

	Type of claim	Measure	Analysis
(a)	Minor RTA related soft tissue injury claims	<p>(i) removing compensation for PSLA; or</p> <p>(ii) reducing it by setting a fixed amount payable (£400 or £425 if there is a psychological element).</p>	<p><b>Option (i)</b></p> <p>Removing compensation for PSLA entirely would mean that all those whose claims fell within the scope would not be eligible to recover for PSLA, but could still claim for medical treatment or loss of earnings.</p> <p>This would reduce the financial incentives to bring claims and drive down the cost of dealing with them. Ultimately this would benefit motorists through reduced insurance premiums.</p> <p><b>Option (ii)</b></p> <p>However, there are still those with genuine injuries, so the alternative option is to provide genuinely injured claimants with a fixed sum of compensation.</p> <p>This will give more certainty to insurers and thereby help control costs. It will avoid under-settlement by making claimants aware of the level of compensation they are due.</p>
(b)	Other RTA related soft tissue injury claims	Reducing compensation where recovery takes longer than for those covered by measure (a) above, through the introduction of a set tariff of compensation.	<p>Tariff systems are used successfully in many other jurisdictions to deal with RTA related soft tissue injury claims and have seen a marked reduction in motor insurance premiums.</p> <p>The tariff system proposed will be based on injury duration, in six month increments. The scale will differ depending on whether or not there has been psychological injury.</p> <p>For example, for an injury with no psychological element, of 0-6 month duration, the new tariff amount recoverable will be £400, compared to the current weighted median of £1,750. Where there is a psychological element, the amount recoverable will be £425.</p> <p>See page 21 and 22 of the Consultation Paper for the tariff guidelines.</p>
(c)	All personal injury claims	<p>Raise the small claims limit to £5,000, by reference to the value of the PSLA element of the claim.</p> <p>The legal costs of such claims would no longer be recoverable from defendants in most soft tissue claims. Certain costs arising from litigation and a number of disbursements could still be claimed by a successful claimant.</p>	<p>As claimants would be responsible for their own costs, they would therefore have a direct financial interest in decisions about pursuing their claim.</p> <p>Raising the limit for all personal injury claims would bring a wider range of cases into scope and would be consistent with the government's aims to disincentivise minor, exaggerated and fraudulent claims.</p> <p>The Consultation Paper asks for responses as to whether the small claims track limit should be raised for all personal injury claims or limited to RTA cases only. Stakeholders are also asked their opinion as to the appropriate level of compensation.</p>
(d)	RTA related soft tissue injury claims	Ban pre-medical offers to settle, so that claims cannot be settled without medical evidence provided by MedCo accredited practitioners.	<p>The current system allows parties to settle RTA related soft tissue injury claims without the claimant presenting medical evidence. Defendants tend to settle the claim without this information to avoid the cost of investigating claims.</p> <p>This means that medical reports are not always used to support claims, which incentivises minor, exaggerated or fraudulent claims. Requiring a medical report would deter such claims.</p>