



Daily Mail

01 May 2013

Re: *End of a legal racket* (Daily Mail comment) and *Ambulance chasing law firms facing crackdown* (page 8)

Sir,

The Government is deluded if it believes that the latest legal reforms are going to reduce the average car insurance premium by 15 per cent in the next year.

LV= and Direct Line have already warned motorists not to hope for a noticeable reduction, and the Association of British Insurers has so far refused to commit to how much premiums will come down, or by when.

The real problem is the cost insurers charge each other for repairs and credit hire, which is currently being investigated by the Competition Commission after the Office of Fair Trading labelled the system 'dysfunctional'. Along with insurance company overheads these costs account for more than half of the average premium.

And, far from 'spiralling', the number of whiplash claims has actually fallen again for the second year running, by 11 per cent according to the Government's own figures obtained by a Freedom of Information request.

Deborah Evans

Chief executive



Association of Personal Injury Lawyers (APIL)