

Doctors will need licence to approve whiplash claims as part of clampdown on £2bn annual payout

- **Last year, 824,489 motoring injury claims reported, up 60% from 2006**
- **Of these nearly 550,000 were recorded as whiplash claims**
- **Measures will be introduced as part of clampdown**
- **Panel to be set up to accredit doctors wanting to act as insurance examiners**
- **Threshold for small claims court is being raised from £1,000 to £5,000**

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Doctors will soon need a special licence to approve payouts on motorists' insurance for whiplash as part of a clampdown on bogus claims.

The scheme will be announced today by Justice Secretary Chris Grayling.

Mr Grayling is also bringing in measures to make it easier for drivers and insurance companies to challenge claims in the courts.



An independent medical panel will be set up to accredit doctors who wish to act as insurance examiners.

The system is designed to prevent doctors being faced with unfair pressure to support exaggerated or fraudulent claims. The threshold for small claims courts is being raised from £1,000 to £5,000, so that they can handle all but the most serious cases.

No-win, no-fee lawyers cannot claim costs in small claims courts even if they win. The hope is that the expense will deter bogus claimants.

Under the current system, a motorist's insurance company will usually pay out when a driver or passenger in another car says they have suffered a personal injury after a collision.

The fear of spiralling legal costs has made insurers reluctant to challenge a claim even when they suspect fraud.

The change in the law is expected to lead to thousands more cases being challenged.

In 2010, whiplash claims cost insurance companies an estimated £2billion.

There were a reported 824,489 motoring personal injury claims last year – a rise of 60 per cent since 2006. Of these, nearly 550,000 were recorded as whiplash claims.

Yet reported road accidents in the same five-year period fell from 189,000 to 151,000.

The spiralling numbers of claims has led to the UK being branded the ‘whiplash capital of Europe’.

Insurers believe bogus cases add £90 a year to the average driver’s premium.

Mr Grayling said: ‘For too long honest drivers have been bearing the price of a system that has been open to abuse.

‘We are proposing action so genuine claims can be settled but fraudsters are left in no doubt that there will be no more easy paydays.’

James Dalton of the Association of British Insurers said: ‘We are pleased the Government recognises tough action is needed.

‘For too long whiplash has been seen as the “fraud of choice”. More effective diagnosis will help genuine claimants get paid quickly and reduce fraud.’