



Letters to the editor  
The Times  
5 September 2011

Sir,

The insurance industry is fond of blaming ‘fake’ personal injury claims for recent hikes in car insurance premiums, but seems reluctant to offer any real evidence about the extent of the problem (Business, 5 September).

Specialist personal injury lawyers (I cannot speak for claims management companies) do everything they can to make sure the people they represent are genuine, and it is the responsibility of insurers to pass on details of possible fraud to lawyers so it can be stopped in its tracks. It is in no-one’s interest to encourage fraud.

More than a year ago, insurers and claimant lawyers worked together to develop and implement a new system of fixed legal costs for lower value motor claims: a system which applies to three quarters of all personal injury claims. So costs were fixed at a mutually agreed level and haven’t increased since. But have insurance premiums gone down? Quite the reverse.

Payment of compensation to people injured through no fault of their own is the price of causing needless injury. The insurance industry can help to reduce costs by playing a bigger part in advising those it insures about how to avoid such negligence in the first place, and by rewarding responsible behaviour with lower premiums.

After years of failing to set accurate premium prices, and of generating claims against itself through the growing practice of so-called ‘third party assistance’ (when defendants’ insurers actively push compensation offers to claimants even when the injured parties aren’t interested in claiming) the insurance industry should put its own house in order before trying to deflect the blame elsewhere.

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