

FACT SHEET

Responding to reforms to the compensation system for low cost RTA Personal Injury Claims

- In September 2009, the Ministry of Justice announced the imminent introduction of reforms to streamline the compensation system for low cost RTA personal injury claims. Claimant lawyers are working in collaboration with insurers and compensators to develop and implement an electronic portal which supports the process now agreed in conjunction with the Ministry of Justice to enable faster agreement on liability and payment of low cost RTA injury claims (between £1,000 - £10,000).
- Insurers currently have between 60-90 days to accept or deny liability for such personal injury claims – under the new regulations this timeframe will be reduced to just 15 days. It is anticipated that the enhanced process will encompass the majority of all motor personal injury claims in England and Wales – improving the claim process for as many as 500,000 individuals.

A Three Step Process

The new process involves two definitive key stages, with an optional third stage only applicable in the event of a disagreement on quantum:

- Stage one: the claimant lawyer completes the claim notification form and sends it to the insurer, who may admit or deny liability within 15 working days. There is a fixed £400 fee for this phase.
- Stage two: following acceptance of liability, the claimant lawyer completes and sends a settlement pack to the insurer/compensator. The latter has 15 working days to accept or a further 20 working days to negotiate via counter offers and there is a fixed £800 fee.
- Stage three: where liability has been accepted but relevant parties cannot agree a settlement figure, the claim proceeds to a quantum hearing. Fixed costs of £250 for a paper hearing or £500 for an oral hearing will be met and again, there is no time limit involved.

Full details of the process, fixed costs and success fees can be found via the MoJ Website

About the Electronic Portal

- The portal will provide the swift and secure, electronic exchange of all relevant claim information and related documentation between lawyers and insurers/compensators and will enable key decisions to be communicated more quickly and reduce duplication. Such streamlined flow of information on both liability and quantum between parties will help to reduce operational costs and enable the insurer/compensator to agree settlement more swiftly.
- The system will be very easy to use and is not expected to impact on the resource required by users. Claimant lawyers will now be in a position to provide the information

currently supplied in hard copy in electronic format, as well as receive responses back electronically from insurers and compensators within set timeframes, providing an opportunity to further improve resource planning and allocation.

Interfacing with the Electronic portal

The portal can be accessed by one of two methods and insurers/compensators and solicitors can review which option is most suited to their IT infrastructure.

- Option one: web browser based access to a secure web server, enabling claimant lawyers to complete agreed electronic forms online for submission to the recipient party. IT requirement: access to the internet using standard browser software such as Internet Explorer (Version 6 or above), Mozilla, Firefox or Opera. This web browser option for interfacing with the electronic portal has undergone stringent user acceptance testing during December 2009.
- Option two: linking with the web server via application-to-application interfaces. Standard XML-based messages are being developed to cover all required data fields and will include necessary validation rules to ensure the completeness and accuracy of the data content of the messages. This application-to-application interface will enter a testing phase in January 2010.

Electronic Portal Development

A Project Steering Group (PSG) with an independent chairman and supported by IDSL has been established to manage the development of the electronic communications portal, comprised of representatives from the Law Society, Association of Personal Injury Lawyers (APIL), Motor Accident Solicitors Society (MASS), the Trade Union Congress (TUC) the Motor Insurers' Bureau (MIB) and insurers. The system is being developed by highly trusted and experienced technology partner, CRIF Decision Solutions Ltd (CRIF).

Training Requirements

Minimal system training is envisaged for either option and where necessary, is more likely to focus on in-house workflow processes.

Countdown to 30th April 2009

- December 2009: Web browser interface user acceptance testing (UAT) Stage 1 with electronic portal. Stages 2 and 3 UAT in February
- February 2010: Application-to-application interface testing commences.
- March 2010: Familiarisation and Training system will be available to allow user organisations to 'bed in' processes prior to formal implementation.
- December 2009–March 2010: Compliance seminars.
- December 2009-March 2010: Registration for electronic portal with IDSL.

For further information please visit www.rtapiclaimsprocess.org.uk