



# Chubb Multinational Matters

ISSUE 1

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## MODERNIZING EMPLOYER'S LIABILITY:

# Ireland's Path to Reform

*Similar to Worker's Compensation in the United States, Employer's Liability Insurance in Ireland protects businesses in claims made by employees for work-related accidents, injuries, or illnesses. While Employer's Liability is not compulsory in Ireland — as it is in the UK — the substantial financial exposure these claims present makes it unwise for an employer to go without adequate insurance.*

### A High-Risk History

Beginning with the economic boom of the Celtic Tiger years (the mid-1990s through the late 2000s), the Employer's Liability line of business faced significant challenges as high claim costs drove up insurance premiums. In subsequent years, as the Irish economy slowed, claim costs continued to climb, reflecting an overall trend in bodily injury claims inflation. The strain on the entire insurance ecosystem was evident in a [119% Combined Ratio from 2015-2019](#),<sup>1</sup> and an [8% market-wide rise in insurance premiums in 2022](#).<sup>2</sup>

The root of the problem was a prevailing 'compensation culture,' exacerbated by a judiciary awarding disproportionate damages for even modest injuries. The climate became increasingly difficult for both insurers and businesses: As claims costs continued to escalate, insurance costs rose and became increasingly burdensome for businesses. Then the Irish government stepped in.

### Reform Takes Shape

Under pressure from consumer and insurance industry groups, the government established the 'Cost of Insurance Working

### Coverage Snapshot

Employer's Liability responds when the policyholder is found legally liable for damages where a claim is made by paid full — and part-time employees, volunteers, and other workers when they suffer an accident, injury or illness. It also extends to legal costs incurred to defend these claims. Policy limits are typically EU€13,000,000 (US\$13.6M) and apply to claims during the course of employment in or temporarily outside the Republic of Ireland.

Group', whose review ultimately led to the passage of the Personal Injuries Resolution Board Act 2022. The Act was intended to both strengthen the existing Personal Injuries Assessment Board (PIAB) process and increase the number of personal injury (including Employer's Liability) claims resolved outside of costly litigation by expanding the Board's powers to include mediation.<sup>3</sup>

The Act also enhanced the Board's role in fraud prevention, data analysis and reporting, and rebranded the Board from the 'Personal Injuries Resolution Board,' to the 'Injuries Resolution Board' (IRB), to better reflect its new duties and responsibilities.

The Board introduced free mediation for Employer's Liability in 2023, and for workplace injury and public liability claims in 2024. Today, the IRB provides an independent assessment of personal injury claims for compensation following road traffic, workplace, or public liability accidents.





New controls came to litigation as well. Jurisdictional revisions now help to ensure that cases are heard on a timely basis, and in the most cost-effective forum, with caseloads spread to maximize efficiency. A Court of Appeals was introduced to efficiently challenge High Court decisions on high-value cases.

The establishment of Personal Injury Guidelines (PIG) was another pivotal outcome of the Act. The PIG provides a judicially approved framework that standardizes personal injury compensation awards. The guidelines must be applied to all cases assessed by the IRB and the Courts. Rationale must be given for any departure from the guidelines. The PIG has become instrumental in recalibrating the costs and expectations of personal injury claims and instilling certainty and consistency across the system.

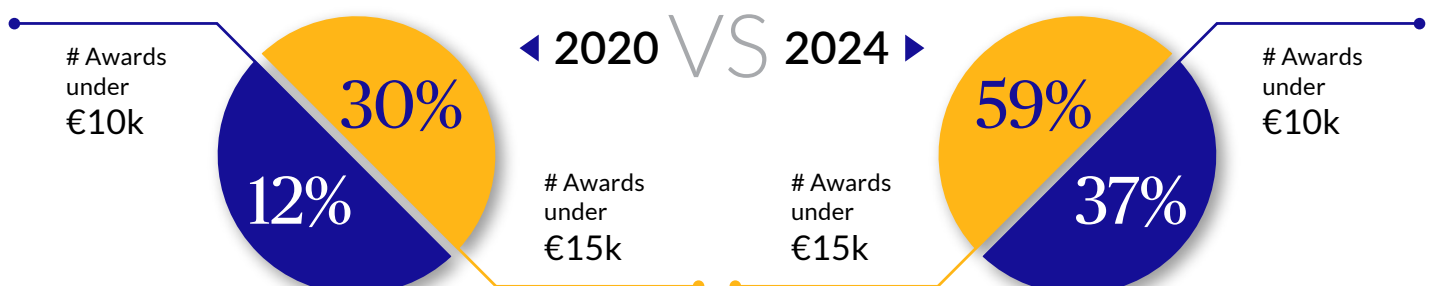
### Showing Results

Greater transparency and data availability has been another welcome outcome of the reforms — with the creation of The National Claims Information Database (NCID) — and data has demonstrated profound reductions in the severity of personal injury claims, including employer's liability cases, utilizing the IRB. According to an IRB report, *Personal Injuries Award Values, 1st of July – 31st of December 2024*, the median award value in employer's liability claims (excluding fatality cases) dropped 31% in the second half of 2024 versus 2020.<sup>4</sup>

The data demonstrated a notable increase since 2020 in the proportion of lower-value claims awards, reflecting a shift towards more consistent and predictable outcomes.

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### The proportion of lower-value personal injury claims rose significantly in 2024 compared to 2020.<sup>4</sup>





## Looking Ahead

More than basic tort reform, the Personal Injuries Resolution Board Act 2022 represents a broad effort to ensure fair and timely resolution of personal injury claims, including Employer's Liability claims, with the best interests of all involved parties at heart. Despite this success, many high-cost claims continue to go the litigation route.<sup>5</sup> Rather than relying on expensive, time-consuming, and unpredictable litigation, employees and employers now have a path to less expensive and more quickly resolved disputes. Let's hope it is, increasingly, the path taken. It is incumbent on all parties to remain vigilant to ensure these improvements continue.

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**[Click here](#) for information on Chubb's multinational insurance coverages and services or to contact our team.**



## Footnote Resources

1. "Employers' Liability, Public Liability and Commercial Property Insurance Report 3 National Claims Information Database (NCID)," Central Bank of Ireland, page 10, [https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/national-claims-information-database/ncid-employers-liability-insurance-report-3.pdf?sfvrsn=bfc1631a\\_8](https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/national-claims-information-database/ncid-employers-liability-insurance-report-3.pdf?sfvrsn=bfc1631a_8).
2. "Employers' Liability, Public Liability and Commercial Property Insurance Report 3 National Claims Information Database (NCID)," Central Bank of Ireland, page 15, [https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/national-claims-information-database/ncid-employers-liability-insurance-report-3.pdf?sfvrsn=bfc1631a\\_8](https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/national-claims-information-database/ncid-employers-liability-insurance-report-3.pdf?sfvrsn=bfc1631a_8).
3. "Action Plan for Insurance Reform: Implementation Report," Government of Ireland, February 2024, <https://enterprise.gov.ie/en/publications/publication-files/action-plan-for-insurance-reform-implementation-report-february-2024.pdf>.
4. "Personal Injuries Awards Values Report H2 2024," Injuries Resolution Board, page 6, <https://www.injuries.ie/eng/about-injuries-resolution-board/reports/personal-injuries-awards-values-report-h2-2024.pdf>.
5. "Injury Claims Made via Injuries Board Rose 1% Last Year," RTE News, <https://www.rte.ie/news/business/2025/0402/1505300-injury-claims-made-via-injuries-board-rose-1-last-year/>

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