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POLITICIANS URGED TO RE-THINK INSURER REGULATION

Injured people will continue to be at the mercy of insurers' pressure tactics unless politicians urgently re-think how the business of capturing claims is to be regulated.

In anticipation of a parliamentary debate today, the Association of Personal Injury Lawyers (APIL) has warned politicians that new draft rules surrounding the regulation of claims management activities will leave third party insurers free to pursue and pressure injured people in an attempt to capture the claim.

"The vast majority of people making a personal injury claim will have never done so before and need to be fully protected from exploitation," said APIL president Richard Langton. "Solicitors are strictly regulated and the activities of claims management companies will also soon be subject to regulation. Insurers should not escape the same level of regulation," he said.

"The referral of personal injury claims following third party capture is a massive, growing business, and exempting insurers from strict regulation means injured people will be denied a much-needed safeguard," said Langton.

Today's debate will focus on the Draft Compensation (Exemptions) Order 2006, which follows the introduction last year of the Compensation Act. Politicians will aim to reach agreement about who will and will not be regulated by a new claims regulator.

"The fact that insurers are apparently already regulated by the Financial Services Authority is not good enough," said Langton. "Companies active in two areas of business, such as insurance and claims management, must surely comply with regulatory requirements in respect of both."

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Note to editors:

Meeting of the *First Delegated Legislation Committee* to be held today, Monday
22 January, 2007.