



Regulatory Update

The Mesothelioma Act 2014 and the Compensation Scheme

Provided by **Crendon Insurance Brokers Ltd**

Quick Facts

The Diffuse Mesothelioma Payment Scheme (Amendment) Regulations 2014 comes into force 1 July 2014. It increases average payments awarded to mesothelioma victims.

The scheme is expected to pay out to over 800 eligible people in 2014 and 300 people each year thereafter, until 2024.

Eligible victims of mesothelioma can receive an average payment of £123,000 from July 2014, as part of a £380 million insurer-funded compensation package.

The Mesothelioma Act 2014 was passed on 30 January 2014 to create the Diffuse Mesothelioma Payment Scheme, a new insurer-funded compensation scheme for victims of diffuse mesothelioma who are unable to trace a liable former employer (or employers' liability insurer) that negligently exposed them to asbestos. On 1 July 2014, the Diffuse Mesothelioma Payment Scheme (Amendment) Regulations 2014 will come into force and increase the average payments that the scheme awards to mesothelioma victims.

WHAT IS MESOTHELIOMA?

Mesothelioma is a cancer of the lining of internal organs, such as the lungs, and almost always arises from exposure to asbestos. Most cases are diagnosed in the late stages because symptoms are often non-specific and can take 40 to 50 years after asbestos exposure to become noticeable. Life expectancy from diagnosis averages eight to nine months.

Victims of work-related mesothelioma can struggle to find a relevant party to sue for damages, because throughout the years, companies may have become insolvent or insurance records are incomplete.

COMPENSATION SCHEME PAYMENTS

From 1 July 2014, the government will increase average payments of £115,000 (75 per cent of

average civil damages) to £123,000 (80 per cent of average civil damages). The awards will range from £69,649 to £216,896, based on the age of the person when first diagnosed with mesothelioma. Additionally, the scheme will pay £7,000 towards the victims' legal costs. This ensures the scheme pays as much as possible to victims without risking insurers passing on the additional costs to businesses through increased premiums. The scheme is expected to pay out to over 800 eligible people in 2014 and 300 people each year thereafter, until 2024.

WHO IS ELIGIBLE FOR PAYMENT?

A person (or his or her dependents, if the person has died) is eligible for payment under this scheme if:

- The person was first diagnosed with mesothelioma on or after 25 July 2012
- The person proves that a relevant employer negligently exposed him or her to asbestos
- The person is unable to bring an action of damages against an employer or insurer because the employer or insurer cannot be traced or found

For more information on the Mesothelioma Act 2014 and the amendment, visit

www.legislation.gov.uk/ukpga/2014/1/content/enacted.



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