

The logo for Weightmans, featuring the name in white text on a dark teal, wavy rectangular background.

Weightmans

An analysis of the UK personal injury market

Market Affairs Group

April 2016

Table of Contents

1.0 Executive summary	03
2.0 Analysis and methodology	05
3.0 The UK personal injury market	06
4.0 Analysis of data sets by class of claim	
a. Motor	08
b. Public liability	13
c. Employers' liability – accident	15
d. Disease	19
e. Abuse	26
f. Clinical negligence	28
5.0 Conclusion	29
6.0 Weightmans Market Affairs Group	30

1.0 Executive summary

Weightmans LLP is a Top 45 law firm with extensive experience in the insurance claims field. Over recent years this market has undergone significant transformation and these changes have had a profound effect on claimant solicitors' firms and their business models resulting in market consolidation and domination by a relatively small number of large claimant firms.

In July 2015, in conjunction with our Management Information and Business Intelligence teams, Weightmans' Market Affairs Group reported on their findings following an analysis of claims data from the Claims Portal ("Portal") and the Compensation Recovery Unit ("CRU") to identify trends within the various classes of claims to assist compensators with forecasting in terms of reserves and deployment of operational resources. A copy of that report can be found [here](#) where data analysed was for the period of 01 January 2011 to 31 March 2015.

This is our second report bringing the market up to date with the current position. The data analysed is for the period of 01 November 2013 to 31 October 2015 for CRU data and 01 November 2013 to 31 October 2015 for Portal data. In this report we have also analysed the fluctuation in levels of general damages in the Portal so as to consider the potential impact of the proposed reforms announced in the Chancellor's Autumn Statement. Our high level findings are as follows:

Motor (RTA)

- RTA claim numbers for 2015 have increased by 9.59% (CRU) and 22.66% (Portal) despite a reported reduction in the number of accidents.
- Repudiation rates have increased from 22% (2014) to 22.73% in 2015.
- There has been an increase of 3.26% in average general damages in 2015

Public liability (PL)

- Whilst PL claim numbers for 2015 have decreased by 0.52% according to CRU data, Portal claim numbers have increased by 6.51%.
- Repudiation rates have increased from 49.2% (2014) to 52.48% in 2015.
- There has been an increase of 27.05% in average general damages in 2015.

1.0 Executive summary

Employers' liability (accident) (EL)

- EL claim numbers for 2015 have increased by 4.87% (CRU) and 19.14% (Portal).
- Repudiation rates have remained static at 33%.
- There has been an increase of 26.75% in average general damages in 2015.

Disease

- Disease claim numbers for 2015 have increased by 18.73% (CRU) and 52.48% (Portal).
- Repudiation rates have increased from 49.28% (2014) to 57.4% in 2015.
- There has been a decrease of 3.57% in average general damages in disease Portal claims in 2015.

Abuse

- Abuse claim numbers for 2015 have increased by 5.67%.

Clinical negligence

- Clinical Negligence claim numbers for 2015 have increased by 8.83%.

2.0 Analysis and methodology

As part of this process we have analysed:

- Data accessed from the Claims Portal website covering the period 1 November 2013- 31 October 2015 with the following caveats;
 - a. The Claims Portal data does not provide a breakdown of disease type on disease claims. Any analysis relating to disease types is therefore limited to the CRU data.
 - b. Data in relation to “Settlements” is limited to the count of Stage 2 Settlement Packs where agreement has been reached during each monthly period. The Portal data does not provide details of the outcomes of claims that have exited the Portal and therefore repudiation rates cannot be calculated from this data.
 - c. The Claims Portal does not provide post codes or area codes to assist with mapping the claimant’s address. Accordingly, the address analysis is limited to the CRU data.

- Data supplied by the CRU covering the period of 1 November 2013 – 31 October 2015 which was provided in response to a request made by Weightmans under the Freedom of Information Act with the following caveats;
 - a. Data in relation to “Settlements” includes all concluded claims (irrespective of whether payments have been made).
 - b. Withdrawals have been included with repudiated claims in the calculation of repudiation rates.
 - c. Data in relation to occupational deafness claims is dependent upon insurers registering this claim type. A significant number of insurers do not register this type of claim (registration is not compulsory where hearing loss is less than 50dB).

3.0 The UK personal injury market

The most significant development for the UK personal injury market was the announcement on 25 November 2015, by George Osborne MP, The Chancellor of the Exchequer, when he delivered the Government's autumn spending review.

The package of measures announced included proposals in relation to whiplash claims and the Small Claims Track (SCT) limit that will have profound implications for organisations involved with compensation claims, including claimants and their legal representatives, insurers and other sector stakeholders.

Key announcements from the spending review can be found [here](#).

In his statement to the House of Commons, the Chancellor signaled the Government's intention to take further steps to tackle 'the fraud and compensation culture in motor insurance'. He stated the following in relation to whiplash claims:

"The government intends to introduce measures to end the right to cash compensation for minor whiplash injuries, and will consult on the details in the New Year.

"This will end the cycle in which responsible motorists pay higher premiums to cover false claims by others. It will remove over £1bn from the cost of providing motor insurance and the government expects the insurance industry to pass an average saving of £40 to £50 per motor policy on to consumers."

Hand in hand with the moratorium on minor whiplash claims came a further announcement that the Government also intends to raise the financial limit for allocation of personal injury cases to the SCT. The key announcements publication states as follows:

"More injuries will also be able to go to the small claims court as the upper limit for these claims will be increased from £1,000 to £5,000."

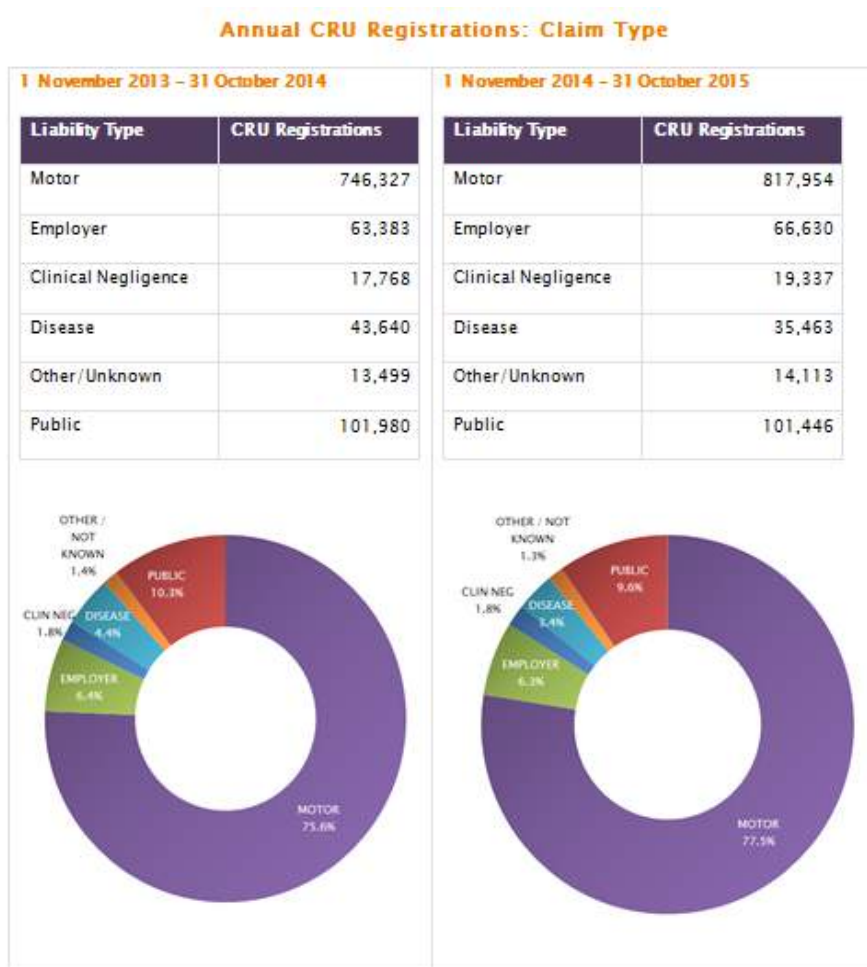
These measures advance twin Government policies around driving down the cost of living in the UK and tackling exaggerated and fraudulent personal injury claims, underpinning past civil reform initiatives such as LASPO, the introduction of MedCo and legislation to tackle fundamental dishonesty.

The proposed changes are set against a background of some insurers, specifically Aviva, having campaigned for the right to compensation for whiplash injuries to be substituted for a right to treatment only. In that respect, a footnote to the Government's full policy paper ([here](#)) makes clear that the right to recover special damages will remain and treatment is specifically mentioned in that context.

3.0 The UK personal injury market

Turning to the figures analysis, the breakdown of CRU registered claims by liability type is set out in the table and the graphic below for each year. Motor claims continue to account for the majority of personal injury claims and this seems unlikely to change in the near future.

Annual CRU Registrations: Claim Type



Liability Type	Percentage change in 2015 (+/-)
Motor	+9.59
Employer	+5.12
Clinical Negligence	+8.83
Disease	-18.73
Other/Unknown	+4.54
Public	-0.52

4.0 Analysis of data sets by class of claim

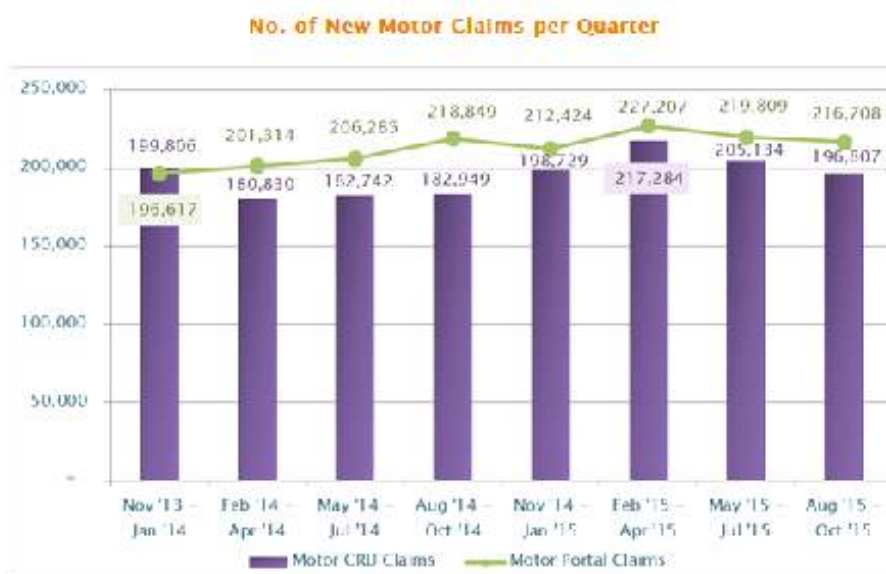
a. Motor

Assumptions

Monthly CNF volumes exceed the monthly CRU registrations as a result of a number of factors, for example: Monthly CNF volumes exceed the monthly CRU registrations as a result of a number of factors, for example:

- Known duplicate submissions on the Portal caused by changes in the name of the claimant representative dealing with the claim;
- Some compensators generally undertake an ask CUEPI search at the beginning of all genuine injury claims. This triggers an automatic CRU notification
- More robust day one interrogation of claims submitted to the Portal.

New claims



Period	CRU Registrations	Portal Submissions
1 November 2013 - 31 October 2014	716,327	823,065
1 November 2014 - 31 October 2015	817,954	875,148

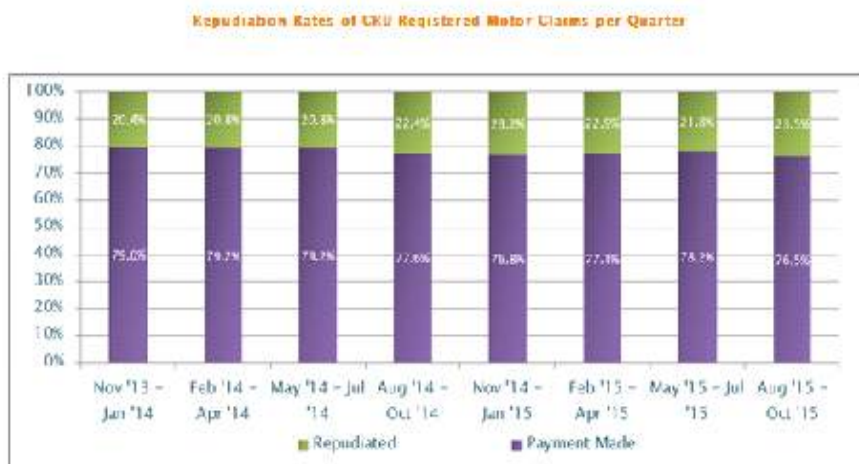
4.0 Analysis of data sets by class of claim

There has been an increase in the volume of RTA claims notified to the Portal of 6.45% as well as an increase to CRU registrations which indicates a 9.60% increase. There is clear evidence of Portal and CRU notifications becoming aligned which seems to suggest that the robust day one measures implemented by compensators are having an effect in identifying those spurious claims at an early stage.

It is worth noting that RTA claims have been submitted through the Portal for 6 years. This alignment of CRU and Portal numbers could well suggest that the measures put in place to deal with dysfunctional behaviour are having the desired effect.

Repudiation rates

The average repudiation rate in 2014 was 21.1% and we have seen a slight increase in the 2015 data sets to 22.85% which seems to suggest that the repudiation rate is starting to plateau.



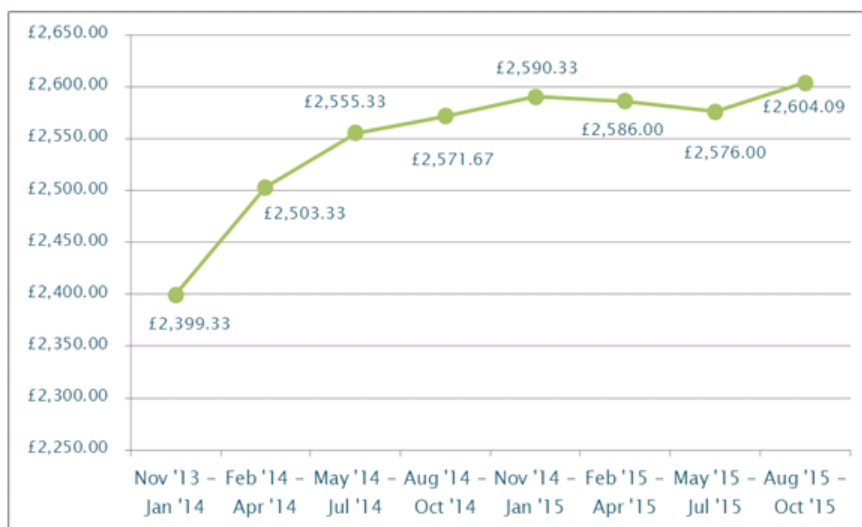
We consider that the primary factors as to why the repudiation rates have started to plateau are:

- Claimant solicitors have become more vigilant in the types of claims they take on due to the lack of incentive to pursue weaker claims meaning there are fewer spurious claims being submitted.
- Insurers and their partners have benefited from the utilisation of technological advances and industry initiatives to improve fraud detection meaning more fraudulent claims are being repudiated prior to the submission of the personal injury claim, or simply are not being submitted in the first place.

4.0 Analysis of data sets by class of claim

General damages

Average General Damages on Motor Portal Claims



Period	Average General Damages	% Increase
1 November 2013 - 31 October 2014	£2,507.42	
1 November 2014 - 31 October 2015	£2,589.10	+3.26%

In our previous paper we noted that there was a 35.54% increase in average general damages from 2011 to end of 2014. The increase in general damages when comparing the last 2 years has been 3.26%. This reduced rate of increase seems to suggest that the majority of the increases which have taken place in previous years were as a result of the corresponding increases to the Judicial College guidelines on general damages, as well as the 10% uplift introduced by LASPO to compensate for the removal of Claimants' ability to recover success fees and ATE premiums from defendants.

The 2015 figures are demonstrating an increase that could be evidence of the impact of inflation and perhaps more generous judicial awards.

4.0 Analysis of data sets by class of claim

Area Codes with highest CRU Registered Motor Claims

We have used the area codes for claimants' addresses provided in the CRU data to identify hotspots for employers' liability (accident) claims.

The 10 areas which have given rise to the greatest number of motor claims are as follows:

Area Codes with highest CRU Registered Motor Claims

Area Code	1 November 2013 – 31 October 2014	1 November 2014 – 31 October 2015
B (Birmingham)	40707	44754
M (Manchester)	24974	27481
L (Liverpool)	19075	20145
E (London East)	17983	20197
S (Sheffield)	17914	19722
N (London North)	14000	15376
CF (Cardiff)	13921	14542
NG (Nottingham)	13807	16039
SE (London South East)	12980	14767
BD (Bradford)	12380	13353

Impact of the autumn statement

There are concerns that the proposals, if implemented, could lead to Claimant representatives pushing to bring about general damages inflation. Based on the current level of general damages at £2,561.33 an unrealistic level of damages creep would be needed to bring average general damages out of the revised small claims track (SCT) parameters, assuming for the time being that the revised cap is set at £5k. Thus a very substantial proportion of claims presented would still likely be affected by such variation of the SCT limit, even in the event that there is a degree of damages inflation.

There is also speculation that the proposed reforms might provoke an increase in the volume of secondary injuries such as psychiatric injury, as well as a revision of how injuries are presented, moving away from whiplash to other injuries, a combined shoulder and lumbar back injury for example.

4.0 Analysis of data sets by class of claim

Sticking with that example, the 13th edition of the Judicial College guidelines suggests a valuation for PSLA as per the table below:

Duration of Symptoms	Value Range (£)
Up to 3 months	Up to 4,100
3 months to 1 year	4,100 - 10,230

We have used the figures from the Judicial College Guidelines adding the values for both injuries together, although we appreciate there will be an inevitable reduction due to the grouping of these injuries. We have already commented that secondary injuries such as psychiatric injuries may well be on the increase as a result of the reforms, and the guidelines suggest that a minor psychiatric injury, in isolation, would attract an award in the region of £1,290 - £4,900. Therefore, it seems to us that the strategy of couching injuries in a different manner may have its attractions to Claimant lawyers. Nonetheless, it remains to be seen how the MOJ will ultimately define what is currently being termed 'minor whiplash', there having been a conscious effort to avoid use of the term 'whiplash' when defining the remit of MedCo for example. In addition, it has to be acknowledged that soft tissue injuries to limbs etc can be objectively proven or disproven more readily than cervical spine injuries.

We are aware that compensators use electronic damages valuation tools with different tunings and we recommend that compensators consult their valuation tools to understand how categorising injuries differently would affect general damages payments.

Similarly, the full impact of the proposals on insurers remains unknown, implications in respect of claims numbers and premium having the potential to bring about knock on effects in respect of issues as diverse as claims operation costs and Solvency II capital reserving requirements. In the short term, we consider there is potential for a peak in claims numbers in the run up to the implementation date for the proposed changes, which is likely to be in 2017

There could also be an impact for other sector stakeholders and related markets, including the commercial broker market. The full breadth of the impact from the proposed changes, the extent of the benefits that will ultimately be derived from the same and the imperatives for operational change that their impact on the market will give rise to will need to be considered once we have clarification of the detail of the reforms.

4.0 Analysis of data sets by class of claim

b. Public liability

Assumptions

Monthly CNF volumes exceed the monthly CRU registrations as a result of a number of factors, for example:

- Known duplicate submissions on the Portal;
- A delay or complete omission by compensators to notify new claims to the CRU.

It still remains the case that although the Portal was extended to PL claims as of August 2013, utilisation remains low. This is no different to what was experienced when the Portal was first introduced for motor, although the low utilisation of the Portal could well be as a result of the more complex liability arguments meaning fewer cases are suitable for the Portal.

New claims

No. of New PL Claims per Quarter

Period	CRU Registrations	Portal Submissions
1 November 2013 - 31 October 2014	101,980	69,475
1 November 2014 - 31 October 2015	101,446	73,999

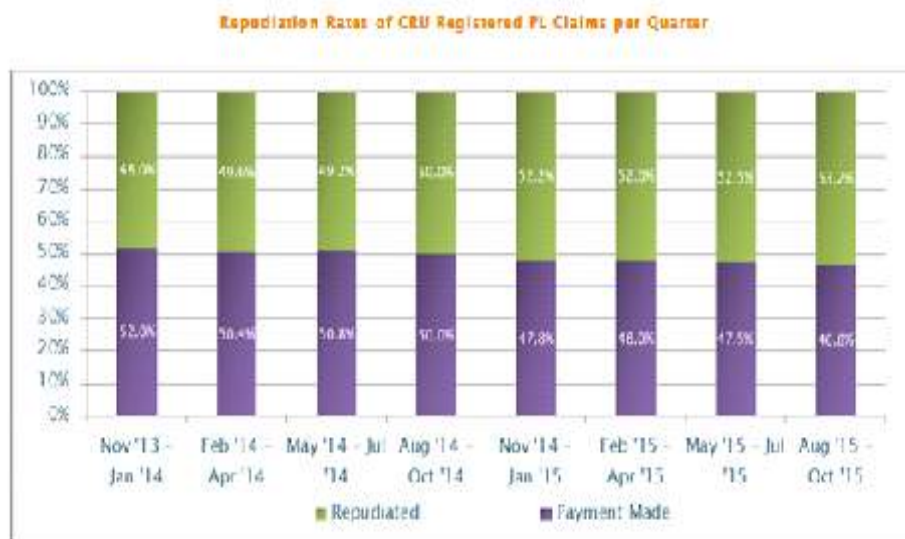
CRU data indicates a decrease of claims over the last 2 years of 0.52% where as Portal data shows an increase of 6.51%. The increase in claims through the Portal could well be a result of the new process bedding in.

What is interesting is that over the last 12 months, figures through both data sources have started to level off. This could suggest that the industry anticipated the behaviours and issues that arose from the implementation of the RTA Portal allowing a more rapid and intelligent response.

4.0 Analysis of data sets by class of claim

Repudiation rates

The repudiation rate has increased from 49.2% (Nov 13- Oct 14) to 52.48% (Nov 14 –Oct 15).

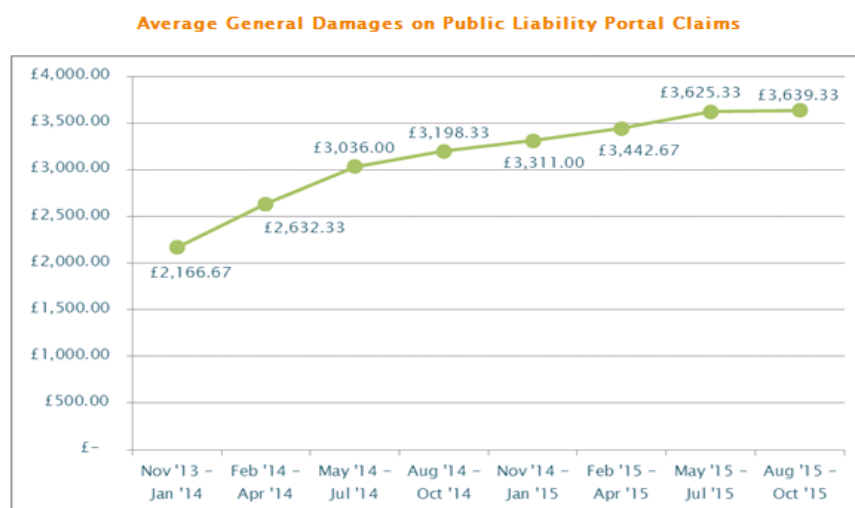


Repudiation rate remains high as would be expected with this class of claim. The slight increase from 2014 to 2015 could well be directly related to the increase in CNF submissions to the Portal in that more claims will inevitably mean greater repudiation rates. It also provides some evidence that Qualified One Way Costs Shifting may have led to a rise in both poorly screened claims and claims with little overall prospects of success.

We recommend that compensators should conduct a review of their claims book to ascertain the reasons for the repudiations as there could still be opportunities to take further cost out of the system.

4.0 Analysis of data sets by class of claim

Average General Damages on Public Liability Portal Claims



Period	Average General Damages	% Increase
1 November 2013 - 31 October 2014	£2,758.33	
1 November 2014 - 31 October 2015	£3,504.58	+27.05%

Whilst there appears to be evidence of a significant increase in general damages from 2014 to 2015, we need to bear in mind that the data pool is increasing in size as is the variation in settlement values. It is our view that the settlements noted in our previous paper arose from claims that were perhaps less complex in nature and capable of a quicker and cheaper settlement. The increase in general damages could correlate to the settlement of more complex claims and accordingly for higher values. We suggest that this requires investigation.

4.0 Analysis of data sets by class of claim

Area Codes with highest CRU Registered Public Liability Claims

We have used the area codes for claimants' addresses provided in the CRU data to identify hotspots for employers' liability (accident) claims.

The 10 areas which have given rise to the greatest number of Public liability (accident) claims are as follows:

Area Codes with highest CRU Registered Public Liability Claims

Area Code	1 November 2013 – 31 October 2014	1 November 2014 – 31 October 2015
M (Manchester)	3948	3690
B (Birmingham)	3569	3557
L (Liverpool)	3029	2959
NE (Newcastle)	2696	2491
CF (Cardiff)	2649	2685
S (Sheffield)	2397	2459
NG (Nottingham)	1931	2033
WA (Warrington)	1792	1660
LS (Leeds)	1778	1795
G (Glasgow)	1764	1873

c. Employers' liability - accident

Assumptions

Monthly CNF volumes exceed the monthly CRU registrations as a result of a number of factors, for example:

- Known duplicate submissions on the Portal;
- A delay or complete omission by compensators to notify new claims to the CRU.

Utilisation of the Portal for EL claims remains low. For all intents and purposes this is no different to what was experienced when the Portal was first introduced for motor, although the low utilisation of the Portal could well be as a result of the more complex liability arguments meaning fewer cases are suitable for the Portal.

4.0 Analysis of data sets by class of claim

New claims

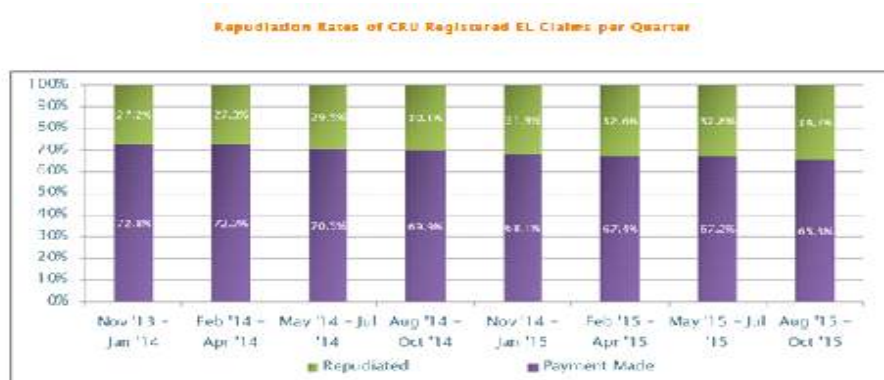
Looking at the volume of claims notified to CRU, and those submitted in the Portal there has been an increase in claims volumes notified to the CRU by 4.87% and those submitted in the Portal by 19.14%). In the previous report we commented that the Portal was starting to bed in and we are now seeing evidence of more claims being submitted through the Portal and so an increase was largely expected.



Repudiation rates

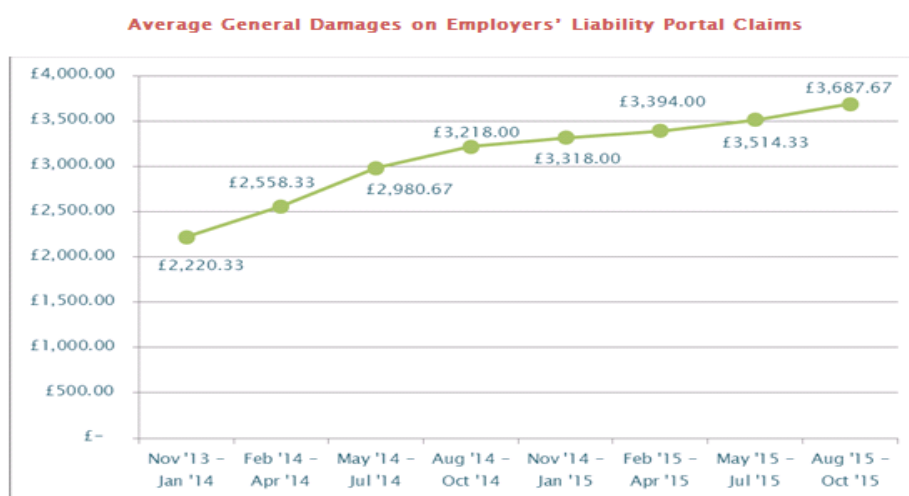
Whilst the claims market has come to expect lower repudiation rates in employers' liability accident claims compared with public liability and disease claims, the CRU data indicates that repudiation rates are improving. In 2011 the repudiation rate for employers' liability claims was 23% and by 2014, this had increased to 30%. Repudiation rates continued to increase into 2014 (33%) and have remained the same in 2015 (33%).

4.0 Analysis of data sets by class of claim



One explanation for the improving repudiation rates is that, in light of the anecdotal reports of the shift in focus of RTA claimant firms towards other claim types, compensators have also shifted their focus and resources to repudiating these claims.

Average General Damages on Employers' Liability Portal Claims



Period	Average General Damages	% Increase
1 November 2013 - 31 October 2014	£2,744.33	
1 November 2014 - 31 October 2015	£3,478.50	+26.75%

There is evidence of a significant increase in general damages from 2014 to 2015, however, as with PL cases this needs to be considered in the context that the data pool is increasing in size as is the variation in settlements values. Again, it is our view that the settlements noted in our previous paper arose from claims that were perhaps less complex in nature and capable of a quicker and cheaper settlement. The increase in general damages could correlate with the settlement of more complex claims and accordingly for higher values.

4.0 Analysis of data sets by class of claim

Area Codes with highest CRU Registered Employers Liability (Accident) Claims

We have used the area codes for claimants' addresses provided in the CRU data to identify hotspots for employers' liability (accident) claims.

The 10 areas which have given rise to the greatest number of employers' liability (accident) claims are as follows:

Area Codes with highest CRU Registered Employers Liability (Accident) Claims

Area Code	1 November 2013 – 31 October 2014	1 November 2014 – 31 October 2015
B (Birmingham)	2553	2703
S (Sheffield)	2005	2060
M (Manchester)	1849	1856
L (Liverpool)	1615	1682
NG (Nottingham)	1494	1564
NE (Newcastle)	1394	1408
DN (Doncaster)	1335	1455
CF (Cardiff)	1272	1327
PE (Peterborough)	1119	1059
WA (Warrington)	1091	1128

d. Disease

Assumptions

Monthly CNF volumes exceed the monthly CRU registrations as a result of a number of factors, for example:

- Known duplicate submissions on the Portal;
- A delay or complete omission by compensators to notify new claims to the CRU.

As with EL/PL claims, utilisation of the Portal for disease claims remains slow. Again, this was exactly the experience when the Portal was first introduced for motor, although the low utilisation of the Portal could well be as a result of the more complex liability arguments meaning fewer cases are suitable for the Portal.

The data received from CRU can be considered to be accurate and reliable for all disease types and conditions save Noise Induced Hearing Loss claims.

4.0 Analysis of data sets by class of claim

There is no mandatory requirement for compensators to register NIHL claims with the CRU unless the hearing loss exceeds 50 dB in one or both ears or there is a complaint of tinnitus. As NIHL claims are the most prevalent by type, this “under reporting” markedly impacts upon the overall number of disease claims registered. The data should be seen and interpreted in this context.

New claims



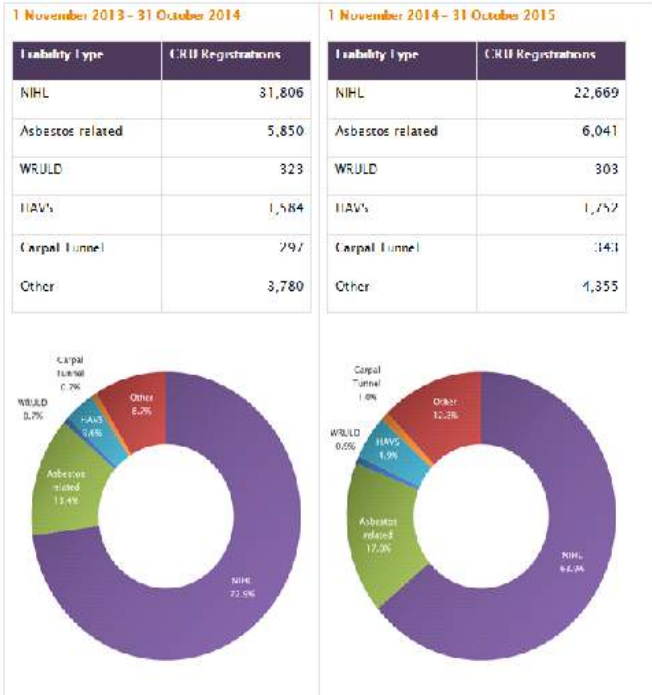
Period	CRU Registrations	Portal Submissions
1 November 2013 - 31 October 2014	43,640	15,201
1 November 2014 - 31 October 2015	35,463	22,968

Looking at the period of 2014 to 2015 there was a reduction of 18.73% of CRU notifications yet Portal submissions have increased by 51.09%. Commentators regularly bemoan the increase of spurious claims submitted to the Portal and, on the basis of these figures, their argument may well have some merit given the increase in the repudiation rate from 49.28% in 2014 to 57.4% in 2015.

4.0 Analysis of data sets by class of claim

CRU registrations by Disease Type

CRU registrations by Disease Type



CRU data (notwithstanding our caveats regarding the NIHL claims data) evidences that NIHL claims continue to dominate the disease market in 2015.

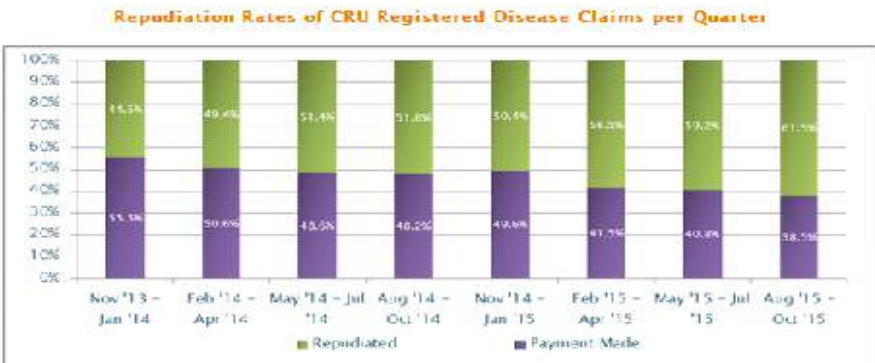
We estimate that in 2015 new NIHL notifications dwarfed the next most prevalent disease condition (asbestos) by a factor exceeding 12.

Asbestos claims have shown a modest increase (3 %) in 2015 compared to the previous year, though this is in keeping with actuarial predictions.

Claims for HAVS have risen 10 % in 2015 though when considered in the context of 2011 claims data they have effectively flat lined.

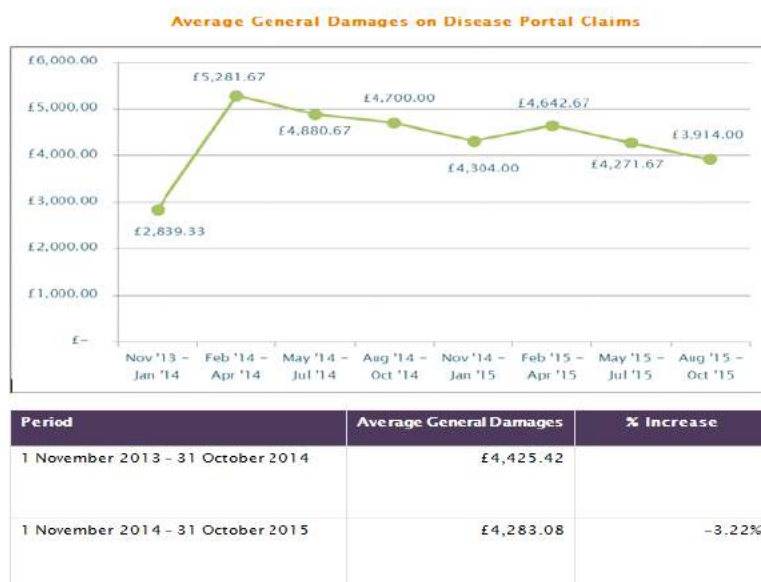
Other disease types, conditions remain modest in volume.

Repudiation Rates of CRU Registered Disease Claims per Quarter



4.0 Analysis of data sets by class of claim

Average General Damages on Disease Portal Claims



Average General Damages on Disease Portal Claims

We have used the area codes for claimants' addresses provided in the CRU data to identify hotspots for disease claims.

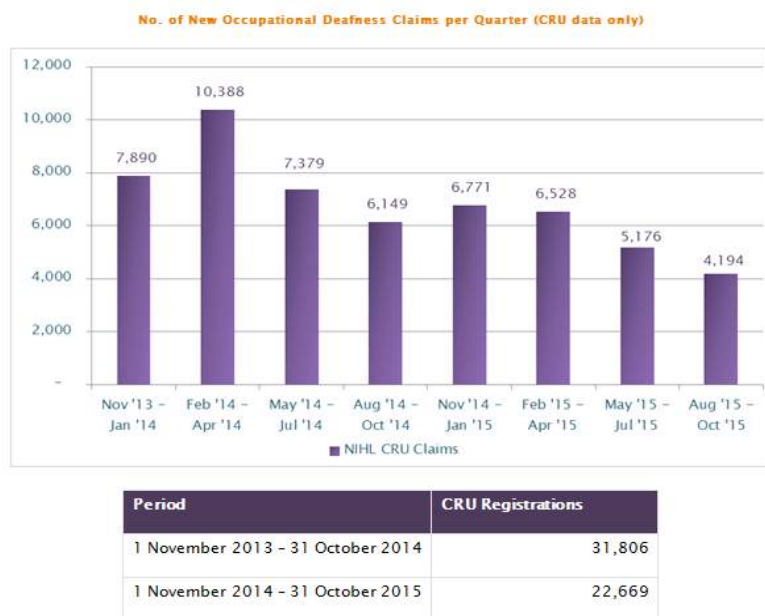
The 10 areas which have given rise to the greatest number of disease claims are as follows:

Area Codes with highest CRU Registered Disease Claims

Area Code	1 November 2013 – 31 October 2014	1 November 2014 – 31 October 2015
NE (Newcastle)	2552	1997
S (Sheffield)	2478	1796
B (Birmingham)	1831	1305
L (Leeds)	1604	1124
TS (Teesside)	1402	1187
CF (Cardiff)	1269	1106
BB (Blackburn)	1209	642
NG (Nottingham)	1194	1067
ST (Stoke on Trent)	1058	821
DN (Doncaster)	1038	844

Unsurprisingly, the data shows a strong correlation with areas which have a heavy industrial bias towards manufacturing. Adjusted for density of population, Newcastle remains the most claims prevalent with 0.71 % of its population of 280,200 intimating a disease claim in 2015. This compares with say Nottingham at 0.35 % per capita.

4.0 Analysis of data sets by class of claim



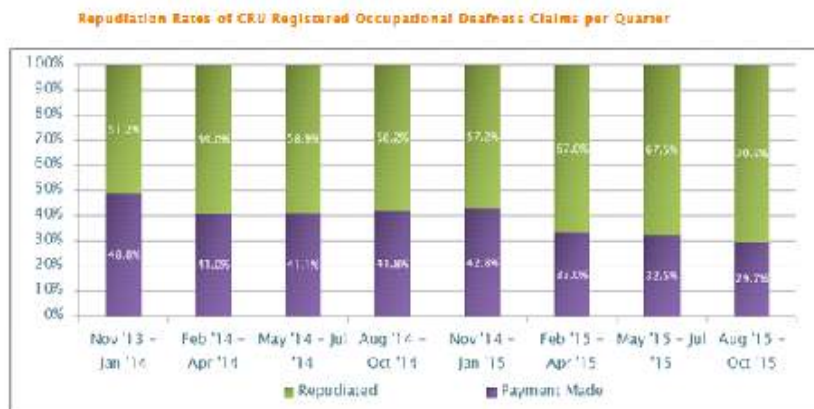
Looking at the quarterly breakdown, a rise in occupational deafness claims registration in 2013 and 2014 is clearly identified.

These claims continue to remain attractive to claimant firms largely due to the ability to recover costs at an hourly rate in successful matters. This area has also seen significant and sustained marketing activity by claimant firms and CMC's.

Repudiation rates

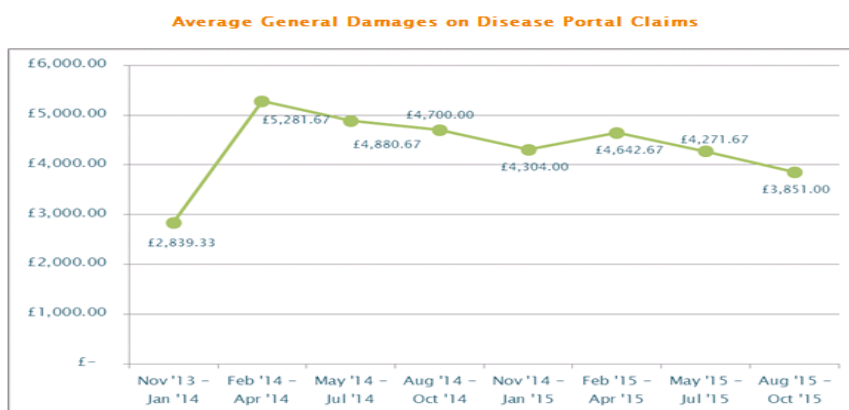
CRU data indicates a marked increase in repudiation rates for 2015 of 66 % compared with the 2014 figure of 57 %. This correlates with the high "nil settlement" rates achieved by Insurers in NIHL claims. It also provides some evidence that the advent of Qualified One Way Costs Shifting may have led to a rise in both poorly screened claims and claims with little overall prospects of success.

4.0 Analysis of data sets by class of claim



This repudiation rate continues its upward trajectory into 2015 (56% for all disease claims and 63% for occupational deafness claims).

Average General Damages on Disease Portal Claims



Period	Average General Damages	% Increase
1 November 2013 - 31 October 2014	£4,425.42	
1 November 2014 - 31 October 2015	£4,267.33	-3.57%

4.0 Analysis of data sets by class of claim

Area Codes with highest CRU Registered Occupational Deafness Claims

We have used the area codes for claimants' addresses provided in the CRU data to identify hotspots for occupational deafness claims.

The 10 areas which have given rise to the greatest number of occupational deafness claims are as follows:

Area Codes with highest CRU Registered Occupational Deafness Claims

Area Code	1 November 2013 – 31 October 2014	1 November 2014 – 31 October 2015
NE (Newcastle)	2079	1404
S (Sheffield)	1998	1384
B (Birmingham)	1563	1002
L (Leeds)	1291	846
BB (Birmingham)	1099	542
TS (Teesside)	1084	829
CF (Cardiff)	990	711
ST (Stoke on Trent)	924	685
NG (Nottingham)	884	746
SA (Swansea)	789	583

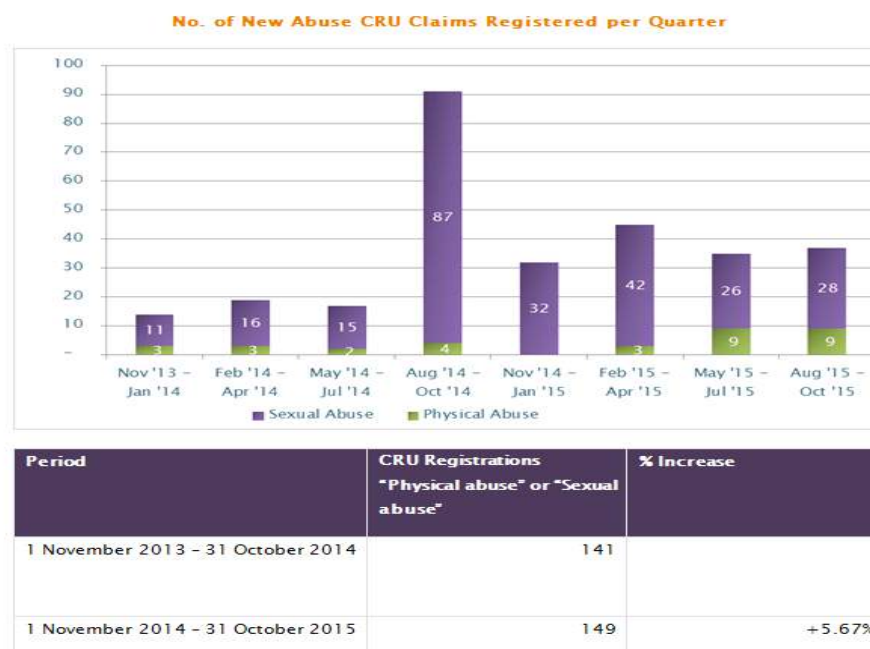
Portal EL disease

Just over 28,000 Claims Notification Forms have been submitted through the EL Disease Portal over a 21 month period. This however comprises only a small proportion of the number of overall disease claims reportedly intimated to the market. Use of the Disease Portal has increased amongst Claimant solicitors, largely as they have seen compensators declining to engage in the Portal process.

Less than 4 % of EL disease claims intimated through the Portal actually settled. This is as a consequence of an unsuitable and largely unworkable Portal protocol. The overwhelming majority of claims exit the process following a conscious decision on the part of the compensator.

4.0 Analysis of data sets by class of claim

e. Abuse



There is evidence that the volumes of claims are increasing (by 5.67% on the figures above), particularly in relation to sexual abuse. Insurers continue to receive claims on a monthly basis long after the period of abuse and/or any usual limitation period. We have seen a number of high profile cases in this period and a more substantial increase was envisaged. We can only assume that this is due to how some insurers are categorising these claims.

4.0 Analysis of data sets by class of claim

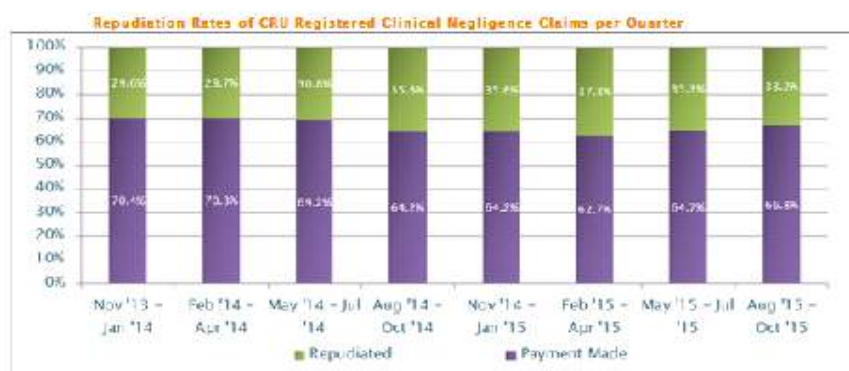
f. Clinical negligence



We have continued to see an increase in the number of clinical negligence claims recorded with the CRU, with an increase of 8.83% from the previous year.

Insurers need to keep a watching brief on claimant behaviours, given that fixed fees are being proposed in this area, for behaviours of the kind seen following the introduction of fixed fees elsewhere. Compensators also need to consider current speculation that there might be a migration of medical talent away from the NHS system with the potential to impact on claims levels.

Area Codes with highest CRU Registered Clinical Negligence Claims



CRU data indicates an increase in repudiation rates in 2015 (35.4%) compared with 2014 (31.48%). The increase in the actual number of claims is 317 if you compare repudiation rates and claims volumes for the corresponding years.

4.0 Analysis of data sets by class of claim

Area Codes with highest CRU Registered Clinical Negligence Claims

We have used the area codes for claimants' addresses provided in the CRU data to identify hotspots for clinical negligence claims.

The 10 areas which have given rise to the greatest number of clinical negligence claims are as follows:

Area Codes with highest CRU Registered Clinical Negligence Claims

Area Code	1 November 2013 – 31 October 2014	1 November 2014 – 31 October 2015
B (Birmingham)	931	676
S (Sheffield)	565	521
CF (Cardiff)	476	494
NE (Newcastle)	404	500
M (Manchester)	369	421
L (Leeds)	357	424
NG (Nottingham)	310	372
DN (Doncaster)	291	347
YO (York)	277	261
CV (Coventry)	272	259

5.0 Conclusion

In our previous paper we commented that whilst there had been a number of legislative and procedural changes (not least LASPO) designed to take cost out of the system, this had not resulted in a reduction in the number of injury claims and indeed, RTA and NIHL claims were on the increase. That trend would appear to be continuing.

The further reforms proposed in November 2015 are likely to have a significant impact on claims numbers, if and when the key features of the same are implemented. Indeed, there could be a seismic shift in claims volumes, repudiation rates and general damages spend. In addition, further reforms are being mooted by Lord Justice Jackson to extend fixed fees to claims with a damages value of anything up to £250k as well, as reforms to court process being drawn up by Lord Justice Briggs. The detail and likely timing of those additional reforms is as of yet not certain but they too have the potential to impact some of the statistics addressed in this report and we will continue to monitor and advise upon how that impact plays out.

6.o Weightmans Market Affairs Group

Weightmans Market Affairs Group is a focal point for the consolidation, analysis and development of the firm's wider thought leadership activity.

The team operates in England, Wales and Scotland and its function is three fold:

1. Monitoring developments in the insurance market and how that shapes insurer business structures and informs business imperatives.
2. Addressing process change, keeping clients up to date with regard to changes but also assisting them in looking at what's on the horizon and how they might influence and shape reforms.
3. Looking at products and innovations that the firm's clients might consider in order to maximise their position in that changing market environment.

The team comprises David Johnson (Political Affairs), Bavita Rai (Innovation & Client Affairs), Kurt Rowe (Market Affairs) and Doug Keir (Scottish Affairs). Their contact details are below but if you have any queries please email the team at marketaffairs@weightmans.com.



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