



# NEWS RELEASE

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## **Britain's pain in the neck culture must be reduced says the ABI**

The ABI today (19 May) called for a clampdown on the UK's pain in the neck culture that has made the UK the whiplash capital of Europe. One in every 140 people claim whiplash a year. The activities of ambulance chasing lawyers and claims management firms, coupled with 'crash for cash' staged motor accidents has increased the risk of fraudulent claims.

Whiplash occurs after the soft tissue in the spine has been stretched and strained following a sudden forceful movement. It is normally caused by rear-end motor collisions.

The need for action is highlighted by the fact<sup>1</sup> that:

- Nearly 1200 whiplash claims are made every day. This is six times more than the number of people who claim for workplace-related injury every year.
- The costs to the NHS of treating whiplash have been estimated at £8 million a year.
- Three-quarters of personal injury claims in the UK are for whiplash, more than elsewhere in the Europe.
- Insurers pay out nearly £2 billion a year in claims for whiplash.

Speaking at the 2011 Whiplash conference in Leeds today James Dalton, the ABI's Assistant Director of Motor and Liability, said:

"Despite the statistics I doubt that that the UK has some of the weakest necks in Europe. Often difficult to diagnose, easy to fake and exaggerate whiplash is a fraudsters dream."

The ABI is calling for action around:

- Implementation of Government proposals for civil justice reform to ensure genuine claimants get fair compensation and access to rehabilitation more quickly, and to reduce the scope for fraudulent claims
- Intensifying insurers' crackdown on fraudulent whiplash claims, for example cracking down on organised 'crash for cash' staged motor accidents.
- Raising consumer awareness on the need to keep a safe breaking distance from the vehicle in front. So called 'tailgating' is the main cause of whiplash
- Developing authoritative medical guidance on how to accurately diagnose and treat genuine whiplash.

James Dalton added:

"We seem ill-equipped to effectively identify and treat whiplash; our compensation system is too slow in paying fair compensation and offering rehabilitation to genuine claimants, and our compensation culture encourages fraud."

"All this must change. Our action plan will set up what is missing: an effective partnership between doctors, insurers and lawyers to ensure better prevention and treatment of whiplash, and crackdown on fraudulent claims. This will reduce the unacceptable costs which whiplash currently imposes on individuals, businesses and the state."

**- ENDS -**

### **Notes for Editors**

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2. <sup>1</sup> Latest statistics on the scale of whiplash: 'Tackling Whiplash: Prevention, Care and Compensation, ABI 2008

3. The ABI is the voice of the UK's insurance, investment and long-term savings industry. It has over 300 members, which together account for around 90% of premiums in the UK domestic market.

The ABI's role is to:

- Be the voice of the UK insurance industry, leading debate and speaking up for insurers.
- Represent the UK insurance industry to government, regulators and policy makers in the UK, EU and internationally, driving effective public policy and regulation.
- Advocate high standards of customer service within the industry and provide useful information to the public about insurance.
- Promote the benefits of insurance to the government, regulators, policy makers and the public.

The UK insurance industry is the third largest in the world and the largest in Europe. It is a vital part of the UK economy, managing investments amounting to 24% of the UK's net worth and contributing the fourth highest corporation tax of any sector. Employing over 275,000 people in the UK alone, the insurance industry is also one of this country's major exporters, with a fifth of its net premium income coming from overseas business.

Insurance and businesses protect themselves against the everyday risks they face, enabling people to own their own homes, travel overseas, provide for a financially secure future and run businesses. Insurance underpins a healthy and prosperous society, enabling businesses and individuals to thrive, safe in the knowledge that problems can be handled and risks carefully managed. Every day, our members pay out £155 million in benefits to pensioners and long-term savers as well as £58 million in general insurance claims.

4. An ISDN line is available for broadcasts.

5. More news and information from the ABI is available on our web site, [www.abi.org.uk](http://www.abi.org.uk).