



Re: The Times, 12 December: *Paul Evans viewpoint 'We all pay price of out of control compensation culture'*

The proposed ban on referral fees in personal injury cases is a populist move which will only serve to drive them back underground where they will be subject to no transparency at all.

Insurers have earned vast sums from charging referral fees. Without that extra revenue, it is surely likely that premiums will be increased rather than reduced.

Mr Evans says there is a need to “look again” at whiplash. But the seriousness of this injury must not be underestimated: as many as a third of whiplash injuries result in a chronic condition which recurs throughout a victim’s lifetime.

The so-called “compensation culture” which Mr Evans claims has “been allowed to proliferate in the UK” has in fact recently been dismissed as a myth in two major Government reviews of health and safety.

Professor Ragnar Löfstedt wrote in his independent report, *Reclaiming health and safety for all*, that “no evidence has been presented for its existence”. Even Lord Young, in his report *Common Sense, Common Safety*, said the issue is “perception rather than reality”.

No-one can deny that motor premiums have increased in recent years, but it is disingenuous for the insurance industry to blame everyone but itself. One of the first pieces of evidence heard before a recent session of the Transport Select Committee was that the motor



insurance market had been making a loss for years and that the recent price hikes were part of a “correction”.

What is needed is a sensible, rational debate about our compensation system. What we keep having, however, is myth and insurance industry hype.

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