The cover features a large, solid maroon circle on the left containing the text 'Annual Report 2006'. To its right is a large, solid gold circle containing the text 'Personal Injuries Assessment Board'. The background is white with several thin, overlapping gold circles and arcs that create a sense of movement and depth.

Annual Report 2006

Personal
Injuries Assessment
Board

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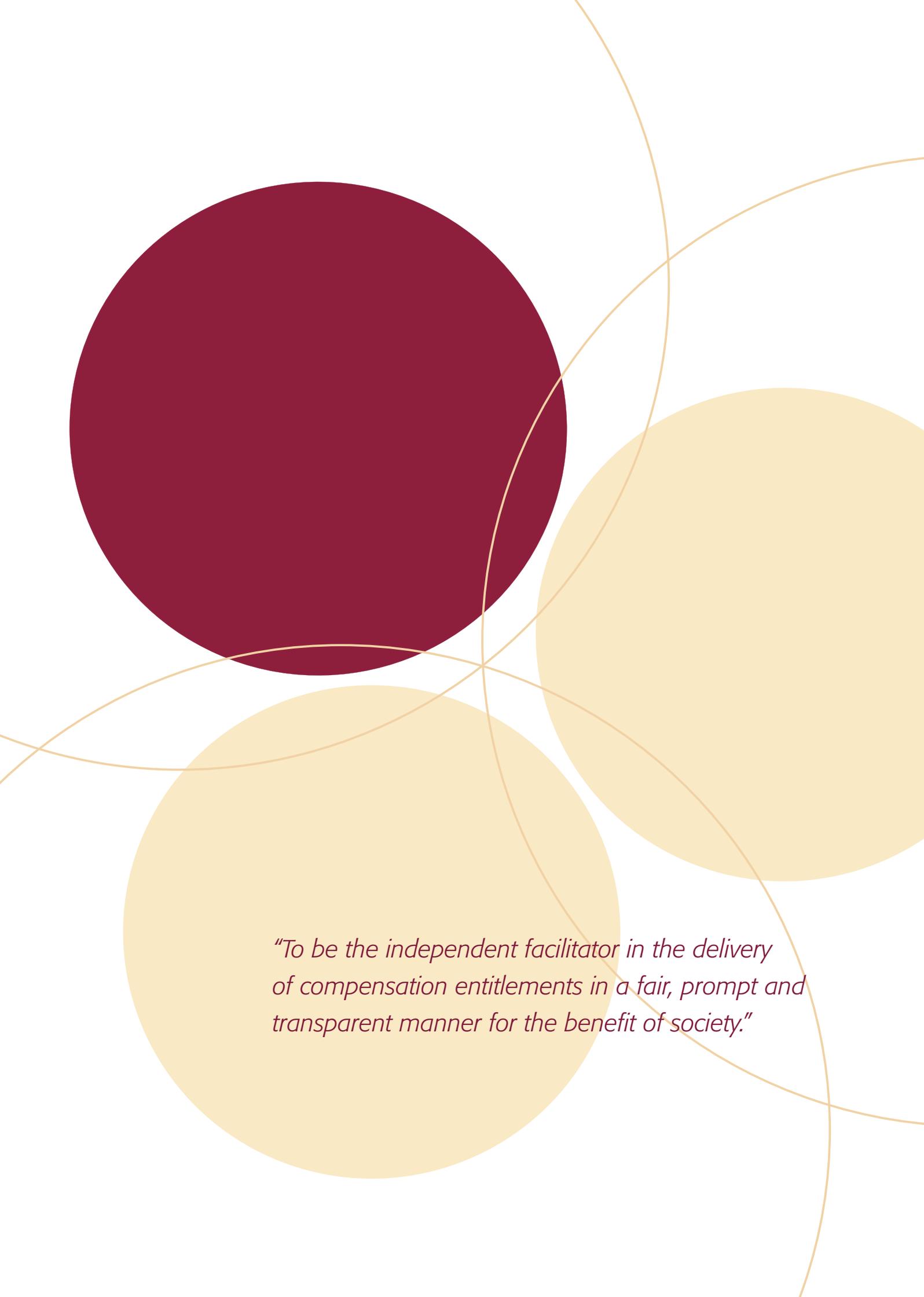
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*"To be the independent facilitator in the delivery
of compensation entitlements in a fair, prompt and
transparent manner for the benefit of society."*

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CHAIRPERSON'S FOREWORD

The Personal Injuries Assessment Board is delivering on the objectives for which it was established, as reflected in the long title of the 2003 Act – to enable appropriate claims to be settled without the need for litigation.

It is pleasing to see that currently 2 out of 3 PIAB awards are being accepted. There is also some evidence that even what are counted in our data as rejected awards are claims which are subsequently settling for the same amount.

What has come as a surprise is how many claims are actually settling directly within the 90 days after PIAB application and before the formal assessment process commences. This is certainly a sea change from litigation settling on the steps of the Court after years of legal proceedings. It seems obvious that publication of the Book of Quantum has assisted many parties in concluding their disputes without adversarial litigation which traditionally carried a 46% overhead cost.

With the PIAB Statutory Assessors having made the 10,000th award in May 2007, at an average finalization period of just over 7 months from consent, the Governing Board would like to commend the Executive Team and the dedicated staff from a wide range of backgrounds who have brought their experience to bear on the challenges faced daily by PIAB.

We also thank the Government, and in particular Minister Micheál Martin, as well as the cross party support of the Joint Oireachtas Committee on Enterprise and Small Business. They have made these achievements possible in the interests of genuine injured claimants and for the sake of competitiveness of the economy where the costs of all goods and services have benefited from reduced premium charges. It is for others than PIAB to determine whether insurance charges have yet reached an optimum level but it is an issue about which society cannot afford to become complacent.

There is, however, another piece of work ahead in the interests of consumers. Most claimants are incurring legal costs in straightforward cases where they could secure higher net compensation if they dealt directly with PIAB at a set fee of €50. Prior to the judicial review in Declan O'Brien v Personal Injuries Assessment Board, 2003, which is awaiting appeal to the Supreme Court, when we could inform people of their option of dealing directly with PIAB over 50% of claimants chose to do so. People of all ages and backgrounds navigated the process without difficulty with the assistance of our Service Centre which is open Monday to Saturday from 8am to 8pm on LoCall 1890 829 121. Given the complaints received from some claimants about the manner in which they are being charged by solicitors, we consider that we have a responsibility during 2007 to inform consumers of their rights. For that purpose, we have recently appointed a Communications Sub-Committee to increase awareness of the PIAB process. It is also planned to upgrade our IT system to enable 24-7 online filing of claims in appropriate cases for those, both direct claimants and their representatives, who wish to avail of the latest technology.

Finally, I want to acknowledge the sterling work of my fellow Board Members. Their varying perspectives, qualifications and experiences always ensure that any obstacles others might try to throw in the path of PIAB are viewed in an objective and professional manner.



Dorothea Dowling
Chairperson

CHIEF EXECUTIVE'S INTRODUCTION

As the new system of personal injury claims embedded, 2006 has been yet another exciting and rewarding year for those involved in the day to day management of PIAB.

In accordance with the law, all new personal injury claims entered the PIAB system. We saw our award volumes increase by almost 500% over 2005 levels and, as we launch this report, we have issued over 10,000 awards.

We now have independent confirmation that we have met key performance indicators. The Cost-Benefit Analysis prepared by Dr. Vincent Hogan, University College Dublin conclusively showed that PIAB delivers awards faster than the litigation system and significantly reduces delivery costs whilst maintaining the same level of compensation.

- All PIAB cases were assessed within statutory timeframes.
- To October 2006, PIAB delivery costs yielded a net saving of €24 million over litigation (Current savings delivered: €45 million).
- PIAB and the Courts are obliged by law to reflect compensation levels as defined in the Book of Quantum, a framework based on Court awards. The independent cost-benefit analysis confirmed that PIAB awards reflect Court awards and indeed concluded that "there is some evidence to suggest that awards may actually be higher under PIAB".

On the basis of savings already delivered, and in the context of PIAB reaching full volume activity in 2007, PIAB project annual savings in the region of €40 million.

However, PIAB is just one partner in driving change in the arena of personal injury claims. There is scope to further reduce insurance premia and we will achieve this by continuing to work with other State Agencies to deliver benefits for consumers. The National Roads Authority, the Road Safety Authority, the Health and Safety Authority and the Health Service Executive must all play a part. The Department of Transport has led through the penalty points system and the Department of Justice, Equality and Law Reform through revisions under the Civil Liability and Courts Act 2004.

Because all personal injury claims come to PIAB, we are uniquely positioned to detect trends. PIAB now has a considerable bank of statistics on accident causation and cost drivers by industry sector. PIAB will share this information with State Agencies and others concerned with public safety. This bank of information gives PIAB a clear picture of how people navigate their way from, for example, their place of work or the roadside where an accident occurred, to the doctors surgery, the hospital, recuperation, claims administration and closure. All of us who serve the public interest have a responsibility to ensure that the injured person has as little stress as is possible along this pathway.

PIAB is a self-funding agency where fees are levied on a case by case basis. The agency continues to grow as an organisation. A key driver is the calibre of our staff. A competency based framework was introduced in 2006 to foster ongoing staff development which will continue to drive our capability and capacity.

In 2006 we also started to build our Second Phase IT Strategy. Evolving systems will deliver improved interaction with our customers and will facilitate additional lines of communication for our customers and for parties pursuing and responding to personal injury claims.

PIAB is now an established part of the personal injuries regime in Ireland. That it has delivered in the public interest is an objective matter of public record. We hope that in time the minority of vested interests who opposed its establishment will accept this reality. Our compass is the public interest and we will continue to be driven by this.

I would like to express warm thanks to Micheál Martin T.D., Minister for Enterprise, Trade and Employment, officials from that Department, the Joint Oireachtas Committee on Enterprise and Small Business and of course our dedicated Board for their ongoing commitment and support.

In conclusion, and as ever, I express my gratitude to our staff, a professional team in every way.

A handwritten signature in black ink, appearing to read 'Patricia Byron', with a long horizontal line extending to the right.

Patricia Byron
Chief Executive

GLOSSARY OF TERMS

Below is a list of terms and their accompanying explanation which may be useful when reading this report. They are not intended as full legal definitions.

Term	Explanation
Respondent	Individual or Company etc. against whom a claim is being made.
Claimant	Individual making the claim.
Liability	Legal responsibility for one's actions.
EL, ML & PL Claims	Employer Liability, Motor Liability and Public Liability Claims.
Litigation System	The process leading up to and including a Court appearance.
Circuit Court	A Court with jurisdiction up to €38,000.
High Court	A Court with unlimited jurisdiction.
Book of Quantum	A guide to the range of compensation figures for particular injuries.

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**Section 1 –
Introduction to PIAB**

SECTION 1 – INTRODUCTION TO PIAB

PIAB was set up in response to the Government’s proposal for the establishment of a low cost, speedy alternative for the resolution of personal injury claims where adjudication on legal issues was not required.

Established on 13 April 2004 with the aid of Exchequer funding, PIAB is now approaching the end of its third year of operation having achieved self-funding status on an operational basis during 2005.

PIAB was established as the statutory body to provide independent assessment of personal injury compensation for victims of Workplace, Motor and Public Liability accidents. Its primary area of responsibility is to assess the level of compensation for specific claims.

1.1 PIAB Historic Timeline

Table 1.1 below outlines the historic development of PIAB from the initial concept, through to the development of PIAB, up to the present day with a fully operating Personal Injury Assessment Board which made over 5,500 compensation awards in 2006.

Table 1.1 PIAB Historic Timeline



1996	Deloitte Report: Insurance costs in Ireland ‘very high’ compared to our European counterparts; Irish Congress of Trade Unions (ICTU) calls for an alternative to the Courts system.
2001	Special Working Group on a Personal Injuries Tribunal recommends establishment of PIAB.
2001/2002	Report of Implementation Group on how to establish PIAB.
April 2002	The Motor Insurance Advisory Board Report (2002): key recommendations include measures to reduce the cost of litigation.
October 2002	Government Action Plan calls for the immediate establishment of a Personal Injuries Assessment Board on an interim basis.
2003	PIAB established on an interim basis. Primary legislation, Personal Injuries Assessment Board Act 2003, enacted.
April 2004	PIAB established on a statutory basis.
June 2004	PIAB commences service.
March 2005	First PIAB awards.
End-2005	PIAB – 951 awards.
End-2006	PIAB – 5,573 awards.
December 2006	Independent Cost-Benefit Analysis, Dr. Vincent Hogan, UCD. Key findings – considerably reduced cost of processing personal injury claims – no diminution in size of awards to injured parties – PIAB cases assessed within statutory timeframes (Available at www.piab.ie/pdf/CostBenefitAnalysis.pdf)
11 May 2007	PIAB – 10,000th award (since establishment).

Mission Statement

“To be the independent facilitator in the delivery of compensation entitlements in a fair, prompt and transparent manner for the benefit of society.”

1.2 Funding Structure

Although PIAB is not required to be self-funding under statutory provision, its aim was to be fully self-funding on an operational basis by 2006. This was achieved at the end of 2005, representing a significant achievement in less than two years of operation.

PIAB continued in 2006 to meet its operational costs solely by the fees levied on Claimants and Respondents¹.

PIAB strives to maintain this self-funding structure. In so doing PIAB continues to monitor a number of external factors which could impact upon its funding status.

- The volume of accidents leading to personal injury claims in the Republic of Ireland;
- The volume of claims resolved directly between parties, the volume of claims requiring a PIAB award (no dispute), the volume of claims requiring Court adjudication (dispute cases);
- Fee levels; and
- Running costs.

¹ Fees include a flat fee of €900 (increase of €50 from €850 after 1 June 2006) paid by the Respondent, and a €50 application fee paid by the Claimant.

1.3 Core Objectives and Strategic Initiatives

To assist in the delivery of its mission, PIAB has developed six core strategic objectives, which the organisation will pursue over the period of the next five years. The strategic objectives are presented in Table 1.3 below.

Table 1.3 PIAB Core Strategic Objectives

Objective 1	To assess fairly and accurately the amount of compensation entitlement in personal injury claims within the remit of PIAB in a timely manner.
Objective 2	To reduce administration costs associated with the assessment of personal injury claims within the remit of PIAB.
Objective 3	To promote a culture of innovation and excellence, fostering an efficient, flexible and cost-effective organisation with motivated and skilled staff.
Objective 4	To develop superior customer service by creating a transparent and accessible claims assessment process.
Objective 5	To increase awareness of PIAB and its benefits.
Objective 6	To contribute positively to the changing personal injury claims resolution environment in Ireland.

During 2006, PIAB worked towards the attainment of these six strategic objectives by implementing a number of strategic initiatives and actions in areas such as:

- Continued Effectiveness and Organisational Efficiencies;
- Maintenance of the Organisation's Self-Funding Status;
- Process Improvement;
- Direct Feedback from Stakeholders;
- Information and Awareness Campaigns including Events and Launches;
- Awareness and Customer Satisfaction Research;
- Staff Training and Development Programmes;
- Development of IT Strategy; and
- Continued Quality Assurance.

These initiatives will continue over the next five years.

1.4 PIAB Process

Table 1.4 below summarises the stages involved in PIAB's claims process.

Table 1.4 PIAB Process

Stage	Description
Stage 1 – Notification	Claimant notification of claim by telephone, post or email. PIAB agents available to assist with application.
Stage 2 – Claim Registration	Submission of Application along with Medical Assessment Form from treating doctor.
Stage 3 – Respondent Party Notification	Respondent notified.
Stage 4 – Respondent Party Reply	Respondent agrees to PIAB process*.
Stage 5 – Assessment	Assessment of personal injury damages completed.
Stage 6 – Acceptance	Assessment accepted by Claimant and Respondent and 'Order to Pay' issued, which holds the same enforcement rights as Court decree.

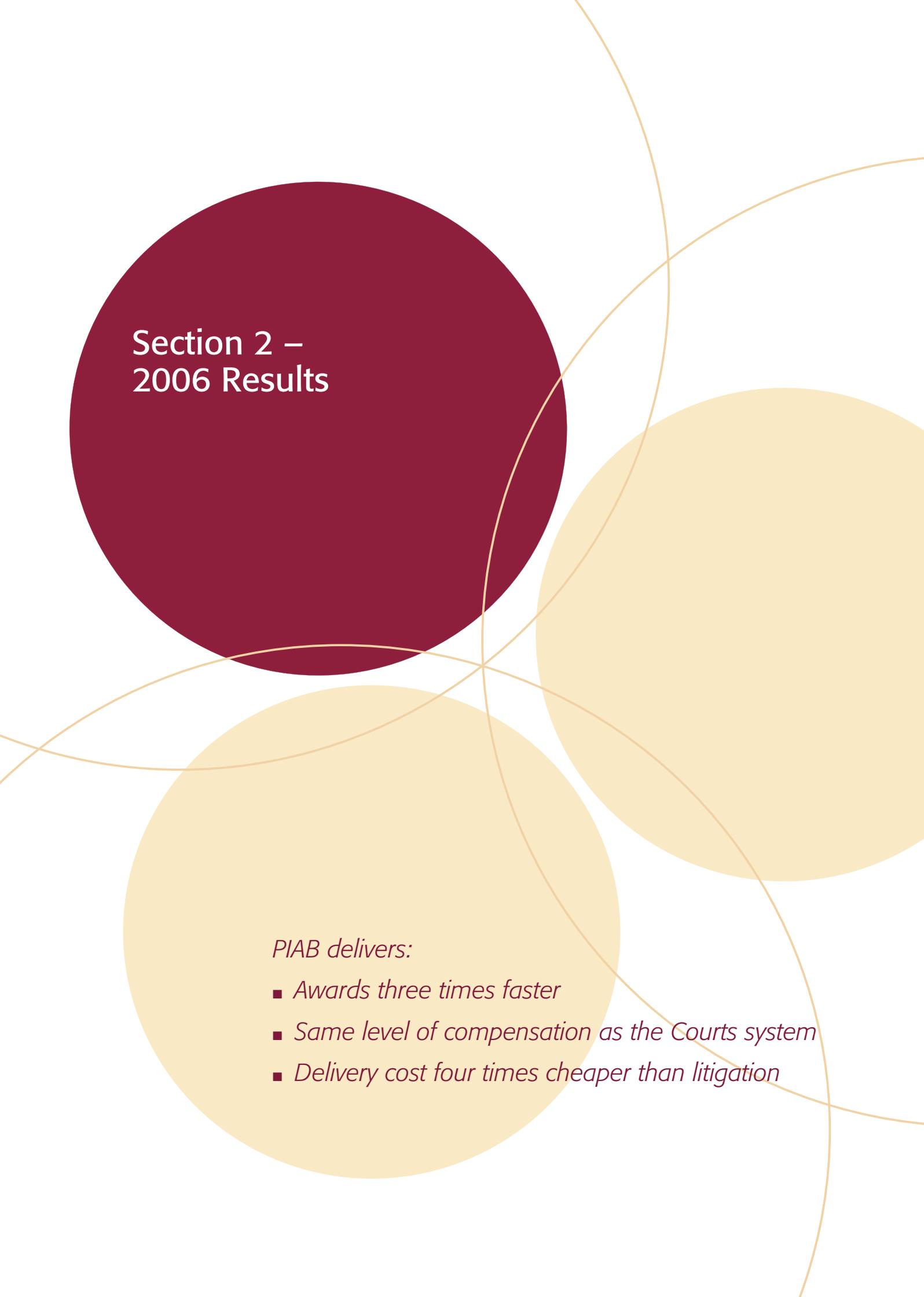
* If the Respondent does not consent to the process or if either party rejects the assessment, PIAB will issue an 'Authorisation' to the Claimant which entitles them to pursue their claim through the courts, if they so wish.

Service Centre open: Monday to Saturday, 8am to 8pm

LoCall 1890 829 121

P.O. Box 8, Clonakilty, Co. Cork

www.piab.ie



Section 2 – 2006 Results

PIAB delivers:

- *Awards three times faster*
- *Same level of compensation as the Courts system*
- *Delivery cost four times cheaper than litigation*

SECTION 2 – 2006 RESULTS

2.1 PIAB Aims

PIAB’s strategic objectives translate into the aims of:

- Assessing the value of compensation;
- Reducing the cost of delivering compensation;
- Assessing claims within the statutory timeframe.

This section provides information on PIAB results for 2006 and includes information on the number and value of awards, cost savings, assessment timelines and further analysis on the awards made.

2.2 PIAB Awards and Analysis

Awards Data

An award is the value of compensation made to an individual in respect of a personal injury claim. It is PIAB’s role to assess the level of appropriate compensation in relation to the severity of the injury, and any actual/predicted financial loss incurred as a result.

In 2006, PIAB made 5,573 awards to the value of €115.28 million.

Table 2.1 below details the number of awards made by PIAB in 2005 and 2006 and also projected figures for 2007.

Table 2.1 Awards Made in 2005 and 2006 and Estimated Figure for 2007

Awards Made		
2005	2006	Estimate for 2007
951	5,573	8,500-9,000

Latest projections indicate that the total number of awards made in 2007 will be between 8,500 and 9,000.

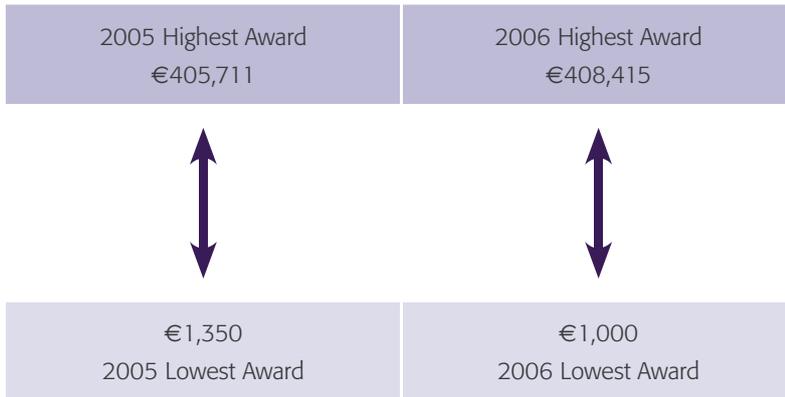
On 11 May 2007, PIAB made its 10,000th award.

Accepted Awards

Of the total awards of 5,573 made in 2006, 3,403 awards were accepted, with a total accepted award value of €66.7 million. The balance were rejected or settled. Emerging trends indicate that many of the rejected cases are settling at the same amount but with legal costs also being paid.

Figure 2.1 on the following page, illustrates the lowest and highest awards accepted in 2006 and also shows a comparable figure for 2005.

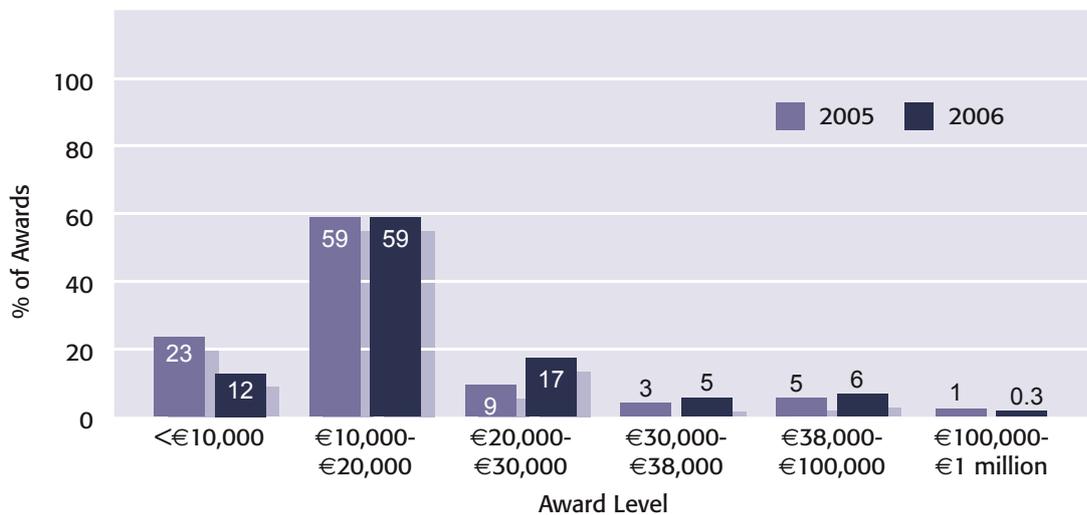
Figure 2.1 Lowest/Highest Accepted Awards



In 2006 the highest accepted award was €408,415 and the lowest accepted award was €1,000.

Figure 2.2 shows the value of awards made in 2006 and displays figures from 2005 for comparison purposes.

Figure 2.2 PIAB Accepted Awards by Value 2005/2006



The 2006 picture in relation to the value of awards is broadly similar to that in 2005.

The concentration of PIAB awards in the value categories below €38,000 is reflective of the historical situation as evident in data from the Courts Service. In the Courts 89%² of awards were below €38,000 while 93% of PIAB awards were in the same category.

A higher percentage of the Court awards (11% Courts : 7% PIAB) are in the higher value category reflecting the higher value medical negligence awards which are processed only through the Courts system.

2 Courts Service Annual Report 2005.

2.3 Cost Savings on Accepted Awards

“It is important to emphasize that this saving occurred without any diminution in the size of awards to the injured parties. In fact there is some evidence to suggest that awards may actually be higher under PIAB.”

(Source: Dr. Vincent Hogan, UCD, Cost-Benefit Analysis, December 2006)

As shown in Table 2.2 below, 3,403 awards were accepted by PIAB customers, and the value of those awards was €66.7 million.

Table 2.2 Total Number and Value of PIAB Awards Accepted

	2006
Number of Accepted Awards	3,403
Total Value of Accepted Awards	€66,732,505

Table 2.3 shows the actual PIAB delivery costs in 2006 and compares it to the estimated cost of delivery of the same award value under the litigation system.

Table 2.3 Estimated Cost Savings

	2006
Total PIAB Delivery Costs*	€4,566,125 (6.8%)
Estimated Litigation Costs on old system**	€30,696,952 (46%)
Actual Savings (PIAB vs Litigation System)	€26,130,827

* Based on an average cost of €1,350 approx per claim.

** According to the Motor Insurance Advisory Board (MIAB), the cost of delivering awards under the litigation system was 46% on top of the compensation amount.

According to the MIAB, the cost of delivering awards under the litigation system was 46% of the award value. Using this overhead calculation, the c. €67 million compensation would have cost an additional c. €30.7 million to deliver under the litigation system.

Based on the number of awards accepted in 2006, PIAB’s cost of delivering compensation was c. €4.6 million equating to less than 7% of the award value.

These figures are supported by the findings of the independent Cost-Benefit Analysis (Dr. Vincent Hogan, UCD) conducted at the end of 2006, which reported cost savings of almost €24 million up to the end of October 2006 (See Section 5).

Any reduction in the cost of delivering compensation is of benefit to consumers through reduced premiums or payments for goods and services. Details of reductions in insurance premiums can be obtained from the Central Statistics Office or the Financial Regulator.

2.4 Average Accepted Awards by Category

Table 2.4 below shows the average value of accepted awards made within the various claim categories in 2006.

Table 2.4 Average Value of Accepted Awards by Category

Category of Claim	2006
Motor Liability	€18,982
Employer's Liability	€23,141
Public Liability	€19,308
Average	€19,610

The average overall accepted award in 2006 was €19,610. Awards in the Employer's Liability category were highest at €23,141 reflecting the often more complex nature of the injuries suffered in such accidents.

2.5 Settlements Pre-Award and Impact on Courts

In addition there are cases which do not proceed to full assessment, nor involve litigation as they are resolved directly following the PIAB Service Centre copying both parties (Claimant and Respondent) with the claim papers. At this time, the data relating to these settlements is awaited from the Irish Insurance Federation which represents the largest number of Respondents. It is clear, however, that the resolution of these claims accounts for even faster settlement times and even lower delivery costs than the claims which proceed through the PIAB assessment process.

The impact of these early direct settlements and compensation assessments by PIAB is reflected in the number of cases going to litigation which has dropped significantly over the last three years.

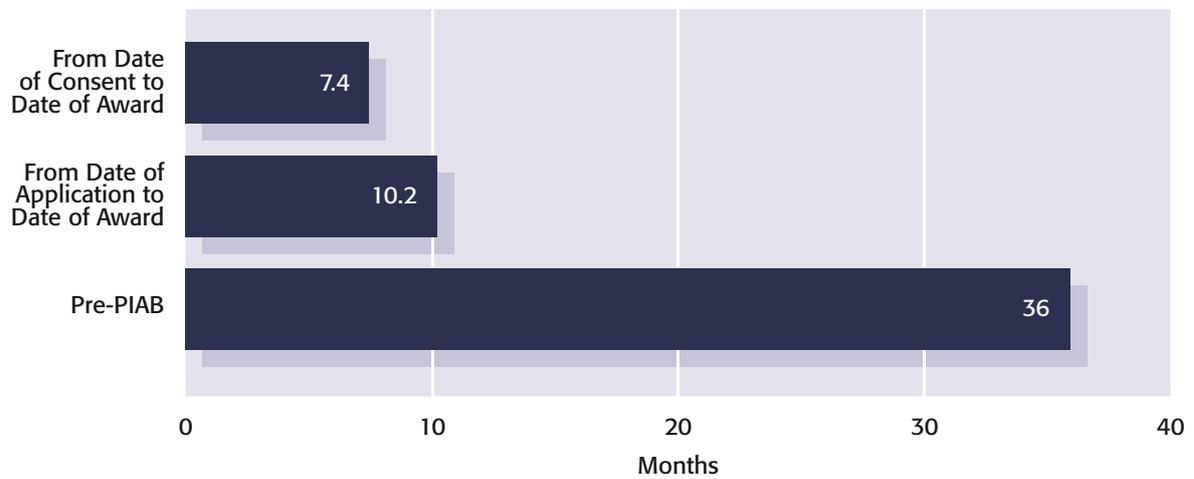
2.6 Assessment Timeline

“PIAB has delivered its assessments, on average, 75% faster than the law courts.”

(Source: Dr. Vincent Hogan, UCD, Cost-Benefit Analysis, December 2006)

PIAB is obliged, under the PIAB Act 2003, to assess claims within nine months of the Respondent consenting to the PIAB process. Figure 2.3 shows the average timeline in relation to the delivery of compensation. As shown in the chart below, this timeline is actually much shorter taking approximately seven months.

Figure 2.3 Compensation Timeline



- The average timeframe from the date of Respondent consenting to PIAB assessing the claim to the date of award is 7.4 months.
- The average timeframe for completion of application to date of award is 10.2 months.
- Prior to the introduction of PIAB cases took, on average, 36 months to be resolved through the litigation system.

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Section 3 – The Organisation

SECTION 3 – THE ORGANISATION

3.1 Board and Committees

Board

The Board of Directors of PIAB is appointed by the Minister for Enterprise, Trade and Employment and consists of a Chairperson, and 10 ordinary members, including the Chief Executive.

The Board is responsible for setting the broad strategy and the policies of the organisation. It has oversight responsibility for the activities of the organisation and is responsible for the system of internal financial control. The Board delegates executive functions to the Chief Executive. Individual claims are handled by executive staff, not by the governing Board.

Full List of Board Members

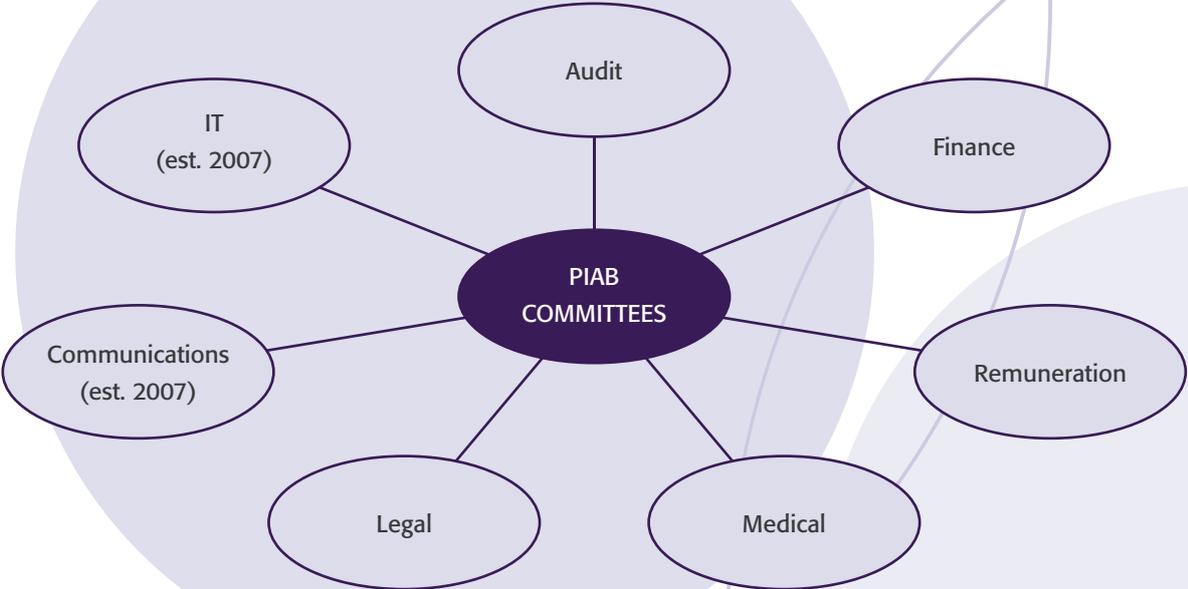
Name	Position
Dorothea Dowling	Non-Executive Chairperson
Senator Joe O'Toole	Vice-Chairperson and Irish Congress of Trade Unions (ICTU) nominee
Patricia Byron	Chief Executive
John Fay	Irish Congress of Trade Unions (ICTU) nominee
Tom Noonan	Irish Business and Employers Federation (IBEC) nominee
Pat Healy	Irish Insurance Federation (IIF) nominee
Ann Fitzgerald	Director of Consumer Affairs*
Mary O'Dea	Consumer Director, The Financial Regulator
Frances Cooke	Revenue Solicitor
Frank Cunneen	Former Chairperson Health and Safety Authority
Professor Denis Cusack	Department of Forensic Medicine, University College Dublin
Stephen Watkins	Board Secretary

* Ann Fitzgerald replaced John Shine and joined the Board in September 2006.

Committees

Assisting the Board are a number of committees that undertake specific functions on its behalf. These committees operate in the areas shown in Figure 3.1 below.

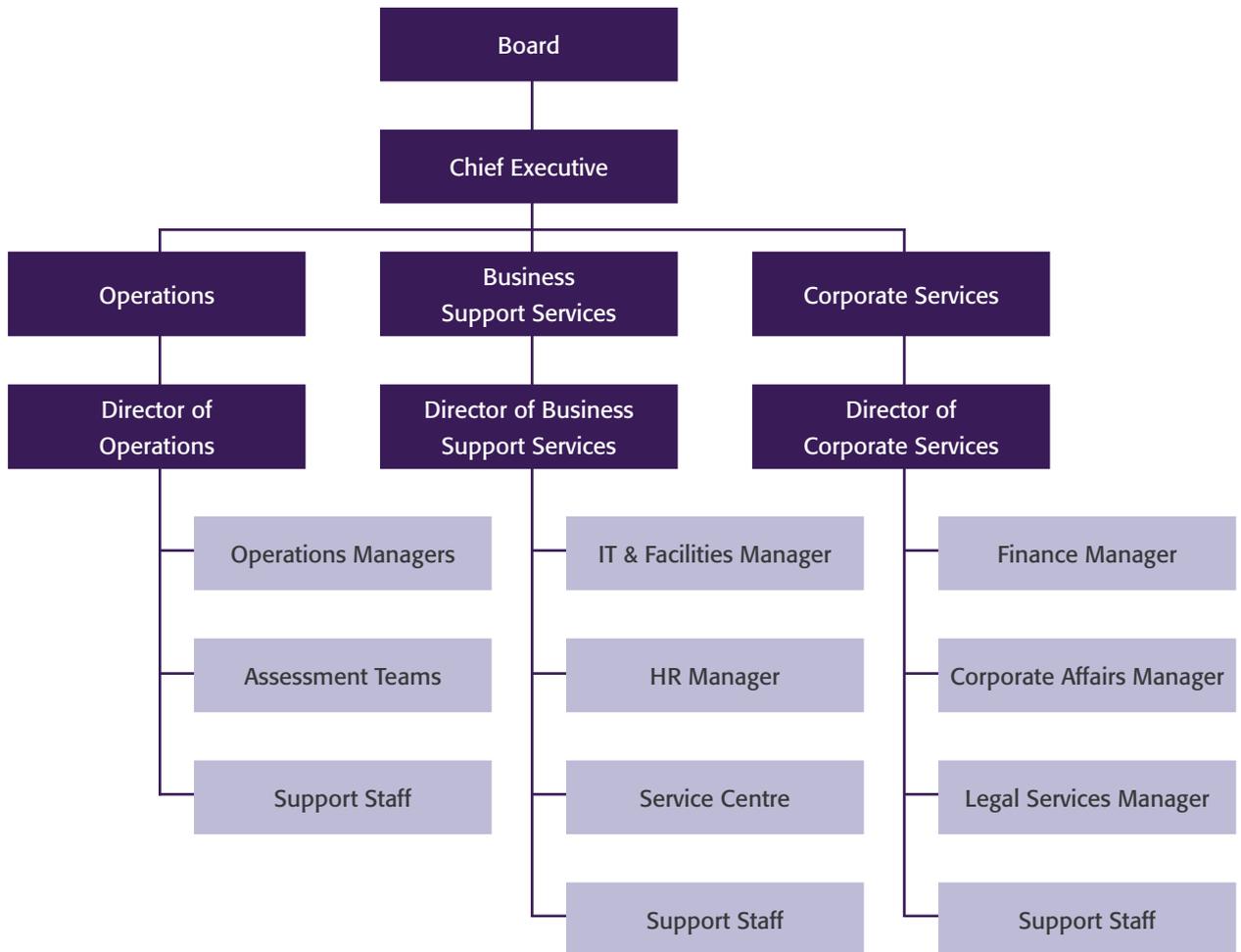
Figure 3.1 PIAB Board Committees



3.2 Organisational Structure

Figure 3.2 below depicts the PIAB organisational structure in detail.

Figure 3.2 PIAB Structure



Executive Management Team

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

- Helen Moran, Director of Business Support Services
- Maurice Priestley, Director of Operations
- Stephen Watkins, Director of Corporate Services

The Chief Executive is responsible for the day-to-day management of PIAB operations, supported by Directors, Managers, Assessors and Support Staff. At the end of 2006 PIAB employed 74 staff in their office in Tallaght, Dublin 24.

In addition, PIAB has an outsourced Service Centre, based in Clonakilty, Co. Cork, whose main functions are to deal with claim preparation and operation of the PIAB Helpline.

3.3 Organisational Outlook

A key strategic objective for the organisation is:

'To promote a culture of innovation and excellence, fostering an efficient, flexible and cost-effective organisation with motivated and skilled staff.'

In order to achieve this PIAB concentrates on a number of organisational areas including:

- Modernisation and Flexibility;
- Stable Industrial Relations;
- Team Working and Cross-Functional Working.

In 2006 PIAB supported the strategic objective of motivating and up-skilling staff through a variety of staff training and personal development programmes. PIAB's competency based framework facilitates consistent assessment and development of staff. In addition, operating systems and processes were reviewed in 2006 improving efficiencies, optimising costs and enhancing customer service delivery.

3.4 Corporate Governance

PIAB is a statutory body established by the Personal Injuries Assessment Board Act 2003.

PIAB operates in accordance with the provisions of the Personal Injuries Assessment Board Act 2003 and under the aegis of the Minister for Enterprise, Trade and Employment who is empowered to provide funds to the agency to enable it to discharge its obligations; and to seek information on the agency's activities.

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

Code of Practice for the Governance of State Bodies

PIAB has developed and implemented procedures to ensure that it complies with this Code of Practice.

Safety, Health and Welfare at Work Act 2005

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

Data Protection Acts, 1988 and 2003

PIAB is a registered data controller under the Data Protection Acts. Data Protection is concerned with the protection of the individual's fundamental right to privacy and to exercise control over how personal information is used. Applications in relation to personal information may be made under the Data Protection Acts to PIAB.

Freedom of Information Acts, 1997 and 2003

As a newly established organisation PIAB has yet to be brought under the remit of the Freedom of Information Acts. It is envisaged that PIAB will be brought within this remit in the near future.

Prompt Payment of Accounts Act, 1997

PIAB comes under the remit of the Prompt Payment of Accounts Act, 1997, and the European Communities (Late Payment in Commercial Transactions) Regulations 2002. It is the policy of PIAB 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.

Ethics in Public Office Act, 1995

PIAB was brought within the scope of the Ethics in Public Office Act, 1995 with effect from 1 January 2006 (S.I. No. 672 of 2005) and has adopted procedures to comply with the Act.

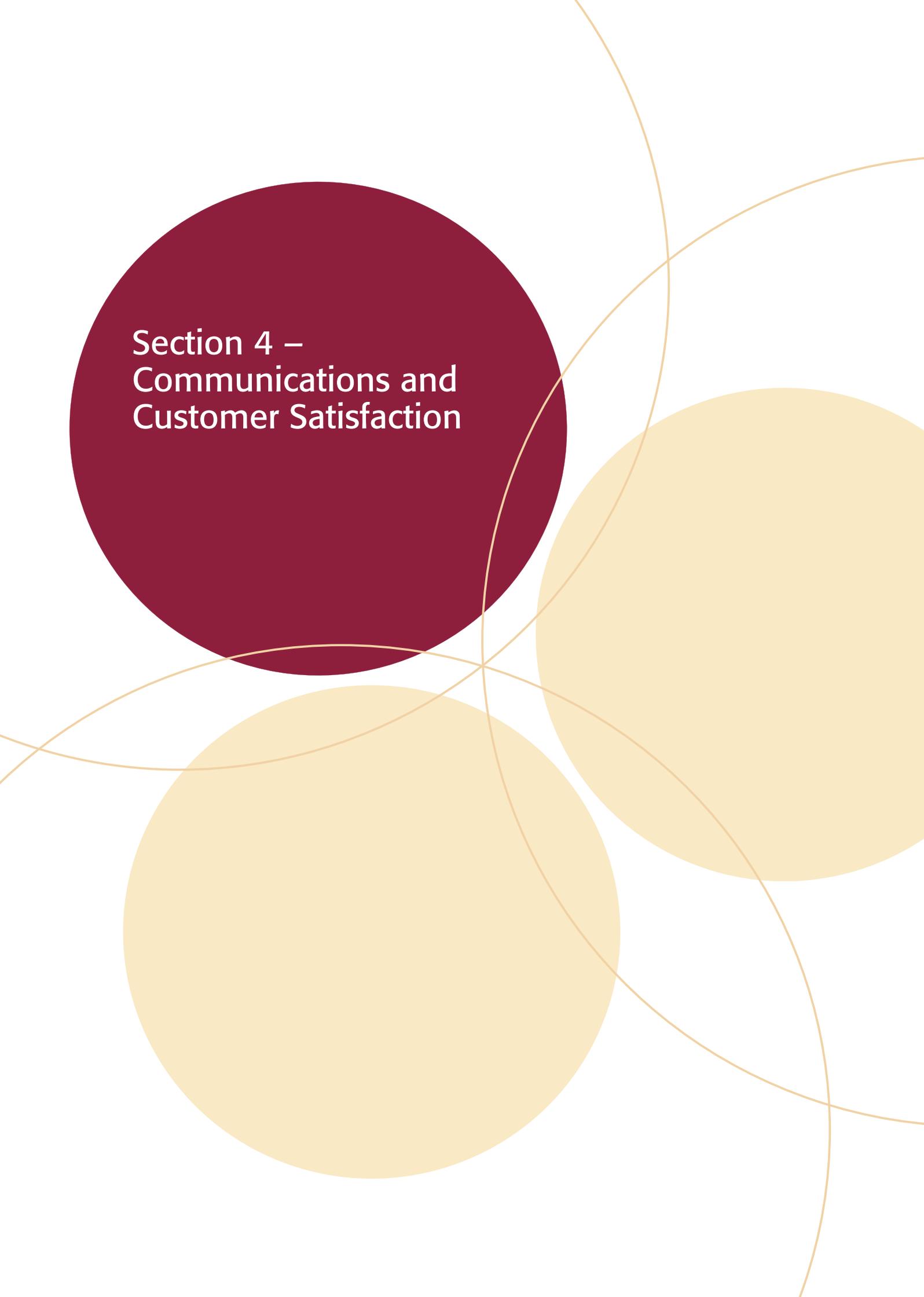
In accordance with the above Act all PIAB Board Members and staff holding designated positions have completed statements of interest in compliance with the provisions of the Act.

Employment Equality Acts, 1998 and 2004

PIAB is committed to a policy of equal opportunity and adopts a positive approach to equality in the organisation. PIAB is committed to developing a balanced work/life environment for all staff. It currently operates flexible working hours attendance arrangements and is examining other atypical working arrangements in conjunction with staff.

Official Languages Act 2003

PIAB 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.

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**Section 4 –
Communications and
Customer Satisfaction**

SECTION 4 – COMMUNICATIONS AND CUSTOMER SATISFACTION

4.1 Communications

One of the key strategic objectives of the organisation is:

“to increase awareness of PIAB and its benefits.”

PIAB is a young organisation and the management is conscious that much work needs to be done in relation to increasing the awareness of the general public about the organisation and its services.

To that end a Communications Sub-Committee of the Board was established in 2007 and is actively developing a communications strategy which will address the awareness gaps that exists in the minds of the public.

In 2006 PIAB communicated with and delivered a number of presentations and briefings to a wide range of stakeholders. Some examples of those are listed below:

Medical Community

- SIPTU Nurses Convention
- European Union of Medicine in Assurance and Social Security (EUMASS) Conference
- General Practitioner Groups

Legal Community

- Central Law Training
- Law Society delegations

Insurance Industry

- Insurance Times Annual Conference
- UK Insurance Industry
- Sligo Insurance Institute
- Dublin Insurance Institute

General Public

- NUI Galway Students
- National Ploughing Championships

Other

- Garda Traffic Corps Seminar
- Health and Safety Review Annual Conference
- Institute of Actuaries Seminar
- Self-Insured Task Force
- Consumers' Association of Ireland

PIAB will continue to support these and other initiatives in the future and will continue to engage with its key stakeholders.

4.2 Customer Satisfaction

A key strategic objective for PIAB is:

“to develop superior customer service by creating a transparent and accessible claims assessment process.”

PIAB operates a Service Centre which is available from 8am to 8pm Monday to Saturday making it very easy and accessible for all its customers to contact them. From the outset PIAB carried out customer satisfaction surveys to ensure that all callers to the Service Centre received a quality service and results to date show that over 90% of all callers are satisfied with the service provided.

PIAB has implemented and strives to maintain a modern and user-friendly process that will support the effective operation of the organisation. Cutting-edge technology is used in both its Assessment Centre in Tallaght, as well as through its outsourced Service Centre provider in Cork.

Technology is critical in the delivery of services for PIAB and ensures that the process is both efficient and effective for all users. In addition PIAB has created a website www.piab.ie which has had in excess of two million hits to date. These systems provide valuable tactical and strategic management information in assisting PIAB to achieve its objectives.

There are three service delivery initiatives planned for development/implementation in 2007 with the aim of making it easier to do business with PIAB. These include the development of a 24/7 online system allowing customers to complete and track their applications electronically; an “Electronic Correspondence” system facilitating two-way correspondence with our customers which will deliver significant efficiencies to PIAB, and the use of Electronic Funds Transfer (EFT) in line with best practice e-Government recommendations.

PIAB will continue to keep abreast of emerging technologies, and review its processes, to assist with the development of appropriate strategies for the business with the aim of delivering a better service to all PIAB customers. This will ensure that any changes introduced will deliver real benefits for the customer and the business and ensure that the key strategic objective of developing a superior customer service through the creation of a transparent and accessible claims assessment process is achieved.

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Section 5 – Cost-Benefit Analysis

SECTION 5 – COST-BENEFIT ANALYSIS

One of the most significant initiatives undertaken in 2006 was the commissioning of an independent Cost-Benefit Analysis conducted by Dr. Vincent Hogan, University College Dublin. The following section summarises the key findings of this analysis.

Cost-Benefit Analysis

“PIAB reduces the cost of processing claims considerably.”

Under the terms of the Personal Injuries Assessment Board Act 2003, the functions of the governing board at Section 54(1) (c) include:

“to cause a Cost-Benefit Analysis to be made of the legal procedures and the associated processes (including those provided for by this Act) that are currently employed in the State for the purpose of awarding compensation for personal injuries.”

To this end, an independent Cost-Benefit Analysis was conducted at the end of 2006, to review the cost structure of PIAB, and compare it with the cost of the traditional litigation system. Cost savings for each case dealt with by PIAB were also calculated.

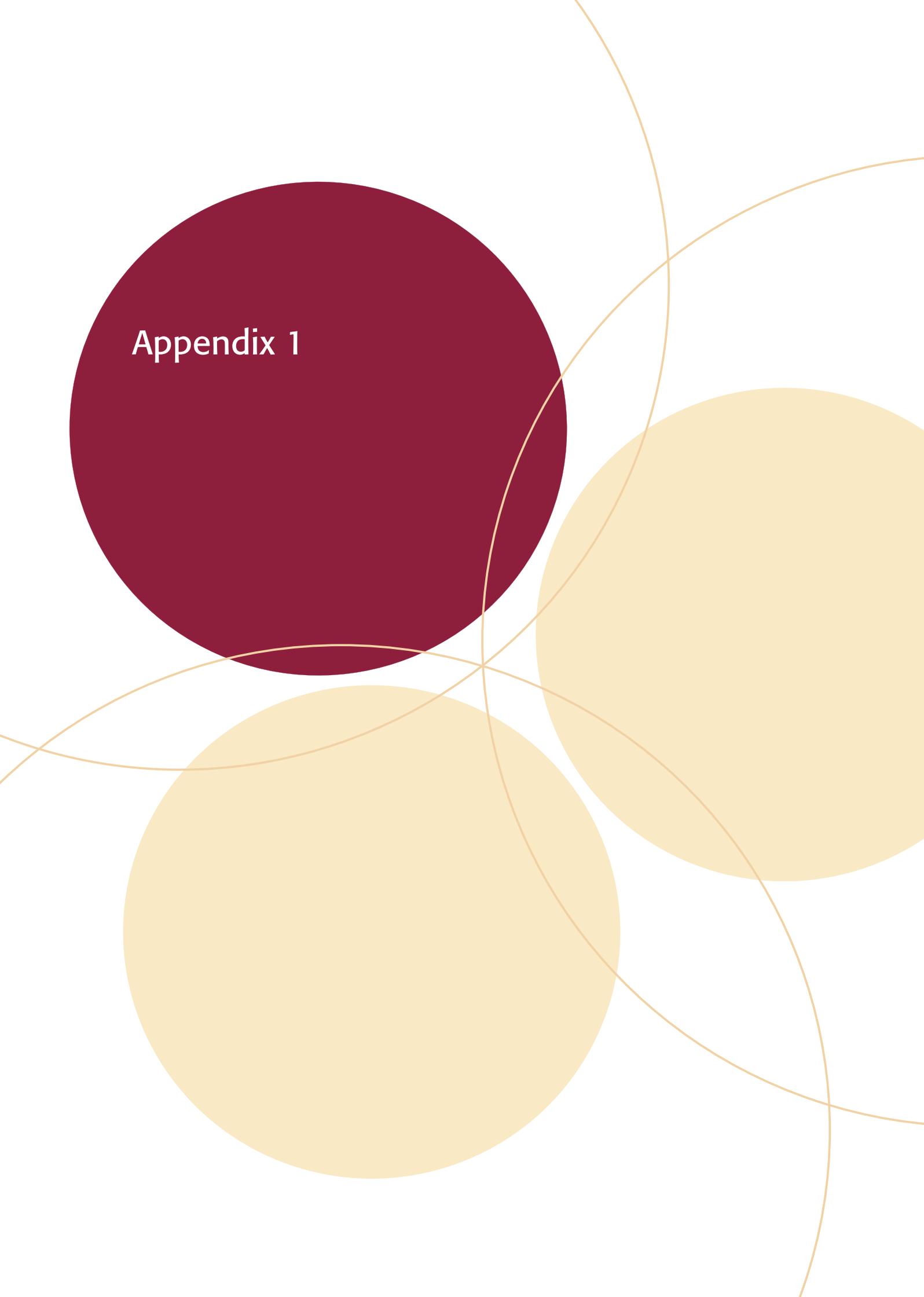
Summary of Cost-Benefit Analysis Key Findings

Key findings resulting from the Cost-Benefit Analysis were:

- *“PIAB has reduced the costs of processing personal injury cases considerably”*
- Savings *“occurred without any diminution in the size of awards to the injured parties”*
- *“PIAB has delivered its assessments, on average, 75% faster than the law courts”*

Details of the aforementioned key findings are outlined in the points below.

- Conservative estimates reveal that PIAB has reduced the cost of processing personal injury cases by €24 million on 3,137 cases between March 2005 and October 2006.
- On an average case, this cost saving was €6,373, which represents a reduction of 88% over Circuit Court costs.
- In relation to High Court costs, savings are €27,703 on an average case.
- These cost savings have not precipitated a reduction in the size of the awards to the injured parties. In fact, evidence suggests that for more serious injuries these awards may actually be higher.
- It was found that PIAB also delivers its assessments 75% faster in comparison to the courts, which is stated to take on average 36 months to process a claim (McAuley Report 1999).
- The monthly cost index produced by the Central Statistics Office, indicates that the cost of consumers' motor insurance has fallen by 20% since the inception of PIAB to October 2006.

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Appendix 1

APPENDIX 1 – EXTRACT FROM FINANCIAL STATEMENTS AND STATEMENT OF INTERNAL FINANCIAL CONTROL

Finance and Accounts

The funding of PIAB operations in 2006 is met by levying fees on Claimants and Respondents (individual or company etc. against whom a claim is being made) and by running a flexible organisation where income and expenditure are both directly linked to work volumes.

Fee income in 2006 grew steadily reflecting increased underlying claims activities in the year. Fee income amounted to €10.8 million in 2006. Expenditure incurred for the twelve months to 31 December 2006 amounts to €11.3 million of which €3.7 million relates to salaries and related expenses and non-pay items of €7.6 million.

Extract from the Financial Statements

Income and Expenditure Account for the Year Ended 31 December 2006

	12 months to 31.12.2006 €'000s	12 months to 31.12.2005 €'000s
Income		
State Grant	363	2,500
Transfer from/(to) Capital Accounts	304	334
Fee Income	10,828	5,229
Interest Receivable	55	14
	11,550	8,007
Expenditure		
Salaries, Pension and related expenses	3,747	2,759
Claims Processing Costs	3,349	1,216
Accommodation and Establishment Costs	318	353
Board Members Fees and Expenses	110	83
Recruitment, Training and Education	173	46
Information, Research and Communication	225	195
Legal Costs and other Professional Fees	1,608	1,086
IT Costs	641	855
Telecommunication Costs	131	113
General Administration	597	380
Depreciation	359	292
	11,258	7,378
Surplus of Income over Expenditure	292	699
Transfer to General Reserve	–	(250)
	292	449
Balance at 1 January	587	138
Balance at end of year	879	587

The Board has no gains or losses in the year other than those dealt with in the Income and Expenditure Account.

Statement on the System of Internal Financial Control

Responsibility for system of Internal Financial Control

On behalf of the Personal Injuries Assessment Board (PIAB) 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 authorized and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

Key Control Procedures

The Personal Injuries Assessment Board has taken steps to ensure an appropriate control environment is in place 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 me on discharging my responsibilities for the internal financial control system.

PIAB 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:

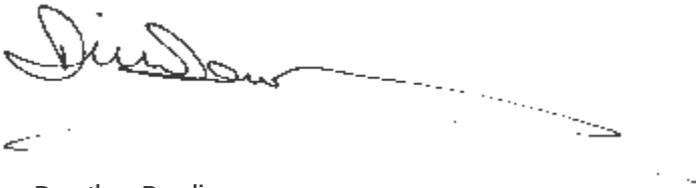
- a comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board via its Finance Committee;
- monthly cash-flow statements with analysis of major income and expenditure categories, which are reviewed by the Board's Finance Committee;
- the implementation of a financial 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 PIAB is exposed. A Finance Committee has been established to review the annual financial statements, budgeting and to take an overview of financial procedures generally. The analysis of risk and the internal audit plans is approved by the Chief Executive and is subject to endorsement by the Finance Committee and Audit Committee and approval by the Board.

Annual Review of Controls

I confirm that a formal and detailed review of the effectiveness of the system of internal financial control was not undertaken in respect of 2006. This review has been scheduled for 2007.

Signed on behalf of the Members of the Board

A handwritten signature in black ink, appearing to read 'Dorothea Dowling', with a long, sweeping horizontal stroke extending to the right.

Dorothea Dowling

Chairperson, Personal Injuries Assessment Board

Personal Injuries Assessment Board – Your Claim – Your Call 1890 829 121

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