

COMPENSATION CULTURE

LECTURE

DAVID HUME INSTITUTE

“SOME MYTHS, MISUNDERSTANDINGS, HYPOCRISY AND THE REAL ISSUE”

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COMPENSATION CULTURE

- WHAT IS IT? – LOADS A MON£Y

FEATURES

- Moral Stigma in Claiming
- The claims company and its fees
- Increased propensity to claim
- Increasing amount of damages
- Americanisation of market

LAWYERS AND THE COURTS

- Lawyers ambivalence
- Lawyers and contingency fees
- Meritorious claims
- Increasing claims?
- Increased damages?
- Civil Jury Trials in Scotland and Americanisation?

INSURANCE INDUSTRY

- Position of ABI
- Accident Group, Claims Direct
- Why are they paying the claims?
- Legal expenses insurance
- After the Event Insurance
- Schemes

GOVERNMENT

- CRU recovery of benefits
- NHS charges to be recoverable

You

- tax payer
- consumer
- policyholder

COMPLICITY

- Danger of Compensation Culture Debate

THE REAL ISSUE

- Safety enforcement and occupational ill health 2001/2002 HSC
- Salient Points:-

Scotland

(i) no decline in fatalities 1997-2001

(ii) major injuries – no decline

Great Britain

(i) Fatalities no decline

(ii) Major injuries increased

UNDER REPORTING

- Reporting levels in Scotland – 43%
- 58% not reportable but self employed showing less than 1 in 20 reportable injuries reported.
- Categorisation of self employed
- Other key statistics, Chapter 1 - Salient Points

ENFORCEMENT ACTION TAKEN BY HSE

- Salient points
 - Softly Softly policy
 - Number of convictions
 - Average fines for conviction

CLAIMS COMPANIES

- NIL

LAWYERS AND COURTS

- Clients – passive role
- Indirect effect of legal precedent
- Completing the circle
- Legal proceedings and principles– catch ups ETs, civil courts

THE INSURANCE INDUSTRY

- Issuing of policies
- Policing of policies
- Risk Assessments
- Claims History
- Insurance Premia

EMPLOYERS, TRADE UNIONS AND OTHER ORGANISATIONS

- Resources
- Cinderella Syndrome

GOVERNMENT ACTION/INACTION

- Re-vitalising Health and Safety
- Corporate manslaughter culpable homicide debate
- Funding of HSE

A NEW CULTURE

- **Widen the perspective**
- **Redress the balance by putting wrongs right**