

GREATER public awareness of compensation issues and the development of a blame culture are likely to mean that the number and value of personal injury claims will continue to rise, according to Ben Dillon of Thomas Miller P&I, writes Sandra Speares.

Insurers are concerned about new claims on policy years, which have already been closed, Mr Dillon said, most notably in relation to asbestos, hearing loss and contact with carcinogenic oil products, he told a P&I seminar organised by Lloyd's Maritime Academy.

"Asbestos-related claims are the most prolific and with many of the manufacturing companies going out of business there is some concern that the shipowners and their P&I Club insurers will be the only parties remaining to deal with and meet the claims," Mr Dillon said.

Limitation of liability is also becoming an issue as far as passenger claims are concerned with recent amendments to the Athens Convention.

While these allow for a limit, countries are able to opt out and set their own limits or no limit at all, he said.

While there is strict liability for casualties arising from shipping accidents and a right of direct action against insurers from shipping and non-shipping incidents, the clubs are "continuing to debate the questions of cover that will be provided," he told delegates.

While limits under Athens are set to rise, there have been moves in the US to cap damages, he explained. "Statutes have been enacted in a number of states restricting the amount of damages a jury may award for subjective damages. Some states are capping punitive and non-economic damages at a fixed figure". Such moves may curb some of more the "frivolous" cases being brought by lawyers on a contingency fee basis, he said.

Steps are also being made to introduce a system similar to that of the UK where offers of settlement are registered with the court and if the judgment is less than the offer, the plaintiff may have to pay a percentage of the defendant's costs.

A large proportion of clubs' claims payments result from cover for loss of life and personal injury liabilities, Mr Dillon said. In 2000, some 35% of the UK Club's reimbursements were in respect of crew illness, injury and death claims totalling about \$61.5m.

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