

Note of key matters and actions agreed:

Attendees:

APIL	APPG	Others
<p>Presenting: David Marshall, Former President Colin Ettinger, Immediate Past President</p> <p>Attending: Lorraine Gwinnutt, Head of legal & public affairs Simon Rich, Parliamentary officer</p>	<p>John Greenway Lord Hunt Lord Davies Lord Haskel David Gauke</p>	<p>David Worsfold (plus an Incisive Media rep) David Morey (PwC) Lord Hunt's Special Adviser representative, Michael McManus</p>

1. Key matters

A copy of APIL's own notes will be provided in due course. Key points noted during APIL's presentation included:

- Compensation arrangements are currently dealt with under Common Law
- Parliamentary intervention is more likely to give rise to stricter interpretations and possibly a reduction in the level of clarity available under Common Law (reasonable care etc)
- Claims Management Companies operate without reference to codes of practice and recognised training (c.f. lawyer led schemes); these companies should be regulated to ensure proper protection of consumers after the incidence of a potentially life-changing injury
- Claims Management Companies do add to the cost of claims
- APIL supports the 'Think Rehabilitation' scheme – the focus should be on getting injured people better, before compensation
- The system for resolving claims does need to be improved to speed justice for injured people; insurer behaviours can contribute to delays (e.g. in 2/3rds of cases settled, liability remains undetermined; cases are often settled at twice the amount of insurers' initial offers) causing additional cost and complexity
- APIL believe there is a high level of consensus across the sector to improve the claims handling process (e.g. targets for agreeing liability within set time periods, early notification of claims to insurers to allow rehabilitation to commence early, quicker payment of low value claims; greater emphasis on rehabilitation etc)
- APIL also believe there are a number of substantive changes to the law on which there is a good deal of consensus (e.g. compensation concerning psychiatric illness and where there are dependents)
- APIL also keen to see law developed to deal with indexation (which currently gives rise to under-compensation) and correction of the current position whereby the provision of social services accommodation/care is deducted from compensation payments

- On the issue of 'compensation culture', APIL believe the figures do not support the perception – e.g. in the UK the amount spent on compensation as a % of GDP is the 2nd least in the industrialised West (per Better Regulation Task Force report); APIL believe the number of claim cases is falling, but recognises that the cost is increasing as a consequence of economic factors such as longer life expectancy and lower investment returns; APIL indicated that the CAB have advised that only 1/3rd of potential claimants actually claim; APIL recognised that cases going to court are decreasing, but that cases settled out of court have increased; APIL also indicated that less than 1% of those injured by the NHS claim compensation

2. APPG's view

The Group has recommended that APIL seeks to confirm areas of principle where there is no disagreement with other interested parties, such as the Forum of Insurance Lawyers (FOIL), as a productive basis for seeking to change the law.

The Group is currently gathering views from interested parties concerning the Government's proposed Compensation Bill and will summarise its view later in the year.

DL Morey
14 July 2005