

NHS Charges - Injury Costs Recovery Scheme

Implication on insurance costs

From the 29th January 2007, the NHS can recover the costs of treating people who have successfully claimed personal injury compensation. A new system called the Injury Costs Recovery Scheme has come into effect, which allows the NHS to claim back significant costs (estimated at between £200m and £250m per annum) from the compensators of the injured person(s). In many cases, the compensator will be an insurer.

The scheme works on a similar basis to the current Road Traffic (NHS charges) Act 1999, which allows the NHS to recoup accident costs from insurers. This new scheme introduces a fixed tariff covering such costs as ambulance journeys, hospital treatment, admission or follow up appointments. The amount recoverable by the NHS is capped at £37,100 for each claimant and the tariff will be reviewed annually.

What impact might this have on your company?

It is estimated that the cost of purchasing employers and public/product liability insurance could increase by up to 8% to allow insurers to factor in these additional expenses. It is anticipated that although these increases will be applied across the board, the more hazardous trades and occupations will find this a particularly significant additional cost.

A comment from TL Risk Solutions

Whilst insurance premiums have generally reduced over the last two years, this scheme represents an opportunity for insurers to revise upwards the cost of purchasing certain covers. Despite this, the best way for an organisation to combat or mitigate rising insurance costs, is to adopt a positive approach to the management of risk within the business.

Ask yourself whether your company or organisation is benefiting financially from the risk control measures that you implement. Are your insurers aware of your efforts to reduce risk within your business?

To discuss the contents of this bulletin further please contact your local TL Risk Solutions office listed below or speak with your Consultant.

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