



Ministry  
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Our ref: 6011

**The Right Honourable  
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## **PROPOSALS TO REDUCE THE NUMBER AND COST OF WHIPLASH CLAIMS**

Thank you for your letter of 12 February regarding the issue of independence and the ownership of medical reporting organisations (MRO). You draw specific attention to the perceived tension between the Government's policy of support for Alternative Business Structures (ABS) and its intention to eliminate financial links between medical examiners and the parties to a claim.

Improvements to the medical examination and reporting process (including the development of a new accreditation scheme), resulting from Government reform, will introduce both consistency and independence to the medical evidence process. Paragraph 12 of the Government response states 'we also wish to address the links which may impair the independence of medical examiners, so that they are not paid by those who favour a certain outcome in their diagnosis and so that they do not have other financial interests in the outcome of the claim'.

We do not believe this view to be at odds with our support for ABS, but clearly we have to come up with arrangements that address concerns around independence, particularly where an MRO is owned by, or associated with, an ABS. As a minimum, financial links between organisations involved in the claim process should be open and transparent. This means looking at ways to improve transparency in relation to payment for reports so that experts are paid on completion of the report and regardless of the outcome of the claim.

As you may know, we have now established working groups to help us devise improvements to the medical examination and reporting process as a matter of urgency. You will be interested to know that representatives from a number of both claimant and defendant law firms are helping us in this work, including Keoghs.

Further updates of this work will be posted on the MoJ website:  
[www.justice.gov.uk/civil-justice-reforms/personal-injury-claims](http://www.justice.gov.uk/civil-justice-reforms/personal-injury-claims).

In addition, as I mentioned in my earlier letter to the Committee, the Competition Commission's ongoing investigation into behaviours and practices in the motor insurance sector is also looking into the openness and transparency of relationships between the parties to a PI claim. The Government will consider the results of this investigation and any final recommendations, once these are made available in October.

A handwritten signature in black ink, appearing to read 'Chris Grayling', with a large, stylized flourish underneath.

**CHRIS GRAYLING**