



Information Release

12 February 2008

Review of Third Party Motor Insurance Personal Injury Claims

The Financial Regulator has recently written to all non-life insurance firms with feedback from a themed inspection of these firms that examined third party motor insurance personal injury claims. These inspections were conducted before the Consumer Protection Code provisions relating to claims handling came into force in July 2007. The main issues covered in this feedback were;

- It was noted that in approximately two thirds of the claims files reviewed that policyholders were not notified by their insurer that a settlement had been made on a claim against their policy with a third party claimant. The Consumer Protection Code now requires that where the policyholder is not a beneficiary of the settlement amount, that the policyholder must be advised in writing by the regulated entity of the final outcome of the claim.
- We noted that approximately one in six of agreed settlement of claims in the period 1 January 2006 to 31 March 2007 took more than 10 business days to be paid. This timeframe will now be reduced with the full implementation of the Consumer Protection Code, which requires that a regulated entity must pay all proven claims to the claimant within 10 business days of specified conditions being satisfied.
- It was noted that in general the settlement terms with claimants / legal representatives were agreed verbally. The Consumer Protection Code now requires that the claimant must be advised, in writing, of the outcome of the investigation into the claim, explaining the terms of any offer of settlement.
- All firms visited had developed step-by-step claims handling and complaints procedures and these were available to claims handlers in each of the firms. It was noted that most of these firms had very few complaints connected to the claims process during the time period on which the themed inspection focused.

- While firms were aware of the role of the Personal Injury Assessment Board ('PIAB') the way in which its operations were brought to the attention of claimants varied from firm to firm. At the time of the inspection, we noted that one firm was developing a leaflet intended for claimants to explain the PIAB process. We have encouraged other firms to give initiatives of this type consideration and to provide full details of the PIAB process in writing to the claimant.

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Notes for Editors:

Themed Inspections:

Themed inspections examine issues across a sector. Where a specific compliance issue arises with an individual firm this is addressed directly with the firm and where appropriate, regulatory action may be taken.

Third Party Motor Insurance Personal Injury Claims

Third Party Motor Insurance Personal Injury claims are claims for personal injury made by a third party against a motor insurance policyholder.

Payment of Claims - Consumer Protection Code Requirement

The Consumer Protection Code requires that a regulated entity must pay all proven claims to the claimant within 10 business days once the following conditions have been satisfied;

- a) the insured event has been proven;
- b) all specified documentation has been received by the regulated entity from the claimant;
- c) the entitlement of the claimant to receive payment under the policy has been established; and
- d) the appropriate amount has been agreed subject to finalisation of legal costs, where applicable

About the Consumer Protection Code

The Code became fully operative on 1 July 2007.

Copies of the Code can be downloaded from www.financialregulator.ie. General information on the code (for consumers) is available on www.itsyourmoney.ie or consumers can download a consumer guide 'Consumer Protection Code – Your little red book'.

About the Financial Regulator

The Financial Regulator was established on 1 May 2003. It is the single regulator for most financial services in Ireland. Its overall mandate is to: · Help consumers make informed decisions on their financial affairs in a safe and fair market; and · Foster sound, growing and solvent financial institutions which give consumers confidence that their deposits and investments are secure. The Financial Regulator's consumer information resources are available by logging onto www.itsyourmoney.ie or by calling the consumer help-line on lo-call 1890 77 77 77, or by dropping into the Consumer Information Centre at 6-8 College Green, Dublin 2.