

MOJ Streamlined Claims Process Conference

The Brewery
16th June 2011

The Insurer Perspective

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“Pessoptimism”

- A word developed by a Palestinian writer Emile Habibi when commenting on the conflict
- A state of contradiction living with both dread and a sense of opportunity

“Pessoptimism”

- A “pessoptimist” is said to react to change with a shrug, a shudder and a visit to a strategy consultant!

The System

- A nightmare
- Doesn't seem to want to work with our circa 1990 IT platform...what a surprise!
- Seems to crash at the worst possible time

The System

- Is it (the system) robust enough for the job?

A2A

- No
- “Nearly there”
- “In trial”

A2A

- Yes
- “Jealous of those who have it”

Efficiency

- System works against those with a commercial book, fleet and motor trade
- Hindered by slow brokers
- Slowly we are seeing an increase in claims per handler

Efficiency

- Lifespan of cases are coming down
- Seeing little or no change

The Good...

- Speed
- Stage 1 – Information
- Full schedule at Stage 2 & the Claimant makes an offer!
- Costs decreasing

The Bad...

- Do the claimant [solicitors] know what they are doing?

The Bad...

- Frustration around the additional losses
- Drip feed of damages supports the inefficient claimant solicitor
- Minor claims are a problem

The Bad...

- Stage 3
 - lack of experience at Stage 3
 - valuation tools seem to low out compared to court awards
 - we have lost nearly all we have run

The Ugly...

- Fraud
- “Are we seeing an increase in claims frequency?”
- Errors can not be corrected within the portal

The Ugly...

- Mistake on a payment of damages or costs and it moves into Part 7
- How do we move cases forward between the stages?

Claimant Sharp Practices

- “Do they even tell their client that an offer has been made?”
- “Oh sorry it was a mistake...”
- Submitting a case in the portal to secure an early admission of liability, yet value of claim way above the £10,000

Claimant Sharp Practices

- “The £400 Club”
- ATE Premiums

The Future

- EL & PL?
- Increase in value to £15,000 or £25,000?

Is It Working?

- “No cheaper”
- “Saving money on claims, but paying more staff to do the work as needs to be done quicker!”
- “Pressure to meet deadlines is damaging relationship with some customers”
- Pre-Meds are saving us more than the system”

Is It Working?

- “Yes, claims handlers prefer working in the MOJ system”
- “Yes, reduced lifecycles”
- “Yes, decrease in litigation rates”
- “Yes, we have already seen a reduction in the spend”

Is It Working?

- “Instinctively yes, but too early to tell”

“Pessoptimism”

- Or as Monty Python may have put it...

“Always look on the bright side of life!”

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