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Employers' Liability and Public Liability Insurance Mid-Year 2023 Data Release

National Claims Information Database

July 2024

Mid-Year Employers' and Public Liability Data Release

Introduction

The focus of the Mid-Year Employers' Liability (EL) and Public Liability (PL) Insurance Data Release is to provide updated information on:

- Settled Claims Trends, and
- The Personal Injuries Guidelines.

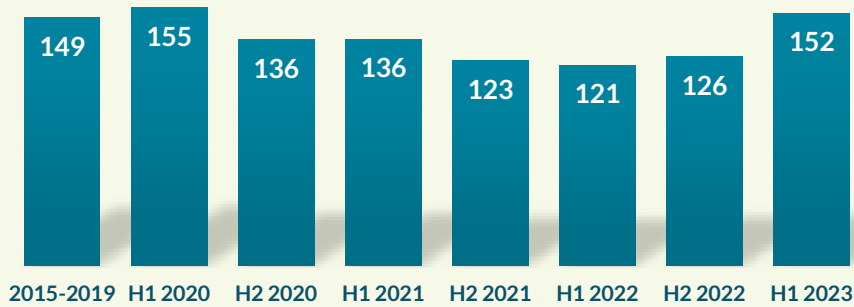
The information provided is based on data up to and including the first half of 2023. The term "H1 2023" is used throughout to refer to the period 1 January 2023 to 30 June 2023. This report highlights key findings and emerging trends, while the accompanying data annex¹ provides an update to the underlying data.

Supporting documentation, market coverage and the list of participating insurers can be found in the appendices.

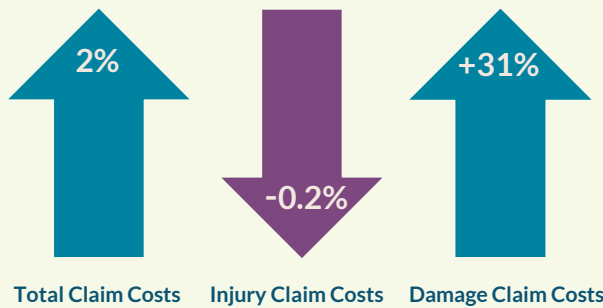
¹ The data annex is published alongside the data release on the [NCID Employers and Public Liability Insurance webpage](#)

Key Findings

Settled Claim Costs (€m / Half year)



Settled Claim Costs in H1 2023 compared to the 2015-2019 average.



Personal Injuries Guidelines

The Guidelines have had a significant impact on the average settled cost for claims settling directly with an insurer, or through PIAB in H1 2023.

However, the Personal Injuries Guidelines have not yet materially impacted the cost of claims settled via litigation. Claims settled via litigation represent the largest proportion of the total injury claims cost.

Settled Claims Trends

Key Findings

The total cost of claims settled in H1 2023 was 21% higher than in H2 2022 and 2% higher than the 2015 to 2019 pre-COVID average.

Table 1 shows that for 72% of the market, the cost of all EL and PL claims that settled in H1 2023 totalled approximately €152m and this was spread across approximately 3,700 claims. The total cost of claims settled increased by 21% in H1 2023 compared to H2 2022 and was 2% higher than the 2015 to 2019 pre-COVID average.

Table 1²: Total number of damage and injury claimants settled and total cost of these settlements for settlement periods H1 2015 to H1 2023.

Settlement Period	Settled Claimant Numbers (000)			Settled Claim Costs (€m)		
	Damage	Injury	Total	Damage	Injury	Total
H1 2015	1.4	2.4	3.8	10	124	134
H2 2015	1.3	2.5	3.8	10	132	142
H1 2016	1.5	2.5	3.9	11	128	138
H2 2016	1.2	2.7	3.9	11	156	167
H1 2017	1.1	2.5	3.6	8	146	154
H2 2017	1.1	2.4	3.5	10	144	154
H1 2018	1.5	2.4	4.0	12	147	159
H2 2018	1.5	2.4	3.9	12	134	146
H1 2019	1.3	2.4	3.6	8	146	154
H2 2019	1.2	2.3	3.5	9	134	143
H1 2020	1.1	2.1	3.3	16	139	155
H2 2020	1.1	2.0	3.0	6	130	136
H1 2021	1.1	1.9	3.0	7	129	136
H2 2021	0.9	1.8	2.7	5	118	123
H1 2022	0.9	1.7	2.7	6	114	121
H2 2022	0.9	1.8	2.7	11	115	126
H1 2023	1.7	2.0	3.7	13	139	152

Table 2 shows that 46% of claimants made damage claims in H1 2023, which accounted for 9% of total settled costs, and 54% of claimants made injury claims, which accounted for 91% of total settled costs.

² Settled claims shown in this report exclude claims settled with no compensation paid to the claimant. The number and cost of these claims can be found in the data annex.

Table 2: Breakdown of claimant numbers and claim costs for injury and damage claims for 2015 to H1 2023.

Years	2015	2016	2017	2018	2019	2020	2021	2022	H1 2023
Settled Claim Numbers									
Injury	65%	66%	70%	61%	65%	65%	64%	65%	54%
Damage	35%	34%	30%	39%	35%	35%	36%	35%	46%
Settled Claim Costs									
Injury	93%	93%	94%	92%	94%	92%	95%	93%	91%
Damage	7%	7%	6%	8%	6%	8%	5%	7%	9%

It is important to note that damage claims settle much faster than injury claims. In H1 2023 the average time taken to settle damage claims was 0.6 years compared to 4.7 years for injury claims. Therefore, trends seen in the number of claims being reported to insurers will take longer to emerge in injury claim settlements compared to damage claims. This is relevant considering the impact of COVID-19 on reported claim numbers in 2020 and 2021.

Damage Claims

Table 3 highlights that the average cost of settling damage claims has been volatile over the period 2015 to H1 2023. The majority of damage claims arise from PL policies which has a mix of bodily injury and damage claims. Claims within EL policies are predominantly injury claims.

Table 3: Average cost of settling damage claims in the years 2015-H1 2023.

Cost Type (€)	2015	2016	2017	2018	2019	2020	2021	2022	H1 2023
Compensation	5,329	5,793	6,314	5,841	5,226	8,157	5,128	7,859	5,700
Legal	2,009	2,327	2,134	1,701	1,229	1,793	991	1,142	1,644
Other	180	-17	-36	312	195	307	-51	186	364
Total	7,518	8,103	8,412	7,853	6,650	10,258	6,068	9,187	7,708

Injury Claim Settlements

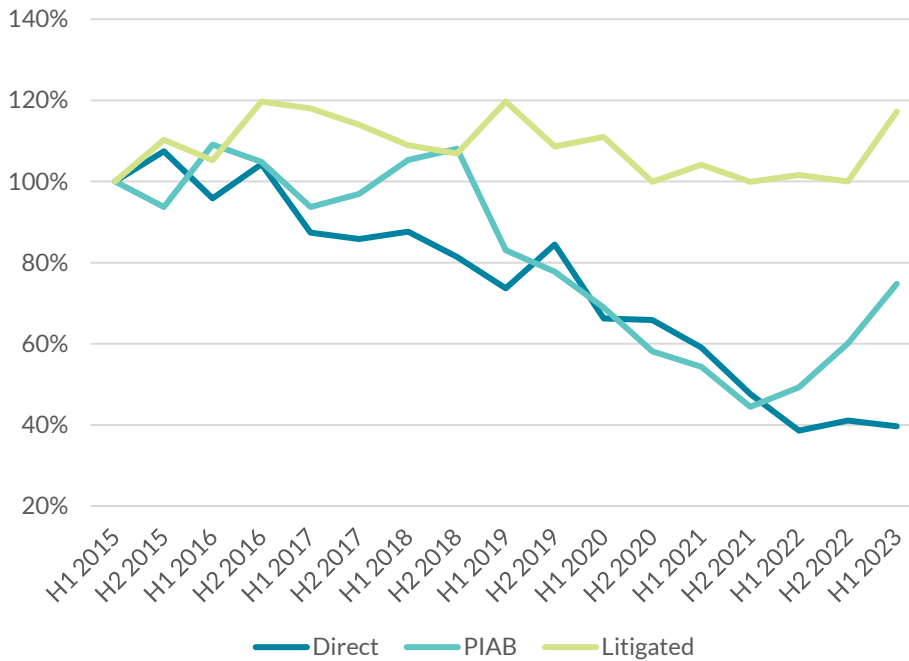
Across all settlement channels, fewer injury claims settled over H2 2021 and H1 2022 than in any other half year period in the time series. Figure 1 shows an index of the number of claims settled in each channel per half year period, relative to H1 2015.

It can be seen that between H2 2022 and H1 2023, there was a 3% decrease in the number of claims settling directly, and a 24% increase in the

number of claims settling through PIAB³. The number of claims settling through litigation remained relatively stable across the time series, but between H2 2022 and H1 2023, it has increased by 17%.

For context, the total number of injury claims settled through the Direct, PIAB and Litigation channels in H1 2023 was 304, 296 and 1,435 claims respectively.

Figure 1: Index of the number of injury claims settled in each channel in each settlement period, compared to H1 2015.



Similar to the comparison between injury and damage claims, it is important to note the different time taken to settle injury claims through these channels. In H1 2023, the average time taken to settle claims directly was 2.2 years, it was 2.3 years for claims settling through PIAB and 5.7 years for claims settling through litigation.

Figure 2 shows the proportion of settled injury claimants and costs between 2019 and H1 2023 by settlement channel. It can be seen that the proportion of injury claims settled through PIAB increased from 12% in 2022 to 14% in H1 2023.

The proportion of claims settling directly with the insurer decreased in H1 2023 compared to 2022 from 11% to 9% for claims settling directly before going to PIAB and from 6% to 5% for claims settling directly after going to PIAB.

³ PIAB changed its name to the Injuries Resolution Board in December 2023 in recognition of their enhanced role and expansion of their service to include mediation.

In terms of total costs, claims settling through litigation are the largest proportion and grew to 91% of all claim costs in H1 2023. The increasing trend in the proportion of litigated claims costs likely reflects the impact of the Personal Injuries Guidelines which were introduced in April 2021 and have reduced average claims costs in the direct and PIAB settlement channels, but which have not yet had a measureable impact on claims in the litigated channel. This can be seen in Table 6 which shows the average costs of settled injury claims by channel and reductions in average claim costs in H1 2023 for the direct and PIAB settlement channels compared to earlier years.

Figure 2: The proportion of settled claimants and total cost of injury claims through each of the five settlement channels from 2019 to H1 2023.

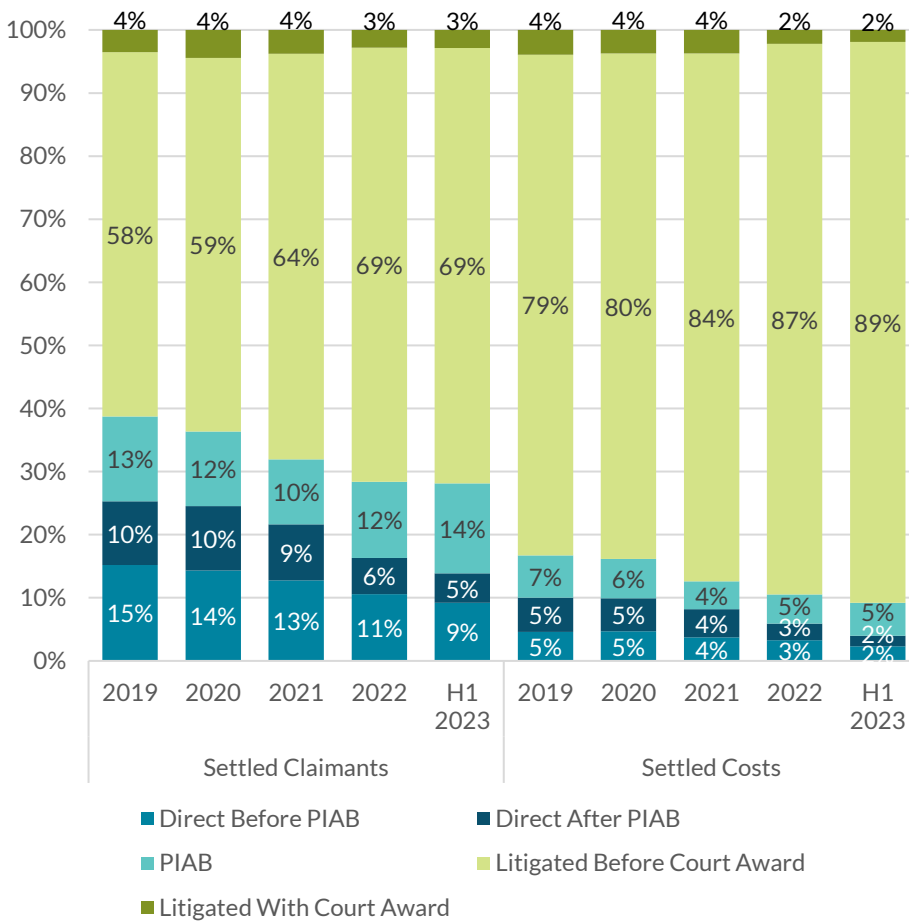


Table 4 shows the average costs of settling injury claims per claimant, split into compensation paid to the claimant, legal fees and other costs (e.g., the cost of medical assessment) for combined all liability claims (EL and PL combined). The complexity or severity of injury claims settled in the different channels can vary significantly and should be borne in mind when comparing the average cost of settling injury claims in the different channels.

The average total cost of claims settling directly have fallen 26% from a high of €27,148 in 2020 to €19,999 in H1 2023. Likewise claims settling via PIAB have seen a decrease of average total claims costs of 28% from €35,929 in 2020 to €26,031 in H1 2023.

Reductions in average settled costs in claims settling directly with the insurer and via PIAB contrasts with litigated settled claims where the average claims costs are 1% higher in H1 2023 compared to 2020. While the average total cost of litigated claims increased, there was a decrease in compensation awards of 8% and an increase in legal costs of 18% in this period.

Legal costs are most significant for claims settled through litigation and have shown an upward trend in recent years reaching 40% of total costs (or 68% of the compensation award) in H1 2023. This compares with the direct channel where legal costs were 17% of total cost and PIAB where legal costs were 3% of total costs.

Table 4: Average injury settlement costs for EL and PL combined in each settlement channel across years 2015-H1 2023.

Year	Compensation (€)	Legal (€)	Other (€)	Total (€)
Direct				
2015-2019	19,933	2,605	790	23,328
2020	23,303	3,289	556	27,148
2021	20,158	4,225	1,125	25,508
2022	19,506	3,686	1,073	24,265
H1 2023	15,392	3,354	1,253	19,999
PIAB				
2015-2019	30,771	1,238	535	32,544
2020	34,608	1,389	-68	35,929
2021	27,623	852	1,021	29,496
2022	23,295	1,675	1,180	26,150
H1 2023	23,692	893	1,446	26,031
Litigated				
2015-2019	51,646	28,821	690	81,156
2020	56,331	29,760	451	86,543
2021	52,857	32,106	1,052	86,014
2022	48,598	32,416	1,350	82,364
H1 2023	51,700	35,038	422	87,161

Personal Injuries Guidelines

Key Findings

Across all channels, 31% of claims settled in H1 2023 settled under the Personal Injuries Guidelines, including 8% of litigated claims.

The average cost of claims that settled under the Guidelines in H1 2023 were:

- 48% lower for claims that settled directly before PIAB
- 37% lower for claims settling directly after PIAB and
- 22% lower for claims settling through PIAB

when compared to claims that settled in the same channel under the Book of Quantum in 2020.

The Personal Injuries Guidelines have not yet materially impacted the cost of claims settled via litigation. Claims settled via litigation represent the largest proportion of the total injury claims cost.

The Personal Injuries Guidelines (the Guidelines) set out the level of general damages that may be awarded in respect of varying types of personal injuries. They were introduced in April 2021 and apply to all claims reported after their introduction. Claims may still settle under the Book of Quantum after this date if they had been assessed by PIAB, or if legal proceedings had been commenced before the introduction of the guidelines.

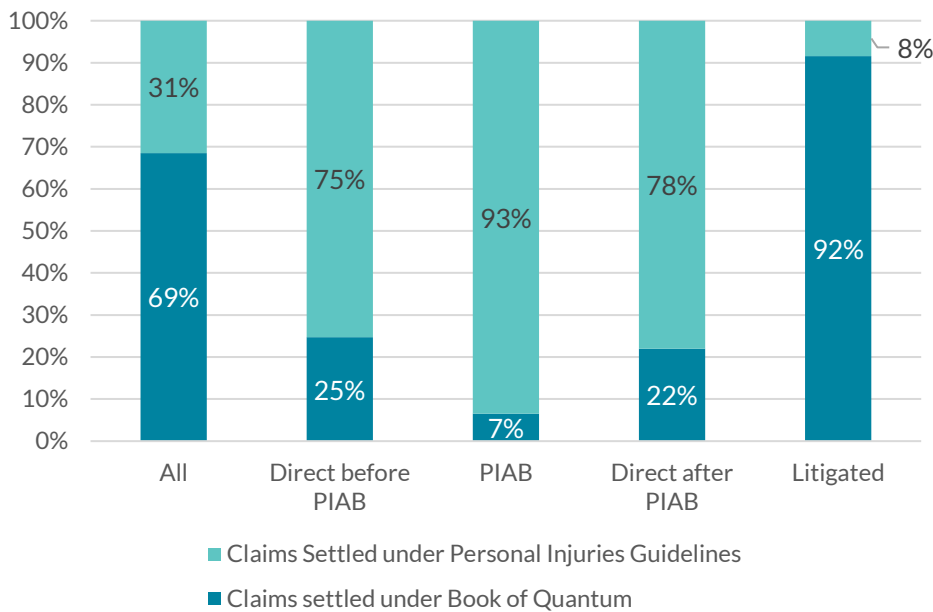
Settlements under the Guidelines

It may take many years for injury claims to settle and the average time to settlement varies significantly by settlement channel. Therefore many of the claims that have been assessed under the Guidelines may not have settled by H1 2023, and so will not yet feature in this data. It will take some time for insight on the impact of the Guidelines to be fully available.

Figure 3 shows that 31% of injury claims settled in H1 2023 across all channels settled under the Personal Injuries Guidelines. 69% had compensation amounts determined using the Book of Quantum.

However a high proportion of claimants in the Direct and PIAB channels settled under the Guidelines where it takes less time on average to settle claims. This contrasts with the Litigated channel which made up 72% of all injury claims in H1 2023, where only 8% of claims had settled under the Guidelines.

Figure 3: Proportion of claimants settled in H1 2023 under the Personal Injuries Guidelines and the Book of Quantum, i.e., assessed prior to the Guidelines.



Impact of the Guidelines on Average Claim Costs

To assess the impact of the Guidelines, the average cost of claims settled under the Guidelines is compared to the average cost of claims settled under the Book of Quantum in 2020, prior to the introduction of the Guidelines.

As the Guidelines apply to claims reported after April 2021, the average claim that settled under the Guidelines in 2021 or 2022 is likely biased towards claims that are less complex or severe when compared to the average across all claims that settled in 2020. Claims that take less time to settle would generally be expected have lower average awards compared to claims that take longer to settle.

For this reason, the average settlement time has been used as a proxy to determine how reasonable it is to compare the average settled costs of claims settled under the Guidelines against claims settled under the Book of Quantum in 2020, and how this has changed over time.

Table 5 shows that for claims settling under the Guidelines in 2021, the average settlement time was lower than for claims settling in 2020. As a higher proportion of claims have settled under the Guidelines in 2022 and H1 2023, the average settlement time has trended back towards the 2020 averages. By H1 2023, the average settlement time for claims settled directly or through PIAB is similar to those settled under the Book of Quantum in 2020. This suggests that the comparison may be reasonable for these channels.

Table 5: The average time (years) between a claim being reported to the insurer and settled, for claims settled under the Book of Quantum in 2020 and settled under the Personal Injuries Guidelines in 2021-H1 2023.

	Settled under Book of Quantum	Settled under Personal Injuries Guidelines H1 2023		
Settlement Channel	2020	2021	2022	H1 2023
Employer's Liability				
Direct before PIAB	1.8	1.0	0.9	0.9
PIAB	2.1	1.7	2.0	2.0
Direct after PIAB	2.3	1.6	1.9	2.0
Public Liability				
Direct before PIAB	1.6	1.0	1.0	0.9
PIAB	1.9	1.7	1.9	2.0
Direct after PIAB	1.9	1.4	1.9	2.1

At H1 2023 there are still an insufficient number of claims settling under the Guidelines in the litigated channel for a credible comparison.

Table 6 provides a comparison of the average cost of claims that settled through the Direct before PIAB, PIAB, and Direct after PIAB settlement channels under the Guidelines from 2021 to H1 2023 against those that settled in 2020 with reference to the Book of Quantum.

Table 6: Comparison of the average cost of claims settled under the Personal Injuries Guidelines in 2021-H1 2023 and those settled under the Book of Quantum in 2020.

	Settled under Book of Quantum	Settled under Personal Injuries Guidelines			Difference H1 2023 vs 2020 (%)
Settlement Channel	2020	2021	2022	H1 2023	
Employer's Liability					
Direct before PIAB	29,620	17,334	21,979	19,130	-35%
PIAB	33,331	19,116	27,712	24,477	-27%
Direct after PIAB	46,846	23,243	33,642	28,260	-40%
Public Liability					
Direct before PIAB	17,692	11,090	10,015	7,025	-60%
PIAB	31,345	19,191	22,037	25,325	-19%
Direct after PIAB	30,777	18,664	16,354	19,582	-36%

While the average time taken to settle claims is similar, there may still be differences between the claims settled under the Book of Quantum in 2020 and those settled under the Personal Injuries Guidelines in H1 2023. As

such, the comparison shown in Table 6 provides an indication of the impact of the Guidelines only.

The average cost of claims was 35% lower for Employers' Liability claims that settled directly before PIAB, 40% lower for EL claims settling directly after PIAB and 27% lower for EL claims settling via PIAB under the Guidelines compared to the Book of Quantum. For Public Liability claims that settled directly before PIAB, the average cost was 60% lower under the Guidelines in 2022 compared to the Book of Quantum in 2020, 36% lower for PL claims settling directly after PIAB and 19% lower for PL claims settling via PIAB.

The Personal Injuries Guidelines have not yet materially impacted the cost of claims settled via litigation. It will likely take time for the Personal Injuries Guidelines to take effect in the Litigated settlement channel due to the long duration between the accident being reported and the settling of a claim (5.7 years on average for claims settled in H1 2023).

Claims settled via litigation represent the largest proportion of the total claims cost. Consequently, whilst the impact of the Personal Injuries Guidelines on claims settled directly and via PIAB is significant, they have not yet had a significant impact on the overall claims settlement cost.

Appendix 1 – Supporting Documentation

Background to the NCID reports and data releases can be found here:

- [Background to the National Claims Information Database](#)

An explanation NCID key terms and concepts used in this data release can be found here:

- [Key Terms - National Claims Insurance Database](#)

Appendix 2 – Market Coverage

Table 12: Overview Liability Insurance Mid-Year Report 1

Part	Content	Market Coverage (%) ⁴
1	Analyses how claims were settled between 2015 and H1 2022, and the various associated costs (claimant compensation, legal fees and other costs)	72% ⁵
2	Analyses the impact of the Personal Injuries Guidelines on claims settlements.	58%

⁴ Market coverage is measured by the ratio of 2022 liability gross earned premium of included submissions to the 2022 gross earned premium of all submissions. Certain submissions were excluded from the analysis due to insufficient quality of, or granularity in, the data.

⁵ Analysis is predominantly based on 72% market coverage, with some exceptions noted where relevant.

Appendix 3 – Participating Insurers

The firms in scope of this data release are the same firms identified in the annual Employers' Liability, Public Liability and Commercial Property report published in July 2023.

Table 13: Firms who contributed to this data release and the annual Employers' Liability, Public Liability and Commercial Property report published in July 2023.

Authorisation Status	Undertaking Name
Irish Authorised	Allianz PLC
	Allied World Assurance Company (Europe) DAC
	Arch Insurance (EU) DAC
	Aviva Insurance Ireland DAC
	AXA Insurance DAC
	AXIS Specialty Europe SE
	Berkshire Hathaway European Insurance DAC
	Chaucer Insurance DAC
	Everest Insurance (Ireland) DAC
	FBD Insurance PLC
	Hamilton Insurance DAC
	IPB Insurance CLG
	RSA Insurance Ireland DAC
	Travelers Insurance DAC
	XL Insurance Company SE
Zurich Insurance PLC	
EU/EEA Authorised, Freedom of Establishment basis	AIG Europe S.A. (Irish Branch)
	Chubb European Group SE (Irish Branch)
	Ecclesiastical Insurance Office PLC
	HDI Global SE
	Hiscox S.A (Irish Branch)
	Liberty Mutual Insurance Europe SE
	Generali Seguros Y Reaseguros S.A. trading as Liberty Ireland.
RiverStone Insurance (UK) Limited	

EU/EEA Authorised, Freedom of Services basis	Allianz Risk Transfer AG
	Allianz Versicherungs AG
	ArgoGlobal SE
	CNA Insurance Company (Europe) S.A. (UK)
	ERGO Versicherung AG
	Generali Espana S.A. de Seguros y Reaseguros
	HDI Versicherung AG
	IDA Insurance Ltd
	If P&C Insurance Ltd (publ)
	Lloyd's of London
	Markel International Insurance Company Ltd
	Mitsui Sumitomo Insurance Company (Europe) Limited
	SI Insurance (Europe), SA
	Starr International (Europe) Limited
	Tokio Marine Europe S.A. (UK)
	Unipol Assicurazione S.P.A.
	WAKAM
	Württembergische Versicherung AG
Zavarovalnica Sava d.d.	



T: +353 (0)1 224 6000
E: ncid@centralbank.ie
www.centralbank.ie



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