

House of Commons: Written Statement (HCWS48)

Department for Work and Pensions

Written Statement made by: **The Minister for Disabled People (Mr Mark Harper)**
on 28 Nov 2014.

Diffuse Mesothelioma Payment Scheme Levy 2014

I am pleased to announce that the Diffuse Mesothelioma Payment Scheme (Levy) Regulations 2014 come into effect today. These Regulations require active insurers to pay an annual levy based on their relative market share for the purpose of meeting the costs of this Scheme. This is in line with the commitment by the insurance industry to fund a scheme of last resort for sufferers of diffuse mesothelioma who have been unable to trace their employer or their employer's insurer.

The Diffuse Mesothelioma Payment Scheme was established under powers set out in the Mesothelioma Act 2014 to make payments to eligible people with diffuse mesothelioma (diagnosed on or after 25 July 2012), or eligible dependants of people who have died of this disease before they made a claim under the Scheme. The Scheme began taking applications on 6 April 2014, and started making payments from 1 July 2014. By October 2014, the Scheme has received 232 applications and made 131 payments, totalling £16.5 million. The average payment to date is around £126,000.

I can also announce today that the total amount of the levy for Year 1, covering the estimated costs of the Scheme in the financial year 2014-15, will be £32m. This amount will be payable by active insurers by the end of March 2015. The payment amount an active insurer must pay in the financial year will be determined according to their relative market share for the calendar year two years before the reference period.

This estimate uses data from the first seven months of the Scheme's operation and is assumption based. As this is a demand-led Scheme the final costs for the first year of operation may vary from this estimate.

Individual active insurers will be notified in writing of their payment amount (i.e. their share of the levy), together with how the amount was calculated and payment arrangements.

For many years, sufferers of this terrible disease who cannot trace employers or insurers have been left without recourse to compensation. I am proud of what Government and stakeholders have achieved in delivering the Diffuse Mesothelioma Payment Scheme and I hope that members of both Houses will welcome this announcement and will give the Scheme their continued support.