

**New report shows Personal Injuries Assessment Board (PIAB) continues to deliver similar compensation for motor claims but much cheaper and much faster than through litigation**

- Latest Central Bank National Claims Information Database report on motor claims published
- Claimants using PIAB receive similar amounts, but with far lower legal costs and much faster

**Tuesday, 16 November 2021 - Latest figures published today by the Central Bank of Ireland show that injury compensation claims resolved using the fair and independent PIAB service have far lower legal costs and are settled years faster than those which go to litigation. The figures are contained in the Bank's Private Motor Insurance Report 3, under the National Claims Information Database covering claims in 2020.**

PIAB is the state body which assesses personal injury claims relating to motor, employer (workplace) and public liability accidents, and its efficient service benefits all parties and society as whole. PIAB has welcomed the publication of the report by the Central Bank of Ireland, which continues to clearly demonstrate the benefits of the PIAB system for all parties and for everyone who pays motor insurance premiums.

The report shows that with respect to claims under €100k in value, (representing 94% of all injury claims in the report), the compensation awarded to claimants was broadly comparable, regardless of whether the case was finalised through PIAB or through litigation. The difference between resolving claims through PIAB, as opposed to through litigation, was the much higher costs involved in litigation which also took far longer.

On average the report found that the legal costs associated with settling these claims through litigation were €16,064. This compares to legal costs under PIAB of only €841, a difference of over €15,000 per claim.

The time taken to resolve claims differed significantly with claims in 2020 under the litigation model taking on average 4.2 years to settle and claims settled with PIAB taking 2.3 years.

The report shows that 15% of cases are directly resolved through PIAB, while a further 13% were settled directly after PIAB, where it is clear that the PIAB award is the determining factor in these cases that settle post PIAB. Therefore, PIAB has influenced/contributed to the settlement of 28% of overall claims. Rosalind Carroll, PIAB's Chief Executive, stated: *"This proportion needs to be higher, as we need less cases going into lengthy and expensive litigation, particularly when it is clear there is no significant difference in compensation values. The introduction of the Personal Injuries Guidelines in 2021, combined with planned enhancements to PIAB's powers, will lead to greater consistency in award levels and should ensure fewer cases will go to litigation."*

*"This is a very significant report which once again demonstrates that there are very large cost differences between legal costs and the time taken to resolve claims through PIAB as compared to litigation,"* she added.

*"The legal costs involved in going to litigation on claims for up to €100,000 are shown in the report to be almost 20 times greater than through settling claims through PIAB. The report also shows significant differences in the time taken to resolve claims where they cannot be agreed directly between claimants and respondents. For claims settled through our services in PIAB, the average time from date of accident to award was nearly 2 years faster."*

*"Based on this report, claimants using litigation or the PIAB model get broadly comparable compensation, yet litigation takes far longer, and adds considerable cost. The costs are borne by everyone who pays premiums."*

The report also shows that between 2019 and 2020 there was an 18% drop in the average injury claims cost per policy, with injury claims volumes reduced by 31% compared to 2019.

*"Since the new personal injury guidelines came into being at the end of April this year, we have shown that there has been a significant drop in the average compensation award through PIAB of approximately 40%. The reduction in claims volumes and costs, combined with the drop in award levels this year, now combine to create an environment that is ripe for premiums reductions which is good news for policyholders,"* said Ms Carroll.

ENDS