

PIAB Personal Injuries Award Values

April 24th – 30th September 2021

Who we are:

The Personal Injuries Assessment Board (PIAB), is a self-funded public body established in 2004 to support the fair, prompt, and transparent resolution of personal injuries claims without the need for unnecessary litigation.

Through PIAB, certain types of personal injuries claims, where liability is uncontested, can be settled without the need for many of the costs associated with litigation, which can contribute to the high cost of settling such claims.

We are a key pillar in contributing to reform of the insurance sector and the personal injuries environment, and generate millions of euro in savings which would otherwise be spent on processing claims, leading to higher costs for policy-holders.

What we do:

- ▶ PIAB independently assesses claims for compensation arising from personal injuries sustained as a result of:
 - ▶ **motor,**
 - ▶ **workplace,** or
 - ▶ **public liability accidents**
- ▶ All personal injuries claims, with certain exceptions, such as medical negligence cases, must be submitted to PIAB unless they are settled by the parties involved at an early stage.
- ▶ Assessments of compensation are fair, independent and non-adversarial.
- ▶ This leads to a quicker, consistent and cheaper resolution of claims thereby benefiting parties and society.
- ▶ PIAB also collects and analyses data on personal injuries claims and awards.

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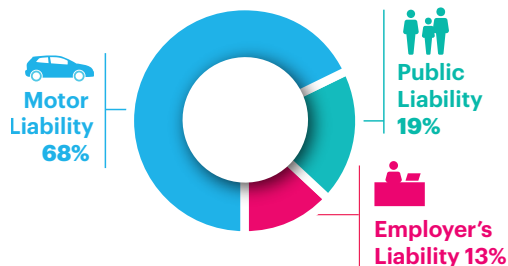
Average award to date under Guidelines



40%

Lower than average
2020 award under
Book of Quantum

Awards by Category



27 April - Sept 2021 Awards VS 2020 Awards



2020 Awards



18% of cases are
under €5,000.

Value of Average Award

% drop in value

	Motor Liability	€13,230	40%
	Public Liability	€15,697	40%
	Employer's Liability	€17,203	44%
	Overall average	€14,223	40%

General Damages Award Levels

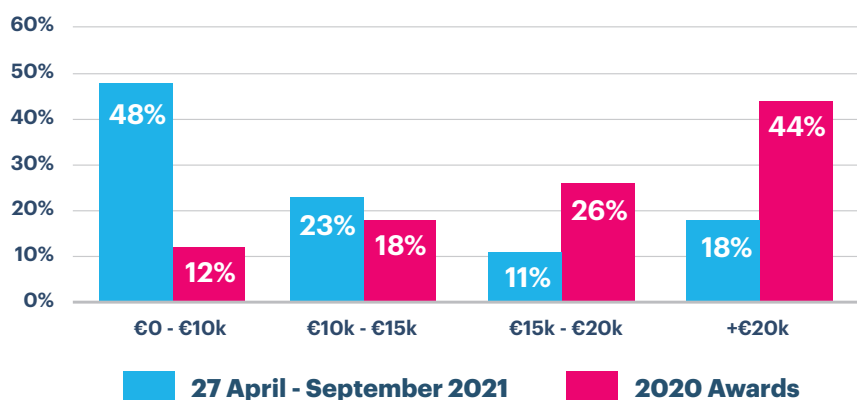
(Award levels excluding
loss of earnings and
vouched expenditure)



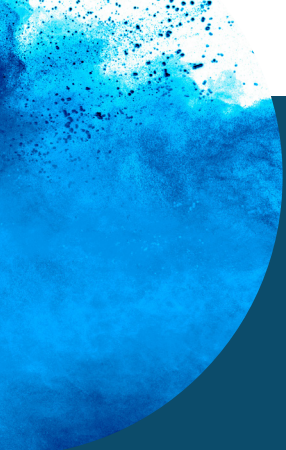
-46%



Range of Awards



Nearly 20% of cases are under €5,000.



About this Report

This is the first publication of the Personal Injuries Assessment Board (PIAB) on award levels since the introduction of the Personal Injuries Guidelines. The purpose of this report is to present up-to-date data on the three areas of liability covered by PIAB: motor, public and employer liability, and to give some insight into the impact of the new Guidelines on award levels.

The cost of personal injury claims has been reported as a key contributor to the cost and availability of insurance in Ireland affecting individuals, communities, and businesses and ultimately society where it can affect provision of services. The data provided in this report is therefore an important element of measuring the cost of claims which are assessed by PIAB, which are a subset of the overall volume of cases resolved through PIAB, through litigation/court, and through direct settlements.

The Personal Injuries Guidelines were adopted by the Judicial Council on the 6th March 2021 and brought into law with effect from the 24th April and set out the level of General Damages that may be awarded in respect of varying types of personal injuries. Both PIAB and the Courts must have regard to the new Guidelines in determining awards, and where the Guidelines are not used to determine an award, they will need to give the reasons for doing so. Prior to the introduction of the Guidelines, the Book of Quantum was used by PIAB to determine awards.

The Guidelines, when they came into effect in April, applied to cases where proceedings had not been commenced or where PIAB had not made an assessment of damages. As a result, all awards made by the Personal Injuries Assessment Board after the 24th of April 2021 have been made in accordance with the new Personal Injuries Guidelines.

PIAB are the main implementer of the Guidelines, as the vast majority of claims will not be ruled on in the courts. In addition, many of the cases before the courts will be cases where proceedings commenced prior to the 24th April, therefore, it will take some time before we see rulings under the new guidelines in any volume from the courts.

The data provided relates only to PIAB awards and excludes claims related to fatalities as such claims are unaffected by the Personal Injuries Guidelines. It is important to note that average values may be affected by the particular cohort of cases that are assessed by PIAB in terms of the severity of associated injuries in any given period. Fluctuations in the proportion of cases assessed in the various categories of Motor, Employer and Public Liability may also impact average award values as injuries in some of these categories (i.e. Employer Liability) tend to be more serious.

This report relates to data in respect of claims assessed under the new guidelines from the effective date of the Guidelines up until the end of September 2021 and is based on a total of 2,649 cases. It is our intention to publish these reports on a regular basis to support transparency in this area and to monitor and measure the impact of the new guidelines on PIAB awards.

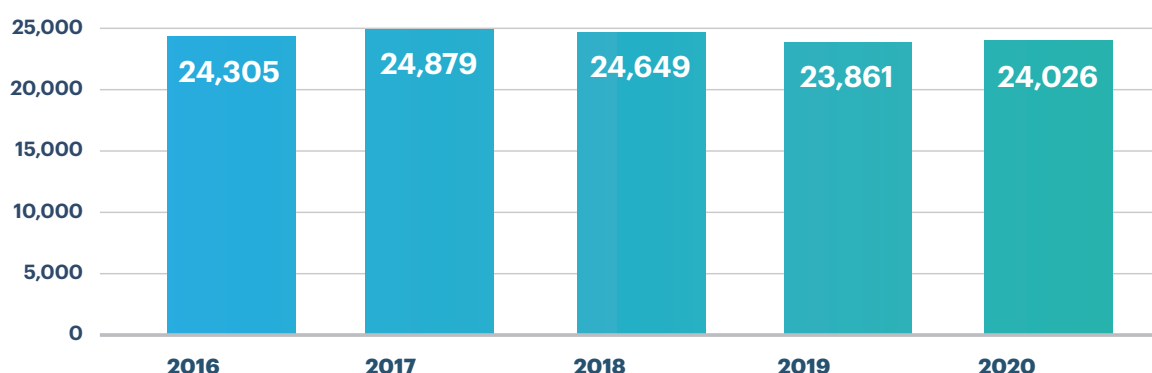
This report has been prepared for general informational purposes only.

Main Findings on Award Values

The following section provides a breakdown of the category of awards that have been assessed and the value of awards in respect of the 2,649 cases assessed to the end of September 2021.

PIAB's 2020 data is used as a base line to compare the awards from the new Guidelines, as the Book of Quantum was used as the basis of assessment for those awards. It should be noted up until the new guidelines came into effect that there has been very little change in average awards over the last number of years. The average awards for the last 5 years can be found in Table 1 below;

Table 1 – PIAB Average Awards 2016 - 2020



Categories of Claims

Table 2 below shows the breakdown of all awards made between motor liability (Motor), public liability (PL), and employer liability (EL) cases. This shows that the breakdown of awards is broadly in line with categories of awards from previous years, in that motor liability makes up the majority of awards.

Compared to the 2020 baseline, there are marginally fewer motor cases (68% v 70%) with marginally higher public liability cases (19% v 17%). Employer liability cases remain unchanged at 13%. As the average awards for public liability cases tends to be higher than the average award for motor cases this can affect the overall average award slightly.

Table 2

Breakdown of awards by category

	Motor	PL	EL	Overall
Number of awards	1,795	505	349	2,649
% of awards 27th April – 30th September 2021	68%	19%	13%	100%
% of 2020 awards	70%	17%	13%	100%

Average Award using Guidelines

Table 3 below shows the average award made in respect of all awards excluding fatal claims, made under the new Personal Injuries Guidelines up until the end of September 2021, and the comparable average award in respect of all relevant awards made in 2020 by PIAB. The relevant figures are shown for Motor, PL, EL and Overall awards. As can be seen, the reduction in the overall average award is 40% with the largest drop in EL cases 44%, while both Motor and PL reduced by 40%.

The reduction of 40% compares to an average 49% reduction on 2020 awards reported in some preliminary analysis for the first 588 cases assessed to 18th June. The September figures are based on a more significant cohort of claims. It is important to understand also, that the average award value will be affected by the types of injuries claimed for in the specific period. Therefore, if there is a higher than normal proportion of claims with serious injuries in a given cohort of cases, this will affect the average value. It is particularly important then not just to focus on the average award but to consider the range of awards also.

Table 3 – Average Awards (compared to 2020 average)

Average award 27th April – 30th September 2021			Value of Average Award 2020	% drop in value
	Motor Liability	€13,230	€22,158	40%
	Public Liability	€15,697	€26,000	40%
	Employer's Liability	€17,203	€30,576	44%
	Overall average	€14,223	€23,877	40%

‘Reduction in overall awards is **40%** with largest drop in Employer Liability of **44%**’

Range of awards

Table 4 below shows the distribution of award amounts by value band in respect of awards made from the first assessments in April to the 30th of September this year.

18% of awards are now under €5,000, and 30% are between €5,000 and €10,000 meaning nearly half (48%) of awards are now under €10,000. This compares to just 12% in 2020. 71% of awards are now €15,000 or less compared to just 30% of PIAB awards in 2020. These, while still being initial figures based on a limited numbers of cases, show a significant shift in overall award levels. This not only impacts the actual awards made, but where awards by PIAB proceed to litigation could influence the jurisdiction of the courts where they are heard potentially reducing legal costs for these cases also. The jurisdiction of the District Court is €15,000.

The average award is slightly higher than the average reported from our preliminary analysis of the first 588 cases as referred to above. Further analysis of the range of awards assessed under the new guidelines shows that there was an increase in the percentage of higher value cases, for example the over €50k category had just 2% of cases in the first 588 cases, compared to an average of 4% of cases in the period to the end of September and a decrease in lower value cases (e.g. the under €5k category had only 18% of overall cases to end of September compared to 22% in the first 588 cases). This suggests that there are more cases with serious/significant injuries assessed in the overall period than there were in the first 588 cases. This is most likely as a result of the analysis now being over a longer period of time, where there is a higher number of cases to analyse, but it will be useful to monitor this going forward.

The nature and severity of cases assessed by PIAB does fluctuate based on which cases are consented to by respondents/insurers and can also be affected by the timing of medical reports or other required documentation. Therefore, the average may fluctuate between periods based on these factors. In this period PIAB assessed a number of high value cases, one of which can be found in table 5 was for €360,000 involving a significant injury. It is important to note also that the Guidelines has a more significant impact for awards for minor injuries.

**‘Nearly half (48%)
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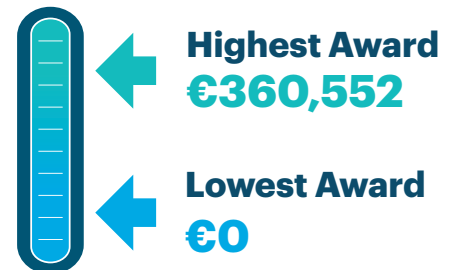
Table 4

Range of Awards							
Average value category (€'s)	< €5k	€5k - < €10k	€10k - < €15k	€15k - < €20k	€20k - < €25k	€25 - < €50k	Over €50k
% Of awards 27th April to 18th June 2021	22%	30%	26%	9%	4%	7%	2%
% Of awards 27th April to 30th September 2021	18%	30%	23%	11%	5%	9%	4%

Average value category (€'s)	<€10k	€10k - < €15K	€15k - < €20k	€20k+
% Of 2020 awards	12%	18%	26%	44%

Highest/lowest general damages & overall awards

The highest and lowest damages awarded in respect of each of the three categories of claims is listed below in Table 5. While the overall highest award of damages is €360,000 many of these high value claims are predominantly impacted by special damages (financial loss, treatment costs etc.). The €0 award indicates that no award was given in line with an assessment of the injuries sustained relative to the Guidelines.

**Table 5**

Highest/lowest awards				
	Motor	PL	EL	Overall
Highest award: 27th April – 30th September	€360,552	€175,321	€79,805	€360,552
Lowest award: 27th April – 30th September	€0	€500	€750	€0

Average Award for claims valued at less than €100k

Awards of more than €100k (excluding fatal cases) accounted for less than 5 cases in the period, but they can because of their high value influence the overall average. The average award excluding cases over €100k was €13,904 versus the €14,223 reported in Table 3, which shows an impact of about 2% on the overall average.



‘The average award excluding cases over €100k was €13,904.’

General Damages Versus Special Damages

Only certain elements of a personal injury award are affected by the personal injuries guidelines. When considering the average values, compensation awards are made up of two components: general damages which is the award for pain and suffering, and special damages which is the award for financial loss – loss of earnings, treatment costs etc. The Personal Injuries Guidelines relate solely to general damages. Special damages are assessed by vouched expenses and reflect direct costs to the claimants which in many cases is dependent on their salary costs, and therefore vary according to household circumstances.

Table 6 below gives the breakdown of both general and special damages. For the purposes of assessing the impact of the Guidelines, it is the general damages figure that is relevant.

Table 6

Breakdown of General and Special Damages				
	Motor	PL	EL	Overall
Average general damages – 27th April to 30th September	€10,832	€13,925	€13,763	€11,808
Average special damages – 27th April to 30th September	€ 2,397	€ 1,772	€3,440	€ 2,415
Average general damages 2020	€20,249	€24,625	€27,051	€21,850
% Drop in value	-47%	-43%	-49%	-46%
Average special damages 2020	€1,909	€1,375	€3,524	€2,027
% Change in value	+19%	+26%	-2%	+29%

As can be seen from the table above, the overall average general damages amount is €11,808. This compares to average general damages of €21,850 in 2020, a reduction of 46%. The highest average general damages are in respect of PL cases at €13,925, and the lowest average damages is for Motor cases at €10,832. The comparative 2020 figures can be seen in table above with reductions of 49% in EL claims, 47% in ML and 43% in PL.

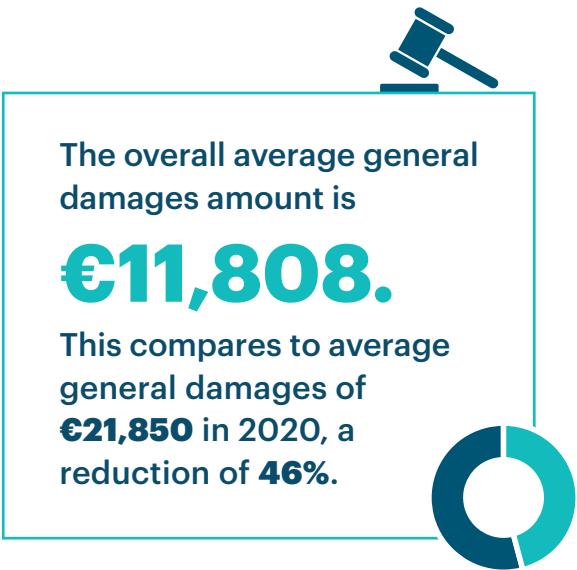
As outlined above, a number of very high value cases have been assessed recently including one case of over €360,000 primarily made up of special damages which will impact on the overall average for special damages and is influenced by issues such as loss of earnings which vary considerably from individual to individual.

Such high value cases can impact overall award level averages and therefore it is useful to monitor the general damages average and also the average ward for claims under €100,000.

Table 7 below shows the highest General damages award for the period which is €90,000 compared to the €360,000 in the combined damages rate which gives an indication of how special damages which are individual to the claimants’ circumstances can affect average awards.

Table 7

Highest/lowest general damages				
	Motor	PL	EL	Overall
Highest general damages	€90,000	€87,000	€65,000	€90,000
Lowest general damages	€0	€500	€750	€0



Acceptance Rate

When a PIAB assessment of damages (award) issues to each party the claimant has 28 days to indicate whether they accept the award or not and the respondent/insurer has 21 days to do likewise. In the event of an accepted assessment/award, PIAB issues an Order to Pay instructing one party to pay the other the amount of the award.

In the event of the assessment/award being rejected PIAB releases the case, and the claimant is authorised to pursue the case through litigation if they so wish.

Traditionally respondents/insurers accept about 90% of awards and claimants accept over 50%, giving an overall acceptance rate of just over 50% of awards.

This report, for the first time, provides data in relation to the acceptance rate thus far of PIAB awards made under the new Guidelines. It is based on awards assessed up until the end of August 2021. The majority of September cases do not have an outcome yet due to the time period allowed for a claimant and a respondent to indicate whether they accept the award or not, hence they are not included in this analysis

A total of 1,755 cases were assessed up until the end of August, however as at the date of analysis approximately 11.6% of cases (204) were still pending and are not included. The analysis is therefore to be treated as preliminary and with some caution.

Overall, there are 1,551 cases included in the analysis.

Table 8

Acceptance rate of awards (awards assessed to end of August 2021, excluding pending cases)				
By category				
	Motor	PL	EL	Overall
Claimant acceptance rate	36.6%	54.7%	42.8%	40.9%
Respondent acceptance rate	95.4%	85.6%	92.6%	93.1%
Combined acceptance rate	34.2%	45.6%	39.1%	37.1%

The table above shows the initial acceptance rates of awards assessed by PIAB under the new guidelines until the end of August 2021 and excluding the pending cases referred to above. The overall acceptance rate is 37.1%, with motor at the lowest rate of 34.2% and public liability at the highest rate of 45.6%. The respondent acceptance rate is much higher than the claimant rate, as is traditionally the case, ranging from 85.6% in public liability cases to a high of 95.4% in motor cases. While a significant proportion, nearly 40% of awards were accepted, the data does show a decline in overall acceptance rates compared to awards issued in 2020. The 2020 acceptance rate was 50.8% overall, broken down by 49.2% for motor, 56.1% for employer liability, and 53.9% for public liability.

It is too early to determine long term trends from this data as the Guidelines are still bedding in. It is predominantly the claimant acceptance rate that has decreased. As can be seen from the data in relation to average awards, there has been a significant shift in award values in accordance with the Guidelines. This may impact acceptance rates in the short term, where the reduction in award levels may differ from what a party might have expected. In addition, determinations have yet to start emerging from the Courts, which may also impact on the claimant acceptance rate.

Award Patterns and Further Data

The data presented is still early data but does indicate a significant decrease in average awards, particularly for cases with minor injuries. The data presented is only in respect of PIAB awards. In order to understand the full impact of the Guidelines particularly in respect of consistency and certainty in award levels, it will be important to have timely and regular data in respect of settlements that occur directly with insurers, both pre and post PIAB, and of awards that may be made by the courts. It is noted that it is unlikely there have been many, if any, cases resolved through the courts under the new guidelines yet.

Data in this area is not only critical in terms of providing information to stakeholders and encouraging competition in the market but is also important in terms of behaviour and decision making. It is likely that the acceptance rate of PIAB cases is being impacted by the lack of comparable data through the other channels, in other words it is not yet evident that comparable awards through the courts and settlements with insurers will be the same. Although, a very small percentage of overall cases are resolved through the courts with the Central Bank's National Claims Information Database reports citing just 2% of motor cases and 4% of public and employer liability cases being settled through the courts. In addition, as the courts will be using the same guidelines as PIAB it is not unreasonable to expect award levels to be similar particularly given the granular nature of the guidelines.

There are two indicators to consider in assessing the impact of the Guidelines. The direct value reduction in awards and how this impacts insurance costs and the savings to be derived from systemic settings, that is that the certainty and consistency created by the Guidelines would lead to less cases going into lengthy and costly litigation. In relation to the first indicator, it is evident from the data, that there is already an immediate impact. This, given the granular nature of the Guidelines, should be similar across all settlement channels.

The second indicator, the systemic costs, is likely to take longer to achieve, but early data in this area is critical. Legal and other associated costs in litigation can add 60% to the overall cost of a claim and add considerable time to resolving same.

The data presented is still early data but does indicate

a significant decrease in average awards,
particularly for cases with minor injuries.



Therefore, the value of the guidelines will be maximised by increasing the PIAB acceptance rates. It will also be important to have some early rulings in the courts to provide more certainty to all. In addition, as District Court listings and rulings are not as readily accessible, it may be difficult to monitor and report on the rulings in these areas, and to compare to PIAB. This is something that warrants further examination. Information on settlements with insurers pre and post PIAB is even more critical, given the vast majority of cases post PIAB are generally settled without court rulings. The behaviour of parties post rejection of a case is also critical to the success of the Guidelines. A mechanism to track the outcome of rejected PIAB awards that settle outside court as well as cases that settle without PIAB having made an assessment should be considered.

In terms of monitoring for future impacts or changes in patterns, it will also be important to consider how the Guidelines may change settlement behaviour in the future. Given the significant change in award levels in time we may see more cases being settled directly with insurers, particularly claims in respect of minor injuries. This is positive from a costs perspective, but we will need to ensure we can measure impacts on average awards. If lower value claims are increasingly settled directly with an insurer, then this will impact on the cohort of cases/ proportion of cases in a particular severity bracket that PIAB assesses and consequentially this will be reflected in the average award reported for this new cohort of more severe claims. For this reason, it is very important that data from other sources such as the insurance industry and the courts is ultimately available to gauge the full impact of the new guidelines on all cases resolved whether by direct settlement, through PIAB, or through litigation including in the courts.



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