

The Whiplash Reforms

mixed injury claims update

Last month the Court of Appeal handed out a judgement in response to a legal test case, which provided some clarification to the way insurers calculate compensation for mixed personal injury motor claims.

This is an update to [2021's Whiplash Reforms](#), which set limits for whiplash compensation, with the aim of deterring fraudulent or exaggerated claims.

What this means in practice

The recent judgement means that if a claimant claims for two different types of injury under one claim i.e. whiplash, which is capped, along with an injury that isn't capped, such as bruising to the chest or a strained wrist, the different injuries will need to be valued separately, consequently, non-capped injury claims are highly likely to become more expensive.

Potentially, as a result of this change, some solicitors may encourage claimants to take advantage of the new ruling and claim for a mix of injuries rather than just whiplash in order to inflate their pay-out. This could increase the number of fraudulent or exaggerated claims.

What we're doing

We, along with other insurers, have always tried to contain claims costs as a way of protecting our customers' premiums. This is also what the government set out to achieve with the introduction of the Whiplash Reforms, and in our view it remains the right approach, especially at a time of such high inflation.

We will monitor the impact of the ruling, but we expect to see an increase in mixed injury claims that will potentially eradicate any benefits from the Whiplash Reforms. We will continue to adapt our data and fraud strategies to help contain increasing claims costs.

How we can work together

We recognise there's a wide variety of factors currently impacting motor claims inflation and these changes are likely to make the situation worse.

Please encourage your motor customers to report a loss as soon as possible, ideally via [Allianz Claims Hub](#), as this is one of the ways that helps us contain costs and deliver a smoother customer experience. Your support in proactively managing third parties will also help us to reduce the risk of claims layering.

If you require further information on the Whiplash Reforms or the current ruling, please speak to your usual Allianz contact.