

Compensation in Ireland

Are there lessons to be learned from Ireland's Personal Injuries Assessment Board?

The Personal Injuries Assessment Board (PIAB) was set up in Ireland last year in response to what many considered to be an inefficient compensation system.

The principal objectives of PIAB are:

- to make significant reductions in the cost of delivering compensation due to claimants, without altering the level of awards; and
- to implement a less adversarial and faster process for settling personal injury claims.

PIAB

The PIAB is an independent statutory body, making independent assessments of compensation for personal injury claims. Since July 2004, all personal injury claims (excluding those for medical negligence) have had to be submitted to the PIAB before any resort to legal proceedings. The PIAB assesses the injury and recommends a compensation award – which both claimant and respondent have the right to accept or reject. If the award is rejected by either

party, the claimant may go to the courts. PIAB assesses the level of compensation by considering the claimant's medical evidence.

Where this is inconclusive or disputed by the respondent, the claimant may be required to attend an independent medical specialist chosen by PIAB.

Another important feature of the new system is the introduction of the Book of Quantum – a guide to compensation levels.

Advantages to insurers

The reform's proponents have praised the new system for its speed: PIAB boasts that its awards are made within nine months, compared to litigation, when the average time-frame is three to four years.

And the scheme is seen as a way of saving costs. PIAB will not fund the claimant's legal representation and so claimants have to pay any legal fees out of the award they receive. PIAB says that, under the old litigation system, 'delivery costs' on top of the award, including legal and medical expenses, accounted for around 46% of sums paid in compensation.

Opposition

Clearly, the scheme will have limited appeal for some insurers.

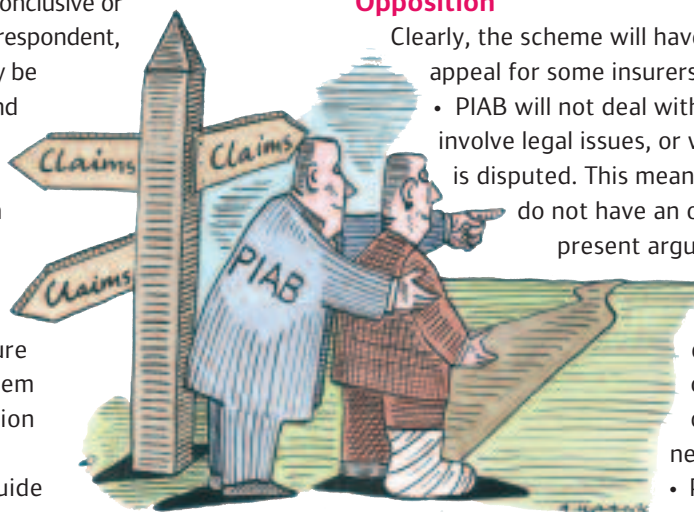
- PIAB will not deal with cases which involve legal issues, or where liability is disputed. This means that insurers do not have an opportunity to present arguments about mitigating

circumstances or contributory negligence.

- PIAB does not provide insurers

with a forum to argue about the reasonableness of claims for special damages such as those for future loss of earnings.

- there is a perception that the introduction of the Book of Quantum has led to an increase in the level of damages awarded, not only under PIAB scheme, but also in the courts.



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