

CENTRAL BANK REPORT ENHANCES TRANSPARENCY – PIAB

Monday 16 December, 2019 – The Personal Injuries Assessment Board (PIAB) has welcomed the publication of the first National Claims Information Database report by the Central Bank of Ireland today.

“PIAB publishes the costs involved in its process and advocates that costs involved in all settlement channels be transparent. Factual data will inform policy and should lead to actions to address the crisis in relation to the cost and availability of insurance, said its Chairperson Dermot Divilly.”

“The report highlights the enormous costs involved in litigation as a mechanism of resolving personal injury claims, particularly when there are low cost alternatives. It is clear that the injured party receives a higher proportion of the total cost of settlement amount (92%*) when a case is resolved through PIAB, as opposed to through litigation (67%*),” Mr. Divilly added.

Central Bank of Ireland breakdown of average injury settlement costs, where total cost of settlement is less than €100k – 2018 figures unless stated

Average settlement Costs	Compensation received by claimant (€)	Legal costs (€)	Legal costs as % of compensation	Other (€)	Total costs (€)	Time taken to settle claims (2015-2018)
PIAB	€22,660	€885	4%	€1,139	€24,684	2.5 years
Litigated	€24,208	€15,139	63%	€1,033	€40,380	4.2 years

Where claims enter litigation after leaving the PIAB process, the additional costs on top of compensation are extremely high, particularly when the small number of outlier cases (i.e. cases over €100,000) are removed, the report shows as per above table. This shows that on average in litigation a claimant gets very little more than they would through PIAB yet the legal costs are much higher. In addition litigated cases take substantially longer to finalise.

Mr. Divilly concluded: “This greater transparency relating to the cost of insurance, coupled with the work of the Judicial Council to set award guidelines has great potential to improve the personal injuries/insurance environment.

*Page 47, Table 22, 2018 figures of the Central Bank of Ireland report.