher at €21,103, while men received an average award of €20,133.
- ▶ As has been the case historically, the majority of personal injury awards are motor related with almost 7 in 10 (68.4%) coming in under €20,000. More serious/complex cases are typically far less prevalent. The highest award made in 2012 in respect of a motor claim was just under €700,000.
- ▶ Road users over the age of 55 proved the least frequent victims of accidents on Irish roads with only 4% of awards made for road accidents in respect of over 65's and 7.5% of awards in respect of the 55-64 age group. The 25-34 age group accounted for over 1 in 4 (26.8%) awards while 35-44 year-olds represented a further 1 in 5 (20.7%).
- ▶ Friday was the most dangerous day on Irish roads in terms of award volumes while Sunday was the least dangerous. However, Sunday accidents accounted for the highest average award across the week at €22,657 indicating these are of a more serious nature.
- ▶ May was the safest month while November saw the highest level of awards for road accidents.
- ▶ Counties Donegal (11), Cork (10), Dublin (8), Kildare (8) and Limerick (6) recorded the highest number of claims that resulted in fatalities, which are tragedies far greater than their financial potential.
- ▶ Dublin, Cork and Limerick were the counties with the highest number of awards (in line with population), whereas Leitrim, Kilkenny and Roscommon had the lowest.



## Section 2

Further data was released in relation to workplace accidents involving vehicles and burns/scalds. Details are available on the news section our website at [www.injuriesboard.ie](http://www.injuriesboard.ie)

### V. Reform Initiatives:

The Board proposed a number of reform initiatives for implementation by other organisations as follows:

#### **Reimbursement of accident related Social Welfare Benefits to the State**

Where an injured party is out of work following an accident they are often entitled to Social Welfare Benefits. These benefits are a cost to the State and in some circumstances can lead to a double payment to the injured party where they also recover their loss of earnings in full as part of their claim. The Board proposed that the Department of Social Protection address recoupment of these benefits as part of any insurance claim being ultimately pursued by the recipient of the State benefits. This proposal was addressed in the introduction of the Social Welfare and Pensions Act 2013. The change which provides for the reimbursement of accident related welfare benefits, where a claim is successfully pursued by the injured party, is expected to deliver savings in the region of €20m to the State and will eliminate any element of double payment.

#### **Reimbursement of State Salaries**

When a State employee is out of work following an accident due to the fault of another party, there was no onus on them to seek reimbursement, in any successful insurance claim ultimately being pursued, of any State salary they received when out of work. The Board proposed to the Department of Public Expenditure and Reform that any State employee who is out of work due to the fault of a third

party and who successfully pursues a claim will now recover and reimburse to the State the salary they received when out of work.

#### **Framework agreement for external service providers**

External delivery models, such as the Service Centre model adopted by the Board, allow greater flexibility in terms of opening hours and variations in work volumes. They allow organisations to continuously innovate and avail of back office workflow solutions which otherwise would not have been available. Generic activities such as routine call servicing, document management, data entry and debt management can be availed of. These models offer a potentially 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 can lower the cost of delivery of services whilst providing high quality services to the citizen. Accordingly the Board is actively engaging with Government, civil servants, and other agencies in relation to potential cross functional reform opportunities in this regard. Following agreement with the Department of Public Expenditure & Reform the Board commenced a process of procuring service providers for Business Process Support Services under an innovative framework agreement where other Agencies/Organisations will also have the opportunity to avail of these services.



#### Section 2

The Board proposed a number of reform initiatives for implementation by other organisations.



**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

2013 marked the seventh successive year in which the Board has operated at nil cost to the Exchequer or taxpayer. As reported previously, 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 2013, the Board charged fees of €600 for respondents and €45 for claimants. The respondent fee of €600 reduced from €850 in 2013, representing a 29% reduction on 2012 levels. As these fees are incurred predominantly by insurers, this reduction will assist in asserting further downward pressure on premiums.

Motor car insurance premiums are down 40% in real terms in the past 10 years as a result of the introduction of the Injuries Board as well as other reform measures.

In 2013 total income was €12 million, down on the 2012 level of €13 million, primarily as a result of the reduced respondent fee of €600. Notwithstanding this reduction, the Board recorded a surplus of €1.2m in 2013. Application volumes, which drive income, increased during the year, these will continue to be monitored during 2014 as part of the on-going budgeting process.

#### Continuous Efficiency Focus

There was a continued focus in 2013 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.

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 2013 our compliance was in excess of 99% with 94% 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 21,000 invoices annually. In 2013, 92% of these invoices were paid by Electronic Funds Transfer.

2013 marked the seventh successive year in which the Board has operated at nil cost to the Exchequer or taxpayer.



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

	2008	2009	2010	2011	2012	2013
No. of Accepted Awards	5,670	5,387	5,038	5,875	6,124	6,476
<b>Total Value of Accepted Awards</b>	<b>€131.34m</b>	<b>€118.20m</b>	<b>€108.24m</b>	<b>€122.71m</b>	<b>€127.62m</b>	<b>€142.57m</b>

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

	2008	2009	2010	2011	2012	2013
Total InjuriesBoard.ie Delivery Costs	€10.19m	€10.3m	€9.52m	€10.68m	€11.47m	€10.76m
Comparable Litigation Costs	€60.41m	€54.4m	€49.79m	€56.45m	€58.71m	€65.58m
<b>Actual Savings</b> (Injuries Board.ie Vs. Litigation System assuming 46% costs in Litigation System)	<b>€50.22m</b>	<b>€44.1m</b>	<b>€40.27m</b>	<b>€45.59m</b>	<b>€47.24m</b>	<b>€54.82m</b>



Section  
3

## Cost Savings

In 2013, InjuriesBoard.ie delivered the current level of compensation at a delivery cost of 7.3% 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). The analysis above utilises the 46% figure but also outlines what savings are, based on what we now believe to be present day litigation costs. In short, insurance costs would not only have remained excessively high had the Board not been brought into being, but would have continued to soar. In the context of our economy over the last five years alone, this would have put an additional and unbearable cost on the individual citizen and the business community at large.



### Section 3

In 2013, 6,476 awards were accepted by customers of InjuriesBoard.ie resulting in €142.57 million of compensation. The relevant figures from 2008 are outlined in Table 2.1. The volume of accepted awards, at circa 60%, has been fairly consistent over the past six years. A large proportion of the rejected awards seem to settle shortly afterwards because they do not appear in the litigation data from the Courts Service. The overall value of compensation awarded by InjuriesBoard.ie 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 10,656 awards in 2013, 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 during, or some little time after our process. Such resolution between the parties is, by and large, due to the Board's facilitation process. We provide a platform for resolution and closure at several junctures along our process.

Table 2.2 (page 25) shows the actual InjuriesBoard.ie delivery costs of €10.76m and compares it to the estimated overhead cost of delivering the same award value under the litigation system (46%) i.e. €65.58m. The resulting savings are shown in the bottom row. Direct InjuriesBoard.ie savings in 2013 were €54.82m. Recent data indicates that litigation costs have increased since the MIAB report of 2004 and are now of the order of 58%. By using 58% rather than 46% as the comparison figure the savings figure increases to nearly €72 million. If that comparison were applied retrospectively to all accepted awards the direct savings to date would be approximately €500 million.

Indisputably, significant additional savings arise in relation to direct settlements through the Service Centre of cases 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. At a minimum we understand there is at least one direct settlement for every Injuries Board accepted award. Applying pro rata savings to those settlements would generate additional savings of €72 million based on the 58% comparator, thereby increasing 2013 savings to €144 million and overall savings since inception to approximately €1 billion.

In 2013, 6,476 awards were accepted by customers of InjuriesBoard.ie resulting in €142.57 million of compensation.



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. These estimates also do not factor in the direct savings to insurance companies whose litigation departments in many cases have substantially reduced in size. It is hoped that additional data from insurance companies might assist in understanding the overall cost of litigation versus the Injuries Board process. This would assist in developing a definitive cost-benefit analysis of the two systems which are now in place to resolve personal injury claims. Such data would assist in a deeper understanding of the overall favourable impact as a result of the establishment of the Board both in terms of costs and also the relief of stress from parties involved in adversarial litigation often caused in the longer timelines of the Court system.



**Section  
3**

# 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.

## Customer Service

In 2013, InjuriesBoard.ie continued to provide a transparent and accessible claims assessment process. Over 31,000 applications were handled and assessments were made in 10,656 cases.

Customer service is delivered through the front line Service Centre 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 addition, direct claimants can now complete their applications online 24/7 with web chat facilities available to assist direct claimants throughout the process

In 2013, the Centre received almost 54,000 telephone calls, 96% of which were answered within 20 seconds following a short automated greeting; 446,000 items of post, 86,000 electronic mail items and 13,000 faxes were handled, all of which are handled within 10 days. In addition almost 20,000 medical appointments were arranged in 2013 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 was published on our website in late 2012 and a dedicated complaints mailbox was provided for customers. This created a greater level of awareness of our Complaints Procedure. There were no significant issues reported in 2013. We welcome customer feedback at all times and we use this as a valuable opportunity to review existing processes and improve the customer experience.

## Website

The Board's website [www.injuriesboard.ie](http://www.injuriesboard.ie) is a primary focus for engagement and information sharing with our customers. The site provides customer focussed elements including enhanced online options to submit and manage claims directly, thereby mitigating unnecessary legal fees for claimants. The site features the "harp" to distinguish itself from other sites which are not those of the official State Agency.

The site features improved navigation and design with more understandable and accessible plain language and clear information on how to make a claim. There is now a significantly streamlined online form, clear instructions and help functions, enhanced online support, a variety of contact options including call-backs, contact forms and web chat, feedback options through the site and on-line form, and a dynamic news and information area.

User experience has been positive. There was an increase of 25% in website visits in 2013 and more than double the number of claims coming through the on-line channel than previously. Satisfaction levels have been well over 90% as reported through the feedback channels.



### Section 4



Almost 20,000 medical appointments were arranged in 2013 to support timely assessments.



### InjuriesBoard.ie smartphone application (“app”)

A smartphone app was developed towards the end of the year. The app has been designed to inform and educate the public about the role of the Injuries Board and to provide information on the personal injury claims process. It complements the Board’s user friendly and recently upgraded website and online direct claims service.

The app contains:

1. An interactive Claim Estimator to estimate what compensation a person may be due based on the type of injury sustained i.e. to what part of the body
2. A facility to submit contact details in the call-back form so that a member of our team will telephone back to provide more information on the claims process and our public services. The user completes a small number of fields on the app and a member of our team then telephones them at a convenient time.
3. A link to our website [www.injuriesboard.ie](http://www.injuriesboard.ie) where the user can get further information or submit a personal injury claim on-line.
4. Frequently Asked Questions focussed on the broader questions with the aim of supplying key information:
  - ▼ Q. How do I know if I am entitled to compensation?
  - ▼ Q. How do I submit a claim?
  - ▼ Q. How much will it cost me to make a claim through the Injuries Board?
  - ▼ Q. Can I submit a claim myself?
  - ▼ Q. I’m under 18. Can I make a claim?
  - ▼ Q. Who should I name as a respondent (person or entity responsible for my injuries)?
  - ▼ Q. How long does it take to have my claim assessed?
  - ▼ Q. If my claim is successful, who pays the compensation?
  - ▼ Q. Does the Injuries Board deal with fatal claims?



#### Section 4

The app can be used on smartphones using the iOS platform or smartphone devices using the Android operating platform. It is available from the App Store and the Play Store.

This app is intended to provide public information to citizens and to act as a guide only and does not purport to be a legal interpretation of the Personal Injuries Assessment Board Acts 2003 and 2007 or any secondary legislation made pursuant to those Acts.

The app received the Bronze Medal award in the Best Government or Public Sector use of Mobile category at the Mobile Marketing Awards.



### Section 4

## Information & Communications Technology

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 on-going 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 on-going 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, the output of which was a recommendation to upgrade the Board's current Claims Management System to the latest web enabled version. This upgraded version will interface more readily with the Board's stakeholders (Claimant, Respondent, Medical/Legal Community) and has the potential to deliver significant service and value propositions in the future. During 2013 a Proof of Concept project was completed which supported this option. The detailed planning and implementation of this upgrade is scheduled for 2014.

Another key element of the Board's IT strategy is the development of additional e-Services for stakeholders via portals which will be developed during 2014 in conjunction with the upgrade of the Claims Management system.

## Facilities

### Leasehold Premises

The Board currently occupies premises at Grain House, Exchange Hall, Tallaght, Dublin 24. The premises are leased by the Office of Public Works and the lease costs are borne by the Board. There is a break clause in the lease, dated April 2014 which was exercised by the lessee (Office of Public Works). As at 31 December 2014 negotiations regarding a new lease were on-going between the OPW and the Landlord.

### 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 2013 continued with an Energy Management Programme that included: continuing to raise employee awareness, and a review of the Board's paper usage and print requirements. Following on from this review the Board is currently in the process of reducing and consolidating its print requirements by replacing a number of obsolete printers with newer, more energy efficient models. Other actions planned for 2014 include a review of the premises Air Conditioning system with a view to replacing it with a modern, energy efficient model.

The total energy consumption by the Board in 2013 was 207,350kWh of electricity.

During the year, employees of the Board organised a number of fundraising activities.



## Human Resources

The Board continues to operate under the Government's moratorium on recruitment of staff. From a staff allocation of 77 in 2010 under the Employment Control Framework (ECF) the Board currently has 68 staff. Notwithstanding the reduction in staff numbers the Board, through the employment of an experienced skilled and motivated workforce, continues to deliver on its core function of the assessment of claims. Productivity has been increased due to constant process reengineering, reallocation of resources and maximising the use of an outsourced Service Centre for a broader range of non-core assessment roles. An independent audit of Human Resources which reviewed policies, procedures and employee files resulted in the highest rating possible.

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

A number of staff studied Certificate and Degree courses under the Board's Assisted Education Scheme. Training was also facilitated by Tallaght Hospital, Irish College of Ophthalmologists, Dublin Dental University Hospital, Irish Payroll Association (IPASS), Irish Business and Employers Confederation (IBEC), Public Affairs Ireland and the Institute of Public Administration.

## Corporate Social Responsibility

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

## Internal Audit

The Internal Audit function is a key element in informing the Board on the effectiveness of the system of internal controls. The internal auditors operate in accordance with the Code of Practice for the Governance of State Bodies. Internal Auditor reports were prepared in 2013 covering a wide range of areas: Financial, Operational and Organisational. These reports were brought before the Audit Committee and there were no significant issues identified.

## Corporate Governance

InjuriesBoard.ie operates in accordance with the provisions of the Personal Injuries Assessment Board Act 2003 as amended in 2007. 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 to the Exchequer subsequently in 2011.



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### Section 4

In addition to the terms of its governing legislation, the Board is also required to comply with a wide 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 implemented Risk Management procedures as outlined in its Risk Management Framework. This comprehensive framework is fully integrated with the Board's Quality Assurance Programme and Business Planning cycle.

#### **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 which is a question asked at the outset of every Board meeting. Staff, at Management level, are also subject to this legislation.

#### **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. The Board 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. During the year the Board implemented a new Data Breach Policy.

Work commenced during the year in drafting the Board's third Strategic Plan which will be effective from 2014.



### **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 reviews and updates its procurement policies and procedures and also provides training to relevant personnel in this important technical area.

Various tender competitions were held in 2013 including an EU tender to establish a framework agreement for the provision of Business Process Support Services.

### **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 2012. 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.

### **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**

Work commenced during the year in drafting the Board's third Strategic Plan which will be effective from 2014. The new plan will set 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 2013, InjuriesBoard.ie maintained its programme of engagement with key stakeholders. In addition to regular liaison 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.



#### **Section 4**



### Section 4

The following is a selection of organisations which we met during the year: Central Bank of Ireland, the Law Society (User Forum), Insurance Ireland (User Forum), the Health and Safety Authority, the Road Safety Authority, the Data Protection Commissioner's Office. Additionally, a number of presentations were made to various bodies including IBEC, SIPTU, Meath Solicitors Bar Association, Local Authority HR Conference and the Association of Irish Risk Management.

#### User Groups

As part of the Boards on-going commitment to improve services during 2013 user forum meetings were held with both the Law Society and Insurance Ireland.

#### 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 of the HSA's and the RSA's safety programmes.

#### Awareness Research

The Board commissioned research during the year to measure the public's awareness of the Injuries Board and its processes.

The results show:

- ▶ Awareness of Organisation that Deals with Compensation – up from 33% in December 2012 to 45% in December 2013 (previously 52% in October 2011)
- ▶ Spontaneous Recall of Name of Organisation – increase in spontaneous awareness of the organisation's name – 23% as against 18% in 2012
- ▶ Prompted Awareness of InjuriesBoard.ie/PIAB – Prompted awareness of the brand name increased from 42% in December 2012 to 48% in December 2013 (previously 50% in October 2011)
- ▶ Increase in the awareness that all claims are processed through InjuriesBoard.ie – 19% in December 2012 to 23% in December 2013.
- ▶ The awareness of the need not to use a solicitor when dealing with the Injuries Board is up from 18% in December 2012 to 21% in December 2013 (previously 21% in October 2011). Of those that are aware, 57% (51% in December 2012) indicated they would apply directly, whereas only 33% (same as last year) would apply via a solicitor.

2013 saw an increase in the awareness that all claims are processed through InjuriesBoard.ie



The results are encouraging and reverse the drop off in awareness levels seen at the end of 2012 in comparison with 2011. Communications is still broadly targeted at our specific users and potential claimants to ensure they have access and knowledge of how to navigate our system, rather than being directed to the public at large.

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  
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# Section 5

Financial Statements  
for the year ended  
31 December 2013





# Section 5

Financial Statements for the year ended  
31 December 2013

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# General Information

## Members of the Board

Dorothea Dowling – Chairperson

Joe O’Toole

Patricia Byron

Tom Noonan

Jerry Fitzpatrick

Breda Power

Bernard Sheridan

Membership ceased on 31st December 2013

Martin Naughton

John Lynch

Fionnuala O’Loughlin

Sean Murphy

Membership ceased on 19th March 2013

Karen O’Leary

Joined 11th April 2013

## 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)



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# 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.



## Section 5

On Behalf of the Board

**John Lynch**

15th May 2014

**Martin Naughton**

15th May 2014

# 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.

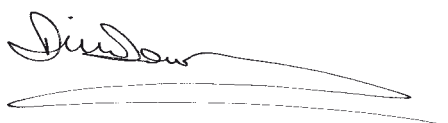
The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties and a system of delegation practices and accountability. In particular it includes:

- ▶ 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 2013, the Board conducted a review of the system of internal financial control.



**Dorothea Dowling**  
Chairperson



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# 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 2013 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 statement of total recognised gains and losses, 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.



### Section 5

## 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 2013 and of its income and expenditure for 2013.

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

## 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*

12 June 2014



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# 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	12.5%	Straight Line
Office Furniture	12.5%	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.

## Retirement Benefits

### Nature of Scheme

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's scheme was approved in 2009.

Benefits payable under the scheme are funded by the Exchequer.



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## Scheme Characteristics

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 2013 was 25% of gross pay, 30% for staff on PRSI Class B and D.
- ▶ There is a 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.

In substance, the Board considers that the obligation to pay retirement benefit remains with Personal Injuries Assessment Board (PIAB), but that the Exchequer has committed to providing PIAB with sufficient funds to settle any such obligations on PIAB's behalf as they fall due, provided PIAB pays over employees' and the employer's contributions at rates specified. Accordingly, the financial statements recognise both a Retirement Benefit Obligation and a Deferred Exchequer Retirement Benefit Funding receivable.

## Scheme Liabilities

Scheme liabilities represented by the present value of future payments earned by PIAB staff to date are measured on an actuarial basis using the projected unit method. Pension costs reflect benefits earned by PIAB staff in the period and are shown net of employee pension contributions, which are retained by the Department. The amount to be included in the financial statements for the Deferred Exchequer Retirement Benefit Funding amount is estimated at an amount equal to the estimate of the obligation for the pension scheme liabilities.

## Scheme Actuarial Gains or Losses

Actuarial gains or losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur and a corresponding adjustment is recognised to the balance for Deferred Exchequer Retirement Benefit Funding.

Pension costs in the Income and Expenditure account comprise the employer's contribution in respect of the year.

In previous years the Board charged the employer contributions to the Income and Expenditure Account in the year, as if the scheme was a defined contribution scheme. The effect of the change in accounting policy has no net impact on the surplus in the Income and Expenditure Account or on the Balance Sheet.

## Debtors

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

## Capital Account

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 on the same basis as depreciation of the related Leasehold Improvements fixed assets.

# Income and Expenditure Account

for the year ended 31 December 2013

	Notes	2013 €	2012 €
<b>Income</b>			
Fee Income	1	11,260,272	12,764,769
Interest Receivable		212,061	263,485
Transfer from Capital Account	12	222,333	23,000
Other Income		15,012	65,253
<b>Total Income</b>		<b>11,709,678</b>	<b>13,116,507</b>
<b>Expenditure</b>			
Salaries, Pensions and related expenses	2	5,594,472	5,392,303
Claims Processing expenses	3	1,930,256	1,710,689
Board Member Fees	2	59,850	66,272
Accommodation & Establishment Costs	4	438,081	432,241
Recruitment, Training & Education	4	18,278	49,557
Information, Research & Communication	4	335,147	259,496
Legal Costs & Professional Fees	4	242,367	225,641
Judicial Review Costs	4	138,816	166,420
IT Costs	4	313,501	302,302
Telecommunication Costs		110,516	115,495
General Administration	4	516,246	474,968
Loss on Disposal of Fixed Assets		245	172
Depreciation		567,999	211,765
<b>Total Expenditure</b>		<b>10,265,774</b>	<b>9,407,321</b>
<b>SURPLUS FOR THE YEAR</b>		<b>1,443,904</b>	<b>3,709,186</b>
<b>Balance at 1 January</b>		<b>13,915,716</b>	<b>10,206,530</b>
<b>BALANCE AT END OF YEAR</b>		<b>15,359,620</b>	<b>13,915,716</b>

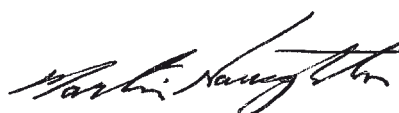
The Board has no gains or losses in the financial year other than those dealt with in the financial statements. The Statement of Accounting Policies and Notes 1 to 17 form an integral part of these financial statements.

On Behalf of the Board



**John Lynch**

15th May 2014



**Martin Naughton**

15th May 2014



# Statement of Total Recognised Gains and Losses

for the year ended 31 December 2013

	2013 €	2012 €
Surplus for the year	1,443,904	3,709,186
Experience gains on pension scheme liabilities	1,066,000	161,000
Change in assumptions underlying the present value of pension scheme liabilities	(355,000)	(2,648,000)
Adjustment to Deferred Pension Funding	(711,000)	2,487,000
<b>Total recognised gains for the year</b>	<b>1,443,904</b>	<b>3,709,186</b>

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



**John Lynch**

15th May 2014



**Martin Naughton**

15th May 2014



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# Balance Sheet

at 31 December 2013



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	Notes	2013 €	2013 €	2012 €	2012 €
<b>Fixed Assets</b>					
Tangible Assets	5		345,999		905,993
<b>Current Assets</b>					
Debtors	6	1,178,403		1,523,456	
Cash at bank and in hand		979,857		1,331,051	
Short Term Deposits		15,018,879		12,442,348	
<b>Total Current Assets</b>		<b>17,177,139</b>		<b>15,296,855</b>	
<b>Current Liabilities</b>					
Creditors: Amounts falling due within one year	7	1,264,937		1,160,218	
<b>Net Current Assets</b>			<b>15,912,202</b>		<b>14,136,637</b>
<b>Total Assets less Current Liabilities</b>					
			<b>16,258,201</b>		<b>15,042,630</b>
Provision for liabilities and charges	8		890,914		896,914
<b>Retirement Benefits</b>					
Retirement Benefit Liability	13		(14,439,000)		(13,717,000)
Deferred Exchequer Retirement Benefit Funding	13		14,439,000		13,717,000
<b>Net Assets after Retirement Benefits</b>			<b>15,367,287</b>		<b>14,145,716</b>
<b>Financed By:</b>					
Capital Account	12		7,667		230,000
Income & Expenditure Account			15,359,620		13,915,716
<b>Total Financed by:</b>			<b>15,367,287</b>		<b>14,145,716</b>

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

On Behalf of the Board

**John Lynch**

15th May 2014

**Martin Naughton**

15th May 2014

# Cash Flow Statement

for the year ended 31 December 2013

	Notes	2013 €	2012 €
<b>Cash Flow Statement</b>			
Net Cash Flow from Operating Activities	9	2,021,526	3,420,329
Returns on Investment and Servicing of Finance			
Bank Interest		212,061	263,485
<b>Cash Flow before Capital Expenditure</b>		<b>2,233,587</b>	3,683,814
<b>Capital Expenditure</b>			
Purchase of Tangible Fixed Assets	5	(8,251)	(202,696)
<b>Net Cash outflow from Capital Expenditure</b>		<b>(8,251)</b>	(202,696)
<b>Movement in Cash for the Year</b>	9	<b>2,225,337</b>	3,481,118

On Behalf of the Board



**John Lynch**

15th May 2014



**Martin Naughton**

15th May 2014



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# Notes to the Financial Statements

for the year ended 31 December 2013

## 1 Fee Income

	2013 €	2012 €
Claimant Fee Income	<b>1,377,474</b>	1,297,296
* Respondent Fee Income	<b>9,882,798</b>	11,467,473
	<b>11,260,272</b>	12,764,769

\* The Respondent fee reduced from €850 to €600 for Formal Notices issued from 1st January 2013. 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 in 2013 is 7.4 months.

## 2 i) Salaries, Pensions and Related Expenses

	2013 €	2012 €
Salaries	<b>4,008,610</b>	3,997,627
* Employer Superannuation Contributions	<b>1,031,643</b>	1,030,767
Employer PRSI Contributions	<b>366,479</b>	363,909
	<b>5,406,732</b>	5,392,303
** Other Costs	<b>187,740</b>	0
	<b>5,594,472</b>	5,392,303

\* €287,075 of Pension Related Deduction has been deducted and paid over to the Department of Jobs, Enterprise and Innovation in 2013, €282,268 was deducted and paid over in 2012.

\*\* Other Costs includes €43,703 relating to the salary recharged for staff on redeployment and an amount of €144,037 accrued being the additional employer pension contributions relating to July-December 2006 to increase the contribution level in line with that outlined in Note 13.

### Staff Numbers

Average Staff directly employed by the Board	67	69
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Emoluments of Chief Executive

Patricia Byron

Salary	173,310	178,793
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Included in the above salary figure is €11,000 for a car allowance which was €10,994 in 2012. Performance related payments were discontinued in 2010. The Chief Executive's pension entitlements are in accordance with the terms of the Public Sector Model Scheme.



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## 2 ii) Board Fees and Expenses

	2013	2012
	€	€
Board Fees	<b>59,850</b>	66,272
<b>By Board Member</b>		
* Dorothea Dowling – Chairperson	<b>0</b>	9,747
Joe O’Toole	<b>11,970</b>	11,970
Tom Noonan	<b>11,970</b>	11,970
Jerry Fitzpatrick	<b>11,970</b>	11,970
Martin Naughton	<b>11,970</b>	8,845
John Lynch	<b>11,970</b>	4,988
Frank Cunneen	<b>0</b>	3,391
John Fay	<b>0</b>	3,391
	<b>59,850</b>	66,272

\* 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 2013: Breda Power, Bernard Sheridan, Fionnuala O’Loughlin, Sean Murphy and Karen O’Leary due to the application of One Person One salary principle.

**There were no expenses paid to Board members for 2013.**



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## 3 Claims Processing expenses

	2013	2012
	€	€
Outsourced Service Centre Costs	<b>1,930,256</b>	1,710,689
Claim related Medical Fees	<b>5,775,068</b>	5,282,507
Claim related Other Costs	<b>134,290</b>	113,382
Claim related Costs to be Reimbursed	<b>(5,909,358)</b>	(5,395,889)
	<b>1,930,256</b>	1,710,689

\* 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 2014 relating to consents received in 2013, these costs are not provided in the financial statements. These costs and other claim related costs are reimbursed to the Board by the respondent.

## 4 Expenditure

	2013 €	2012 €
<b>Accommodation &amp; Establishment Costs</b>		
Rent, Rates and Service Charges	<b>309,055</b>	308,681
Cleaning and Security	<b>52,736</b>	54,254
Light & Heat, Maintenance and Other	<b>76,290</b>	69,306
	<b>438,081</b>	432,241
<b>Recruitment, Training &amp; Education Costs</b>		
	€	€
Training, Education and other costs	<b>17,587</b>	48,143
Advertising, Interviews and other recruitment costs	<b>691</b>	1,414
	<b>18,278</b>	49,557
<b>Information, Research &amp; Communication Costs</b>		
	€	€
Public Awareness	<b>164,335</b>	111,776
Advertising – Other	<b>144,515</b>	120,974
Leaflets/Brochures & Publications	<b>26,297</b>	26,746
	<b>335,147</b>	259,496
<b>Legal Costs &amp; Professional Fees</b>		
	€	€
Statistical, Internal Audit and other Professional Fees	<b>141,521</b>	120,958
Audit Fees	<b>14,075</b>	12,925
General Legal Advices	<b>86,771</b>	91,758
	<b>242,367</b>	225,641
<b>Judicial Review Costs</b>		
	€	€
Judicial Review Provision (Note 9)	<b>200,499</b>	634,637
Release of Judicial Review Provision	<b>(61,683)</b>	(468,217)
	<b>138,816</b>	166,420



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## 4 Expenditure (note continued)

	2013	2012
	€	€
<b>IT Costs</b>		
IT Software Development	<b>51,183</b>	(26,979)
IT Licence Fees	<b>127,142</b>	194,231
IT Support & Maintenance	<b>111,279</b>	112,815
IT Consumables & Training	<b>17,153</b>	18,508
IT Other Costs	<b>6,744</b>	3,727
	<b>313,501</b>	302,302
<hr/>		
<b>General Administration</b>		
	€	€
Postage	<b>298,893</b>	332,681
Travel & Subsistence	<b>4,070</b>	4,454
Office Stationery	<b>36,045</b>	25,128
Insurances	<b>52,318</b>	51,556
Temporary Staff	<b>0</b>	5,062
Sundry Costs	<b>11,220</b>	11,634
Employee Related Expenditure	<b>3,748</b>	5,077
Prompt Payment Interest	<b>2,842</b>	735
Provision for Doubtful Debts	<b>(19,180)</b>	(115,239)
Respondent Fee Write Offs	<b>94,300</b>	109,150
Claim Related Fee Write Offs	<b>31,990</b>	44,730
	<b>516,246</b>	474,968



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## 5 Fixed Assets

	Leasehold Improvements	IT Hardware/ Software	Office Equipment	Fixtures & Fittings	Office Furniture	Total
	€	€	€	€	€	€
<b>Cost/Valuation</b>						
As at 1 January	832,665	1,357,772	178,277	52,324	243,143	2,664,181
Additions	0	54,650	0	0	0	54,650
* Adjustments	0	(46,399)	0	0	0	(46,399)
* Disposals	0	(476,309)	(121,416)	(16,362)	(196,921)	(811,009)
As at 31 December	832,665	889,714	56,861	35,961	46,222	1,861,423
<b>Accumulated Depreciation</b>						
As at 1 January	396,853	914,505	169,649	42,541	234,640	1,758,188
** Charge	410,158	158,105	1,726	4,495	5,776	580,260
Adjustments	0	(12,261)	0	0	0	(12,261)
Disposals	0	(476,106)	(121,416)	(16,362)	(196,879)	(810,763)
As at 31 December	807,011	584,243	49,959	30,674	43,537	1,515,424
<b>Net Book Value</b>						
<b>As at 31 December 2013</b>	<b>25,654</b>	<b>305,471</b>	<b>6,902</b>	<b>5,287</b>	<b>2,685</b>	<b>345,999</b>
As at 31 December 2012	435,812	443,267	8,628	9,783	8,503	905,992

\* Arising from a review of the Fixed Asset register during the year, assets with a net-book value of nil and cost of €778,505 were removed from the register. Other assets to the value of €46,399 were not in use at the year end and the costs transferred to IT Costs – Software Development.

\*\* The Lease Agreement provides for a break clause which has been exercised, effective April 2014. As a result the useful life for Leasehold Improvements has been revised to reflect the reduced lease term of 10 years resulting in an addition Leasehold Improvements depreciation charge of €368,486.

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## 6 Debtors

	2013 €	2012 €
<b>Amounts falling due within one year</b>		
Fees Receivable		
Respondent Fees	<b>605,150</b>	839,000
Claim Related Fees	<b>544,013</b>	603,639
Provision for Doubtful Debts	<b>(120,289)</b>	(139,469)
Interest Receivable	<b>22,884</b>	47,321
Prepayments	<b>105,015</b>	162,786
Other Debtors	<b>21,630</b>	10,179
	<b>1,178,403</b>	1,523,456

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 2013 of €55,085 was reimbursed in full by the Department of Jobs, Enterprise and Innovation prior to year end.



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## 7 Creditors

	2013 €	2012 €
<b>Amounts falling due within one year</b>		
Trade Creditors	<b>105,347</b>	237,828
Accruals	<b>620,876</b>	520,406
Taxes & Social Welfare	<b>224,322</b>	213,926
Pension Liability – repayable to DJEI	<b>258,635</b>	115,346
Other Creditors	<b>55,757</b>	72,712
	<b>1,264,937</b>	1,160,218

## 8 Provision for Liabilities – Judicial Review

	2013 €	2012 €
Opening Balance	<b>896,915</b>	911,148
Additional Provision (Note 4)	<b>200,499</b>	634,637
Reversed during the year – S.44 Cases (Note 4)	<b>0</b>	(28,496)
Utilised During Year	<b>(206,500)</b>	(620,375)
Closing Balance	<b>890,914</b>	896,914

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 2004.

## 8 Provision for Liabilities – Judicial Review (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.

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

	2013 €	2012 €
Surplus for Year	<b>1,443,904</b>	3,709,186
Bank Interest	<b>(212,061)</b>	(263,485)
Disposal of fixed asset	<b>245</b>	172
<b>Non Cash Items</b>		
Capital Account Transfer	<b>(222,333)</b>	(23,000)
Depreciation Charge		
– Tangible Fixed Assets	<b>567,999</b>	211,765
(Increase)/Decrease in Debtors	<b>345,054</b>	(43,548)
Increase/(Decrease) in Creditors	<b>104,719</b>	(156,525)
Increase/(Decrease) in Provision for Liabilities	<b>(6,001)</b>	(14,236)
<b>Net Cash Flow from Operating Activities</b>	<b>2,021,526</b>	3,420,329

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

	2013 €	2012 €
<b>Reconciliation of (Decrease)/Increase in Cash to Cash at Bank</b>		
Movement in Cash for the Year	<b>2,225,337</b>	3,481,118
Cash at Bank at 1 January	<b>13,773,399</b>	10,292,281
Cash at Bank at 31 December	<b>15,998,736</b>	13,773,399



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## 10 Contingent Liability

### Legal Actions

As stated in Note 8 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 2014.

## 11 Financial Commitments

### Operating leases

The Board currently 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.

The break clause in the lease, dated April 2014, was exercised by the lessee (Office of Public Works). Negotiations regarding a new lease are on-going between the OPW and the owner of the premises.

	2013	2012
	€	€
Due within one year	<b>62,851</b>	0
Due after one year and before five years	<b>0</b>	188,554
	<b>62,851</b>	188,554

## 12 Capital Account

	2013	2012
	€	€
Balance at 1 January	<b>230,000</b>	253,000
Amortisation in line with asset depreciation	<b>(222,333)</b>	(23,000)
Balance at 31 December	<b>7,667</b>	230,000

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 on the same basis as depreciation of the related Leasehold Improvement fixed assets.

Arising from the decision to exercise the break clause in the Lease Agreement the useful life for Leasehold Improvements has been revised to reflect the reduced lease term from 20 years to 10 years resulting in an increased level of amortisation of €199,333 on assets with an original cost of €460,000.

### 13 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’s 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. Employees who are fully insured for PRSI purposes contribute at the rate of 3.5% of net remuneration plus 3.0% of remuneration. The employer contribution in 2013 was 25% of gross pay, 30% for staff on PRSI Class B and D.
- ▶ There is a 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.



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#### Actuarial Valuation

The Board commissioned an actuarial valuation of accrued liabilities at the balance sheet date, and the cost of benefits (service cost) accrued during the year. This valuation, which was based on the Projected Unit method, is premised on the following assumptions:

#### Assumed Annual Rate

	2013	2012	2011
Discount rate	<b>3.90%</b>	4.00%	4.90%
Inflation assumption (Consumers Prices Index)	<b>2.00%</b>	2.00%	2.00%
Salary increases	<b>3.25%</b>	3.25%	3.25%
State pension increases	<b>2.50%</b>	2.50%	2.50%
Pensions in payment increases	<b>2.75%</b>	2.75%	2.75%

In addition, the following demographic assumptions have been made as at 31 December 2012 and 31 December 2013.

#### Life expectancy at age 65

Male currently aged 40	<b>24.9 years</b>
Male currently aged 65	<b>22.0 years</b>
Female currently aged 40	<b>25.9 years</b>
Female currently aged 65	<b>23.6 years</b>

Based on the above, the present value of liabilities at the balance sheet date is €14,439,000 [2012: €13,717,000], and the service cost (calculated on the foregoing assumptions) for the year is €922,000 [2012: €725,000].

## 13 Accounting Treatment for Retirement Benefits (note continued)

### Analysis of total pension costs charged to expenditure

	2013	2012
Total employer contribution	1,031,643	1,030,767
Current service cost	922,000	725,000
Interest cost	566,000	508,000
Past service cost	0	0
Adjustment to Deferred Exchequer Pension Funding	(1,488,000)	(1,233,000)
<b>Total charged to Income &amp; Expenditure Account</b>	<b>1,031,643</b>	<b>1,030,767</b>

\* The Current Service Cost includes employee contributions totalling €190,000 in 2013 and €189,000 in 2012.

### Movement in net pension liability

	2013	2012
Net Pension Liability at 1 January	13,717,000	10,052,000
Current Service Cost	922,000	725,000
Interest Cost	566,000	508,000
Past service cost	0	0
Experience (gains)/losses on scheme liabilities	(1,066,000)	(161,000)
Change in assumptions	355,000	2,648,000
Benefits paid during the year	(55,000)	(55,000)
<b>Net Pension Liability at 31 December</b>	<b>14,439,000</b>	<b>13,717,000</b>

### History of scheme liabilities and experience (gains)/losses

	2013	2012
Change in assumptions underlying the present value of the pension scheme liabilities	355,000 (2.40%)	2,648,000 (19.30%)
Experience (gains)/losses on liabilities	(1,066,000)	(161,000)
% of liabilities at year end	(7.38%)	(1.17%)
<b>Scheme liability</b>	<b>14,439,000</b>	<b>13,717,000</b>



### Section 5

## 14 Prior year adjustment – Accounting for Retirement Benefits

### Position to 31 December 2012

The arrangements in place in respect of employee retirement benefits were (and remain) as detailed in Note 13 above. The Board have previously formed the judgement that these arrangements come within the definition of a defined contribution scheme as defined by FRS 17. Accordingly, the Board has heretofore accounted for its employer contributions in accordance with the provisions of paragraph 7 of the Standard. i.e. by charging the cost of contributions payable to the scheme in the year to the Income and Expenditure Account.

### Position with effect from 1 January 2013

As explained in the accounting policy note for retirement benefits, following a review of all accounting policies the Board now consider that in substance it retains full obligation for the settlement of defined benefit superannuation liabilities and has a matching asset in the form of a receivable amount from the Exchequer. Accordingly the Board's obligations on pension obligations are now recognised as a defined benefit obligation under the provisions of FRS 17 together with appropriate adjustments to reflect the commitments from the Exchequer. This represents a change in accounting policy and gives rise to the requirement for a prior year adjustment to the amounts previously reported in respect of the year ended 31 December 2012, detailed as follows:

### Amendment to financial statements for the year ended 31 December 2012

The foregoing change in accounting policy does not impact upon the Board's Income and Expenditure for the year ended 31 December 2012 (or prior years). There are no adjustments to the balances for reserves carried forward from prior years as of 1 January 2012. The following amendments are reflected in the Statement of Total Recognised Gains and Losses for the year ended 31 December, 2012.

	<b>2012 as published</b>	<b>Movement</b>	<b>2012 restated</b>
Experience gains on pension scheme liabilities	–	161,000	161,000
Change in assumptions underlying the present value of pension scheme liabilities	–	(2,648,000)	(2,648,000)
Adjustment to deferred Exchequer pension funding	–	2,487,000	2,487,000

The following amendments are reflected in the Balance Sheet at 31 December 2012.

	<b>2012 as published</b>	<b>Movement</b>	<b>2012 restated</b>
Experience gains on pension scheme liabilities	–	(13,717,000)	(13,717,000)
Adjustment to deferred Exchequer pension funding	–	13,717,000	13,717,000



Section  
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## 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 re-grouped or re-presented on the same basis as the current year.

## 17 Approval of Financial Statements

The Financial Statements were approved by the Board on 11th March 2014.



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5**

# 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 Lo-Call 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	9 out of 9
Joe O'Toole	Vice Chairperson and Irish Congress of Trade Unions (ICTU) nominee	9 out of 9
Patricia Byron	Chief Executive	9 out of 9
Tom Noonan	Irish Business & Employers Federation (IBEC) nominee	8 out of 9
Jerry Fitzpatrick	Insurance Ireland nominee	8 out of 9
Bernard Sheridan (ceased 31st December 2013)	Consumer Protection Director, Central Bank of Ireland	8 out of 9
Breda Power	Department of Jobs, Enterprise & Innovation	7 out of 9
Karen O'Leary (appointed 11th April 2013)	Chief Executive of the National Consumer Agency	6 out of 7
Sean Murphy (ceased 17th March 2013)	Acting Chief Executive of the National Consumer Agency	1 out of 2
Martin Naughton	ICTU nominee	8 out of 9
John Lynch	Business Consultant	8 out of 9
Fionnuala O'Loughlin	Consultant Psychiatrist	8 out of 9
<i>Stephen Watkins</i>	<i>Secretary to the Board</i>	



#### Appendices

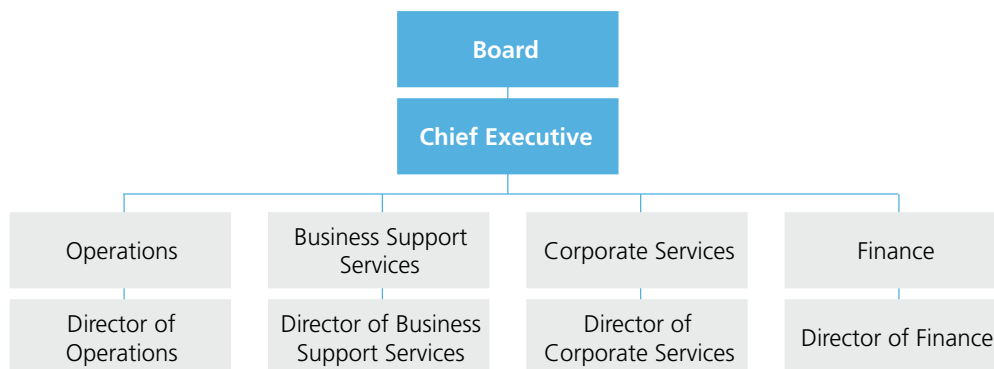
Details of fees paid to Board Members are set out in the Financial Statements. As in previous years, no expenses were paid to Board Members.

In addition to full Board meetings there were six meetings of the Board's Audit Committee during 2013, four meetings of the Board's Finance Committee, and seven meetings of the Board's Premises Committee.

### Committee Membership during 2013

Audit	Finance	Premises
Jerry Fitzpatrick (Chairperson)	Joe O'Toole (Chairperson)	John Lynch (Chairperson)
Dorothea Dowling	Dorothea Dowling	Dorothea Dowling
Joe O'Toole	Jerry Fitzpatrick	Joe O'Toole
Tom Noonan	Martin Naughton	Tom Noonan
Bernard Sheridan		Patricia Byron
John Lynch		

### Organisational Structure



#### Appendices

### 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 2013, InjuriesBoard.ie employed 68 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.

# Appendix 3

## Geographical Analysis of Claims

**Table 6.1 Breakdown of Awards by Location  
(Based on Address of Claimant) 2013 vs. 2012**

	<b>2013</b>	<b>2013</b>	<b>2012</b>	<b>2012</b>
	<b>No. of Awards</b>	<b>% of Awards</b>	<b>No. of Awards</b>	<b>% of Awards</b>
Republic of Ireland	<b>10,404</b>	<b>97.6%</b>	9,888	97.6%
Northern Ireland	<b>168</b>	<b>1.6%</b>	143	1.4%
UK (other than Northern Ireland)	<b>65</b>	<b>0.6%</b>	72	0.7%
Rest of World	<b>19</b>	<b>0.2%</b>	33	0.3%
<b>TOTALS</b>	<b>10,656</b>	<b>100.0%</b>	<b>10,136</b>	<b>100.0%</b>

**Table 6.2 Breakdown of Award Categories by Location  
(Based on Address of Claimant) 2012 vs. 2013**

	<b>2012</b>	<b>2012</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>ML</b>	<b>EL</b>	<b>PL</b>	<b>Total</b>	<b>ML</b>	<b>EL</b>	<b>PL</b>	<b>Total</b>
Republic of Ireland	7,425	792	1,671	9,888	<b>7,861</b>	<b>813</b>	<b>1,730</b>	<b>10,404</b>
Northern Ireland	126	4	13	143	<b>143</b>	<b>8</b>	<b>17</b>	<b>168</b>
UK (other than Northern Ireland)	52	3	17	72	<b>48</b>	<b>2</b>	<b>15</b>	<b>65</b>
Rest of World	19	8	6	33	<b>10</b>	<b>3</b>	<b>6</b>	<b>19</b>
<b>TOTALS</b>	<b>7,622</b>	<b>807</b>	<b>1,707</b>	<b>10,136</b>	<b>8,062</b>	<b>826</b>	<b>1,768</b>	<b>10,656</b>



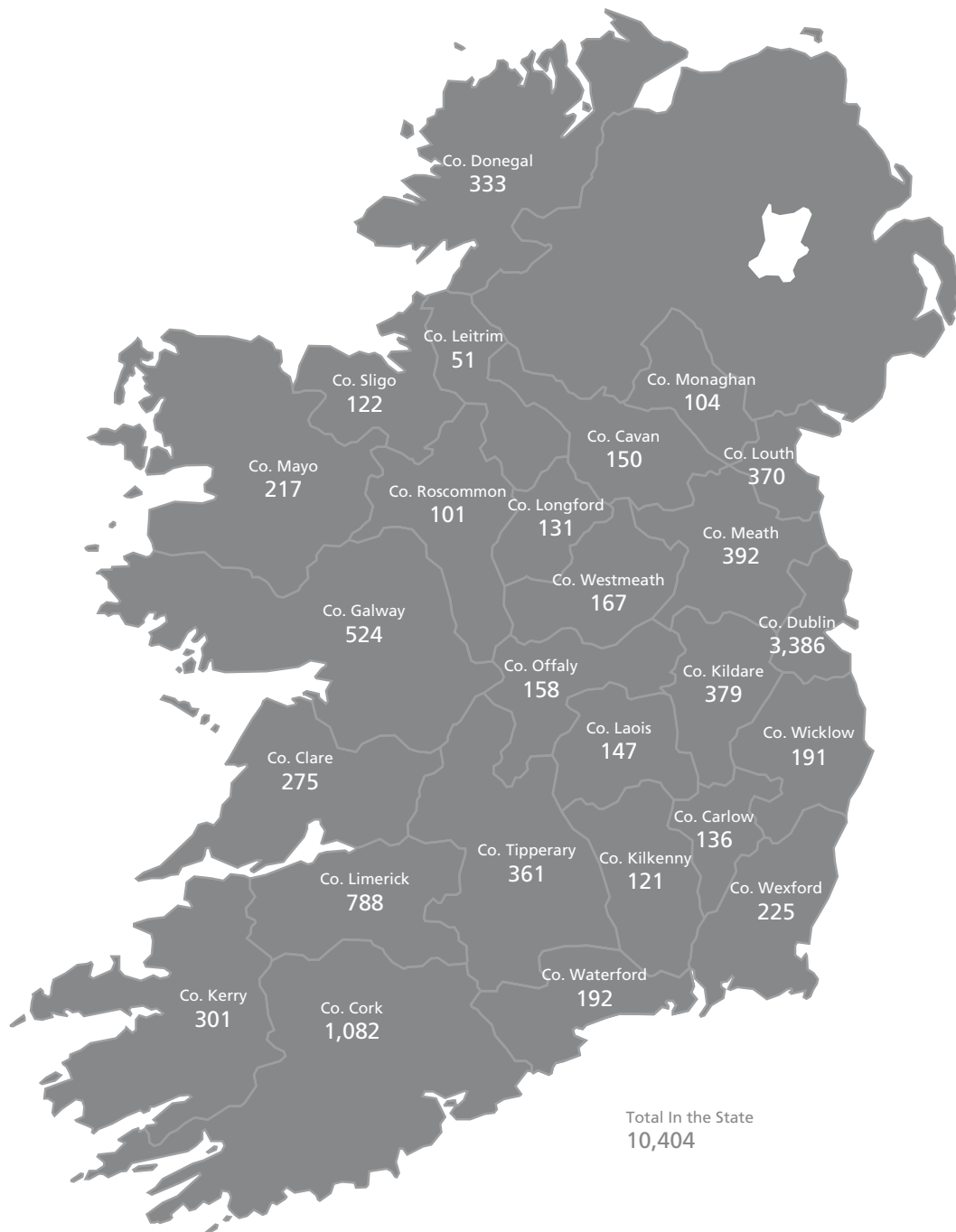
Appendices

**Table 6.3 Provincial Breakdown of Number of Awards  
(Based on Address of Claimant) 2012 vs. 2013**

	<b>2012</b>	<b>2012</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>	<b>2013</b>
	<b>ML</b>	<b>EL</b>	<b>PL</b>	<b>Total</b>	<b>ML</b>	<b>EL</b>	<b>PL</b>	<b>Total</b>
Dublin	2,240	295	648	3,183	<b>2,448</b>	<b>281</b>	<b>657</b>	<b>3,386</b>
Rest of Leinster	1,792	187	342	2,321	<b>1,856</b>	<b>223</b>	<b>338</b>	<b>2,417</b>
Connaught-Ulster*	1,242	87	175	1,504	<b>1,297</b>	<b>77</b>	<b>228</b>	<b>1,602</b>
Munster	2,151	223	506	2,880	<b>2,260</b>	<b>232</b>	<b>507</b>	<b>2,999</b>
Outside the State	197	15	36	248	<b>201</b>	<b>13</b>	<b>38</b>	<b>252</b>

\* ROI Counties

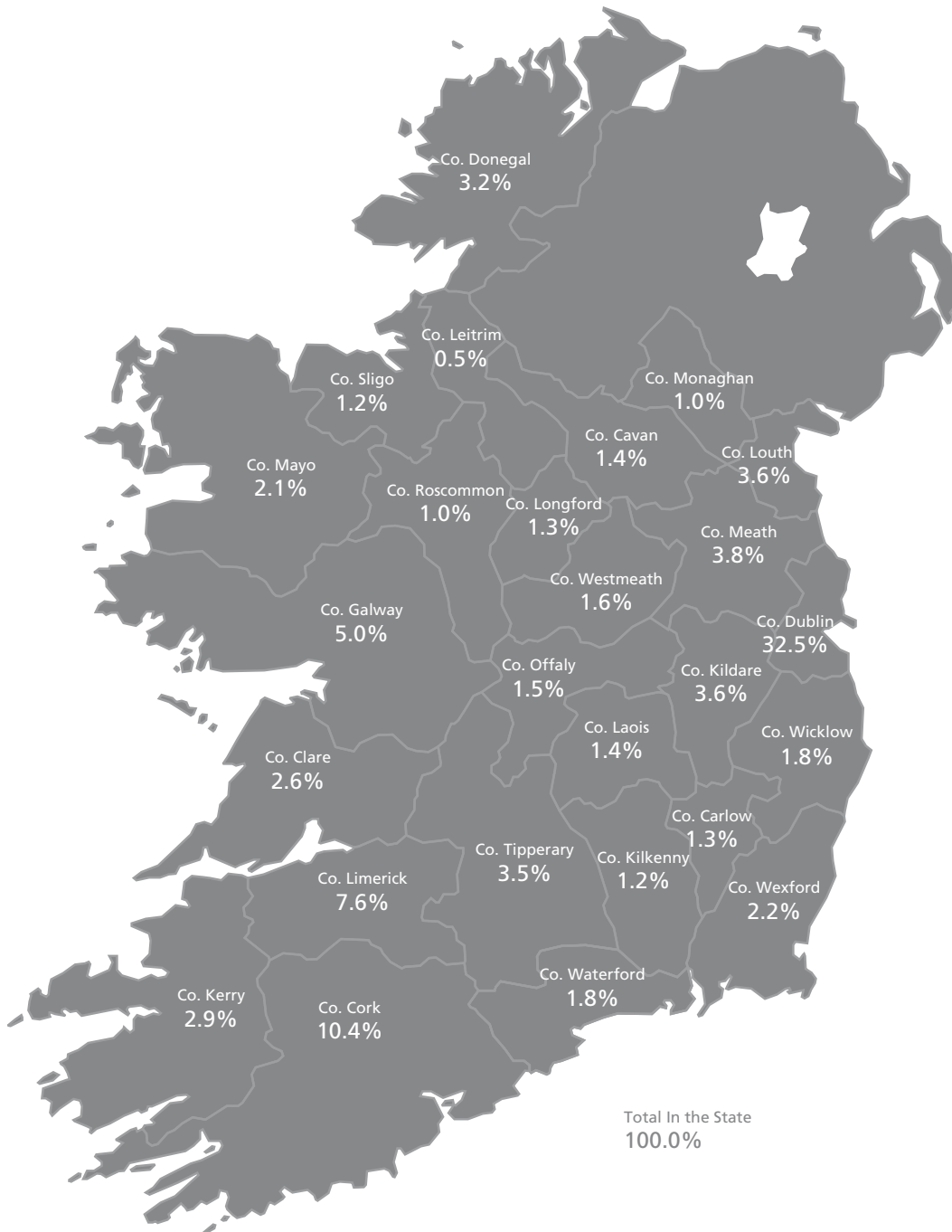
Figure 3.1 Number of Awards per County



Appendices

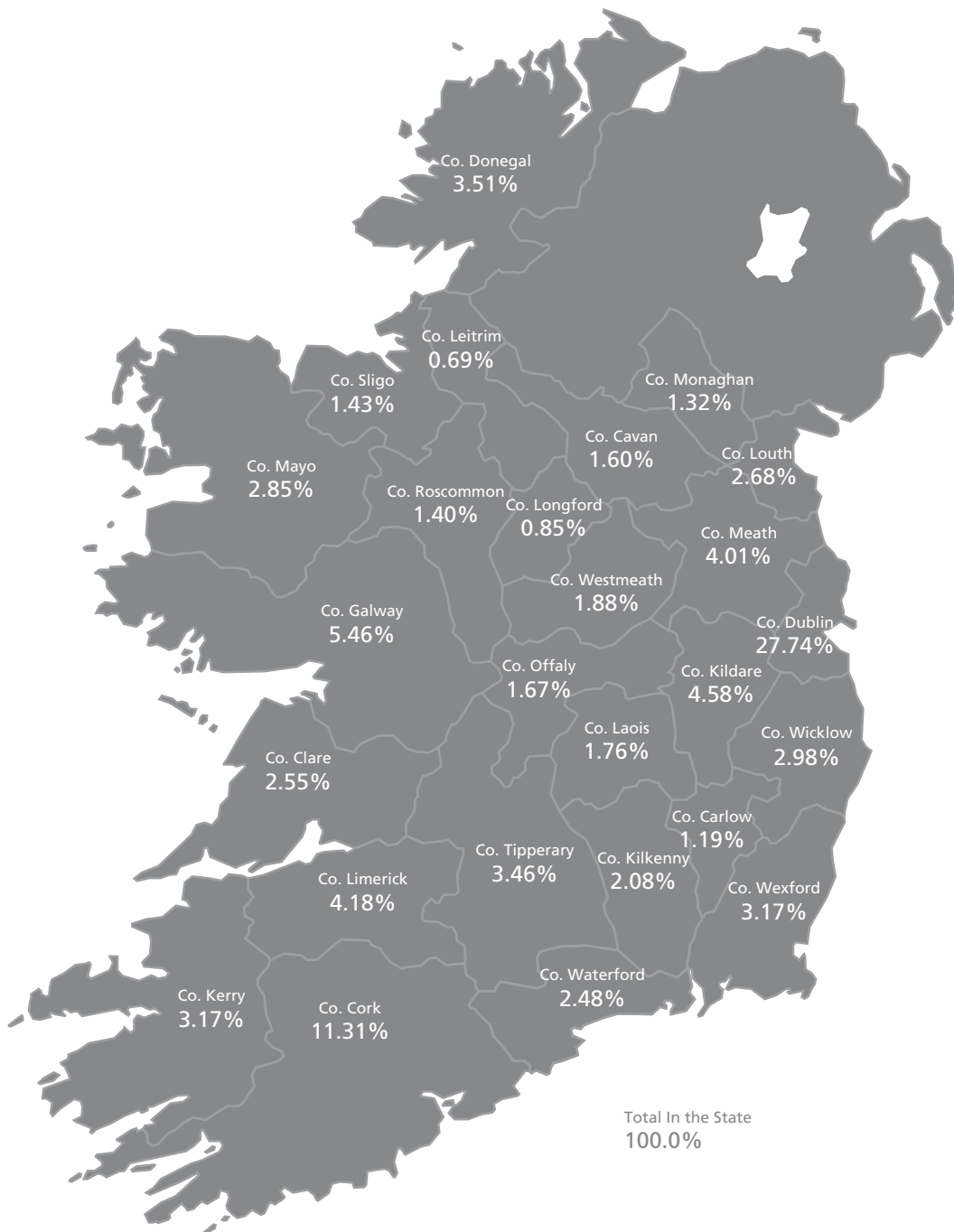


Figure 3.2 % of Awards per County



Appendices

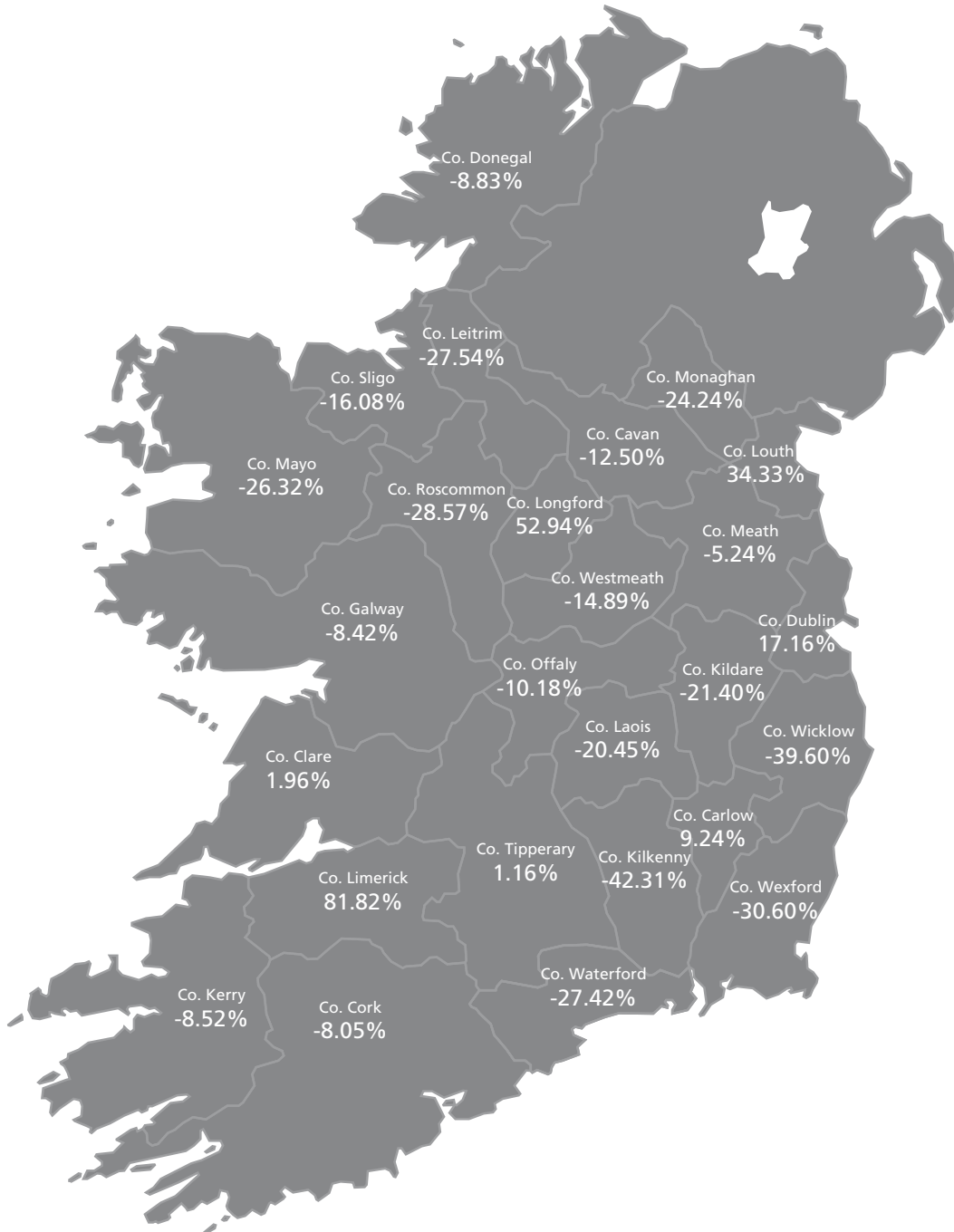
Figure 3.3 % of Total Population per County\*



\* Based on Central Statistics Office 2011 Census Results



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 2013**

	<b>% of Awards per County</b>	<b>% of Total Population in County</b>	<b>Variance to National Average</b>
Limerick	7.6%	4.18%	81.82%
Longford	1.3%	0.85%	52.94%
Louth	3.6%	2.68%	34.33%
Dublin	32.5%	27.74%	17.16%
Carlow	1.3%	1.19%	9.24%

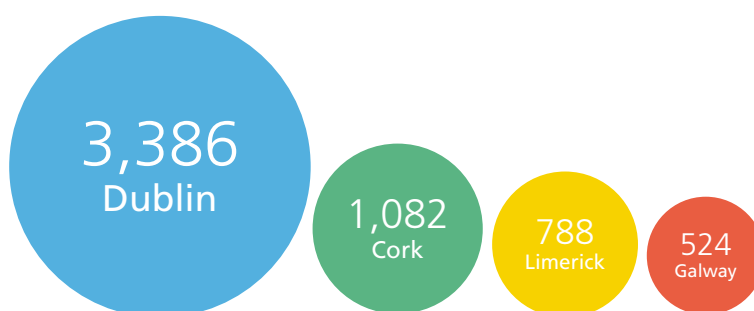
**Table 6.5 Bottom 5 Counties by Awards as per Head of Population 2013**

	<b>% of Awards per County</b>	<b>% of Total Population in County</b>	<b>Variance to National Average</b>
Kilkenny	1.2%	2.08%	-42.31%
Wicklow	1.8%	2.98%	-39.60%
Wexford	2.2%	3.17%	-30.60%
Roscommon	1.0%	1.40%	-28.57%
Leitrim	0.5%	0.69%	-27.54%

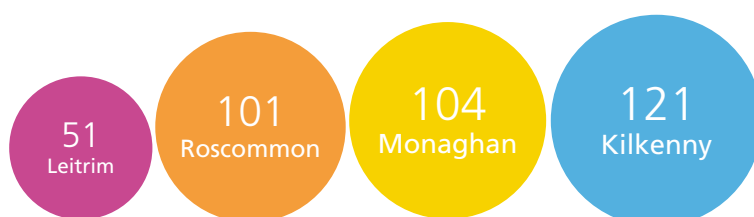


## Overall Awards 2013

**Figure 3.5 Highest No. of Overall Awards by County 2013 (based on address of claimant)**

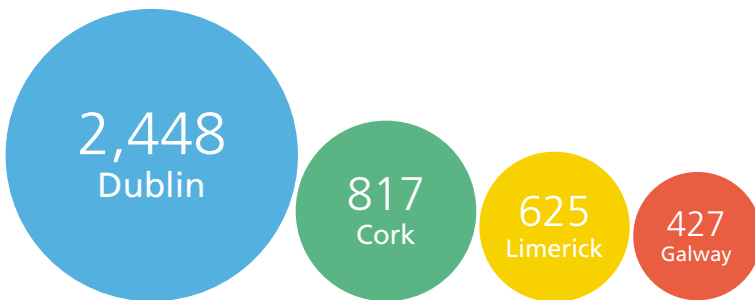


**Figure 3.6 Lowest No. of Overall Awards by County 2013 (based on address of claimant)**

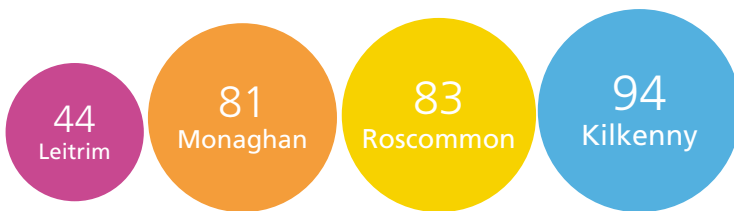


## Motor Liability Awards 2013

**Figure 3.7** Highest No. of ML Awards by County 2013  
(based on address of claimant)



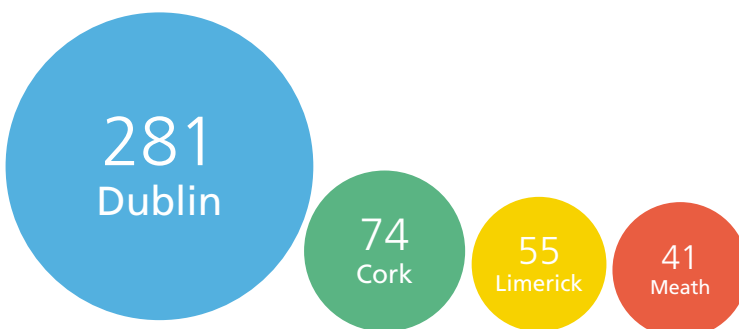
**Figure 3.8** Lowest No. of ML Awards by County 2013  
(based on address of claimant)



Appendices

## Employer's Liability Awards 2013

**Figure 3.9** Highest No. of EL Awards by County 2013  
(based on address of claimant)



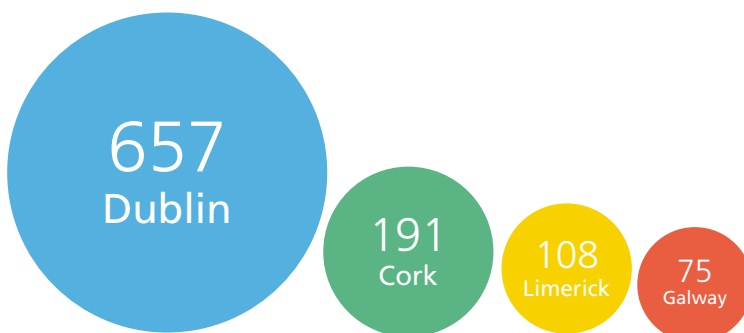
**Figure 3.10** Lowest No. of EL Awards by County 2013  
(based on address of claimant)



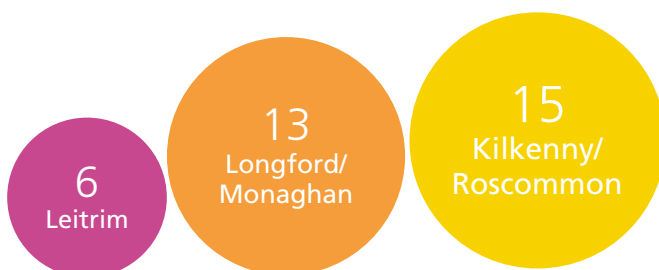
Appendices

Public Liability Awards 2013

**Figure 3.11** Highest No. of PL Awards by County 2013  
(based on address of claimant)



**Figure 3.12** Lowest No. of PL Awards by County 2013  
(based on address of claimant)







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