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# Social attitudes as the factor of growing liability insurance claims – study of Polish market in context of global trends

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Appraising projects with intergenerational effects is a complex task, incorporating the issue of bringing future impacts to present value. This is usually achieved by applying the discount factor. However, the choice of discount rate to intergenerational context faces multiple technical and moral problems. The paper analyses a theoretical rationale behind the concept of intergenerational discount rate and preliminary assessment of intergenerational discount rate level in Poland based on survey done in 2012 among Finance & Insurance Faculty students at University of Economics in Katowice showing the decline in the value of discount rates with time.

**JEL Classifications:** G22

**Keywords:** Third party liability insurance, third party liability claims, compensation culture, insurance market

## Introduction

Analyses of trends on the third party liability insurance market have indicated in the recent years that the number and value of claims have been growing on all markets<sup>1</sup>. When seeking sources of such trends, multiple - legal, economic and social - factors are indicated (c.f. e.g. Holzheu and Lechner, 2009). Changes of social attitudes are regarded as important among them. This is emphasized by research on the U.S. and the European market i.a.: Furedi (1999), Lowe (2002), where public survey's results are also presented, Narita (1997), Leimbacher (2009), Enz and Holzheu (2004), Schmit (2006), Carmignani and Giacomelli (2010), and many reports of Association of British Insurers (ABI)<sup>2</sup>.

On the Polish market we also observe an increase in the number and value of liability insurance claims. Against this background, the aim of this paper is to answer the question whether in Poland the influence of factors, identified in studies of other markets, to change social attitudes redress can be observed. The authors pose the thesis that the change in the attitude of Polish society to redress is noticeable, and is similar in scope to those that have been observed in other markets. Verification of that thesis serves analysis of a survey of potential damaged or injured.

The results of the survey have been analyzed as a whole and broken down by selected characteristics. In addition, the relationship between these characteristics and responses to the questions included in the survey was examined. Due to the fact that the studied

<sup>1</sup> This is confirmed above all by analyses concerning bodily injuries of global reinsurers Swiss Re, Munich Re, Partner Re.

<sup>2</sup> Ia.: Bodily Injury Awards Studies from 1997, 1999 and 2003; IUA/ABI Fourth UK Bodily Injury Awards Study, 2007; Written evidence from the Association of British Insurers (ABI) (CMI 13) (2011) <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmtran/591/591we05.htm>

variables (features and the results of responses to survey questions) are mainly quality in nature, there was used the chi-square test of independence at the significance level  $\alpha = 0.03$  (see more in Aczel, 1989).

To better highlight the problem and provide basis to discuss it, the authors present situation on the Polish insurance market in the field of liability insurance and provide a brief description of legal backgrounds in this regard.

## Trends in the field of claims under third party liability insurance

Third party liability insurance - its functioning, including the scope of protection, sales volume and the burden of claims differ notably in various systems: the American market, other developed countries (Western Europe, Japan, Australia) and other countries. However, the market analysis indicates that - regardless of differences in regulations and specificity of countries - a common feature is increased quantity and value of third party liability claims. In the last few decades, this increase has been greater than the nominal GDP and wages growth (see Table 1) on the largest insurance markets.

TABLE 1. COMPOUND ANNUAL GROWTH RATES IN SELECTED COUNTRIES

	USA	Germany	UK	France	Italy
Period	1960-2008	1973-2007	1970-2008	1971-2008	1970-2008
Liability claims incurred	9.4 %	6 %	10.8 %	8.9 %	13.7 %
Nominal GDP	7.1 %	4.6 %	9.2 %	7.8 %	10.6 %
Wages	4.7 %	3.3 %	8.3 %	7.7 %	9.5 %
Health expenditures	9.9 %	6.4 %	8.2 %	10.0 %	n.a.

Source: Commercial liability: A challenge for businesses and their insurers; Swiss Re, Sigma 5/2009

The most important group of motor TPL, which represents c.a. 30% of total non-life premium income as the one of the largest non-life business lines in Europe<sup>1</sup> could show European trends. Based on a sample of countries representing about 78% of the total European market, MTPL claims expenditure increased quickly between 2001 and 2004, declined a little in 2005 (by 0,8%) and 2006 (by 0,7%). In 2007 grew by 2.1% due to a 2.3% increase in the number of claims. Data for 2008 show a stabilisation in claims expenditures. Also CEA indicates that bodily injuries are a key factor in the average cost of claims. The number of personal injury claims accounts for 14% of all claims recorded in 2008 by European insurers but represents more than 50% of all claims expenditure.

Recall can also report the EMB, the actuarial consultancy, in that we can read: “Bodily injury (BI) claims in particular have been increasing steadily for some time. EMB has seen clear indications that even though the number of accidents is decreasing, the number of BI claims continues to increase, accompanied by a significant rise in the average size of such claims, in part driven by a strong increase in the number of claimants per claim. Based on data representing 85% of the FSA regulated market, the Institute of Actuaries Third Party Working Party has estimated that bodily injury claims frequency has recently been increasing at 9% per annum and average bodily injury claim amounts at over 20% per annum, resulting in bodily injury claims cost inflation of some 30%” (EMB Motor Insurance Industry Report, 2009)”

The Polish law distinguishes four groups of third party liability insurance (Appendix to the Polish Act on Insurance Activity, 2003), i.e.:

<sup>1</sup> According to 2008 data, based on latest report: CEA Statistics No.38 The European Motor Insurance Market, February 2010

- TPLI arising from holding and using land vehicles, including carrier liability insurance (motor TPL),
- TPLI arising from holding and using aircraft, including carrier liability insurance,
- TPLI arising from holding and using inland navigation vessels and maritime vessels, including carrier liability insurance,
- Third party liability insurance (general third party liability insurance) not recognised in the above groups.

Motor liability insurance constitutes the largest part of non-life insurance sold in Poland both in terms of measurement made by premium written and of quantity of policies. Other insurance related to third party liability does not account for such a considerable part of the whole branch. Table 2 presents the share of such insurance and of other third party liability insurance in the overall premium written for the non-life insurance branch.<sup>1</sup>

TABLE 2. SHARE (IN PER CENT) OF GROSS PREMIUM WRITTEN IN RESPECT OF THIRD PARTY LIABILITY INSURANCE AGREEMENTS IN LAND, AIR AND MARITIME TRAFFIC AND OTHER THIRD PARTY LIABILITY IN RELATION TO THE WHOLE GROSS PREMIUM WRITTEN IN THE NON-LIFE INSURANCE BRANCH IN THE PERIOD 1999 - 2012

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
motor TPL premium	37.04	37.34	36.03	36.26	33.93	33.19	35.99	35.95	34.30	34.52	33.88	33.11	34.0	34.02
aircraft TPL premium	0.02	0.01	0.01	0.18	0.28	0.14	0.19	0.15	0.12	0.11	0.11	0.11	0.10	0.11
maritime vessel TPL premium	0.18	0.13	0.11	0.23	0.15	0.13	0.11	0.11	0.10	0.08	0.12	0.08	0.08	0.07
other TPL premium	1.88	2.07	2.18	3.41	3.85	4.19	4.61	5.12	4.72	4.79	5.29	5.50	5.69	6.65

Source: Own work based on reports by Financial Supervision Authority

TABLE 3. SHARE (IN PER CENT) OF GROSS PREMIUM WRITTEN IN RESPECT OF TPL IN LAND, AIR, AND MARITIME TRAFFIC INSURANCE AGREEMENTS AND OF OTHER TPL IN THE WHOLE GROSS PREMIUM WRITTEN IN RESPECT OF TPL INSURANCE AGREEMENTS IN THE PERIOD 1999 - 2012

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
motor TPL Premium	94.69	94.39	93.99	90.47	88.79	88.18	87.99	87.01	87.42	87.40	85.98	85.34	85.27	83.26
aircraft TPL Premium	0.06	0.03	0.02	0.44	0.73	0.36	0.47	0.36	0.30	0.27	0.29	0.28	0.26	0.28
maritime vessel TPL premium	0.45	0.34	0.29	0.58	0.40	0.35	0.27	0.26	0.25	0.19	0.31	0.22	0.19	0.18
other TPL Premium	4.80	5.24	5.70	8.51	10.09	11.12	11.27	12.38	12.03	12.14	13.42	14.17	14.28	16.28

Source: Own work based on reports by Financial Supervision Authority

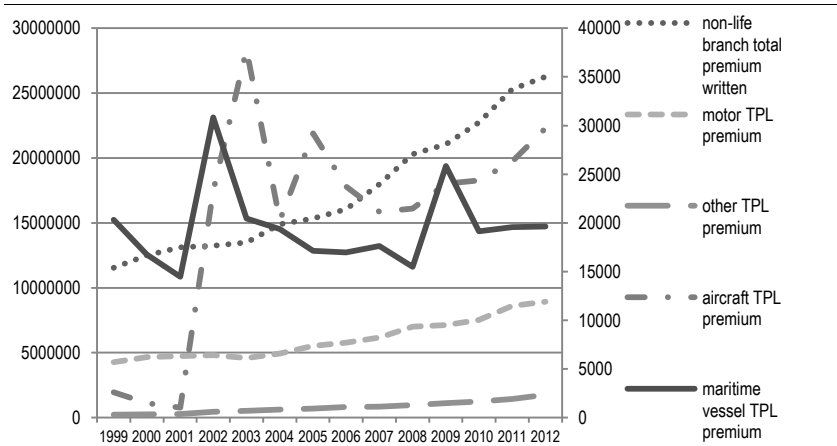
Among the four groups of third party liability insurance, the largest premium volume is collected by insurance companies in respect of motor liability insurance agreements. It should be noted, however, that this share has decreased since 1999 (Table 3). The second largest group among TPL insurance in Poland is other third party liability insurance. This group includes general liability, private or professional indemnity - voluntary and compulsory<sup>2</sup>. This group share in the premium written of the whole non-life insurance sector was tripled up since 1999 to the level of 6.5% in 2012. This is connected in

<sup>1</sup> This paper omits an accurate analysis based on the quantity of sold policies because it leads to analogous conclusions to the analysis based on gross premium written.

<sup>2</sup> In Poland, certain professions are under an obligation to take out a TPL policy in respect of pursuit of such profession. These are for example barristers, solicitors, physicians, insurance brokers. This obligation is regulated by the Act on Obligatory Insurance.

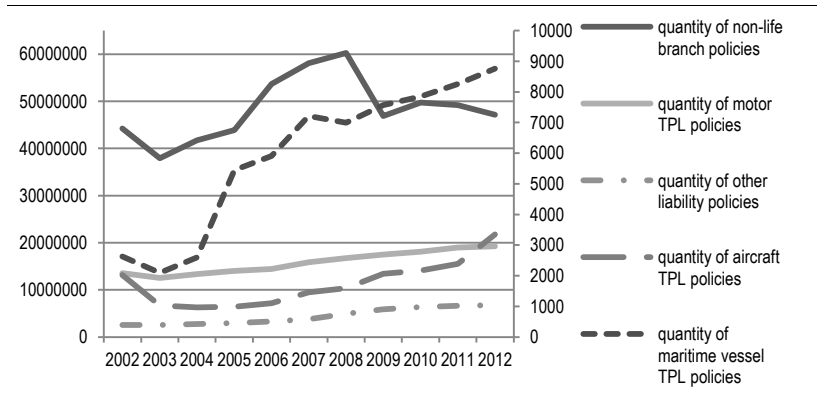
particular with the introduction of obligatory professional insurance for successive professional groups. The share of other TPL insurance in the premium written collected in respect of all TPL insurance in the analysed period was almost quadrupled (from 4.8 % to 16.3%).

FIGURE 1. GROSS PREMIUM WRITTEN (IN THOUSAND PLN) FOR THE WHOLE NON-LIFE INSURANCE BRANCH AND LAND, AIR (RIGHT AXIS), MARITIME (RIGHT AXIS) AND OTHER TPL IN THE PERIOD 1999 - 2012



Source: Own work based on reports by Financial Supervision Authority.

FIGURE 2. QUANTITY OF CONCLUDED INSURANCE AGREEMENTS (PCS) FOR THE WHOLE NON-LIFE INSURANCE BRANCH AND LAND, AIR (RIGHT AXIS), MARITIME (RIGHT AXIS), AND OTHER TPL IN THE PERIOD 1999 - 2012



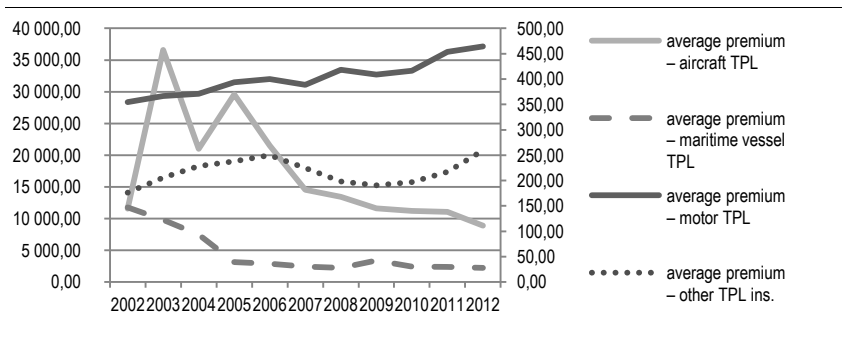
Source: Own work based on reports by Financial Supervision Authority.

The above analysis can be supplemented by the overall quantity of insurance agreements concluded in the whole non-life branch, as well as in individual groups of products related with TPL. It should be emphasised that the quantity of policies taken out in the case of

maritime and air insurance is several thousand - in 2012 in the case of insurance related to air traffic ca. 3,350 agreements were concluded in Poland, and of insurance related to maritime traffic - c. 8,800. In the case of motor liability insurance as well as other TPL, these are values of the order of ten-odd and several thousand, in 2012 - ca. 14 million motor liability insurance policies and ca. 3 million other TPL insurance policies, respectively. The analysed values are presented in more detail in Figure 2.

However, it should be emphasised that in terms of average gross premium written value, it is TPL policies related to maritime and air traffic have higher values than the other analyzed insurance. Values of average gross premium written for four TPL insurance groups are presented in Figure 3.

FIGURE 3. AVERAGE GROSS PREMIUM WRITTEN VALUE (IN THOUSAND PLN) FOR LAND, AIR, MARITIME AND OTHER TPL INSURANCE AGREEMENTS IN THE PERIOD 2002 - 2012



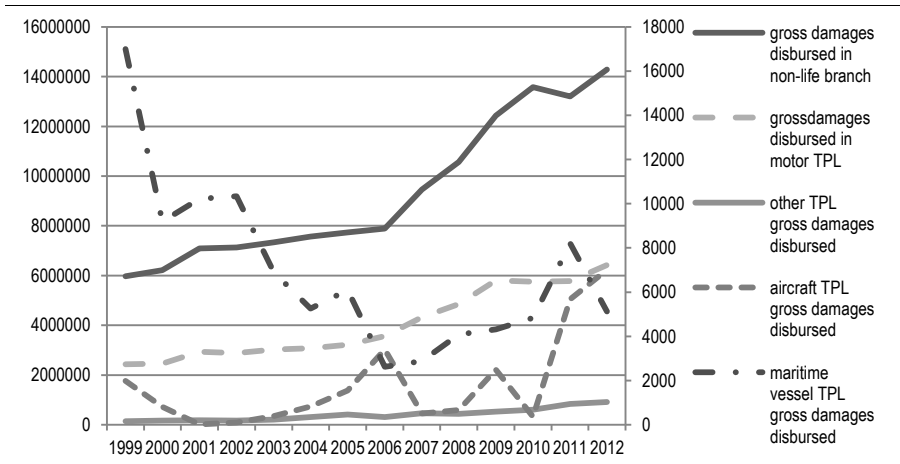
Source: Own work based on reports by Financial Supervision Authority.

Similarly as in the case of comparing the premium written, the values of claims constantly increase for the whole non-life branch, motor liability insurance and other TPL. The course of claims for maritime and air traffic TPL insurance in turn is characterised by great variability. Figure 4 illustrates the discussed issues.

It is worth looking also at the number of claims paid. The greatest increase in the value of claims in the discussed period was recorded in the case of other TPL insurance (in 2012, disbursed damages value was 6.5 time greater than in 1999). An increase was recorded also for TPL insurance related with air traffic (3.54 times greater in 2012 than in 1999) and motor TPL (2.7 times).

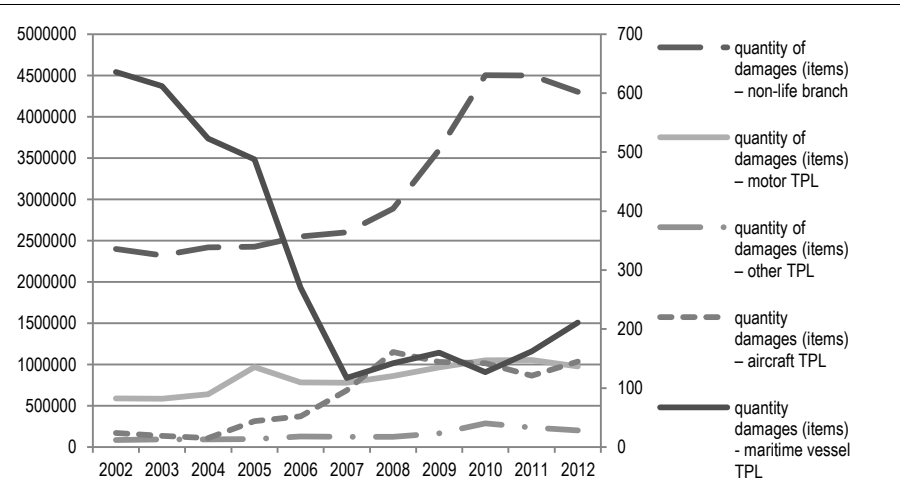
A lower value of disbursed damages (only 0.3 times the value of 1999) was in 2012 in respect of maritime traffic TPL policies. This results from a low quantity of claims asserted by injured parties in this field (several hundred occurrences annually), but above all from the considerable decrease in the quantity. In 2002, damages were disbursed 636 times in respect of maritime TPL policies, while in 2012 only 211 times. The discussed amounts are presented in Figure 5.

FIGURE 4. VALUE OF DAMAGES (IN THOUSAND PLN) DISBURSED IN RESPECT OF INSURANCE AGREEMENTS CONCLUDED FOR THE WHOLE NON-LIFE INSURANCE BRANCH AND LAND, AIR (RIGHT AXIS), MARITIME (RIGHT AXIS) AND OTHER TPL IN THE PERIOD 1999 - 2012



Source: Own work based on reports by Financial Supervision Authority.

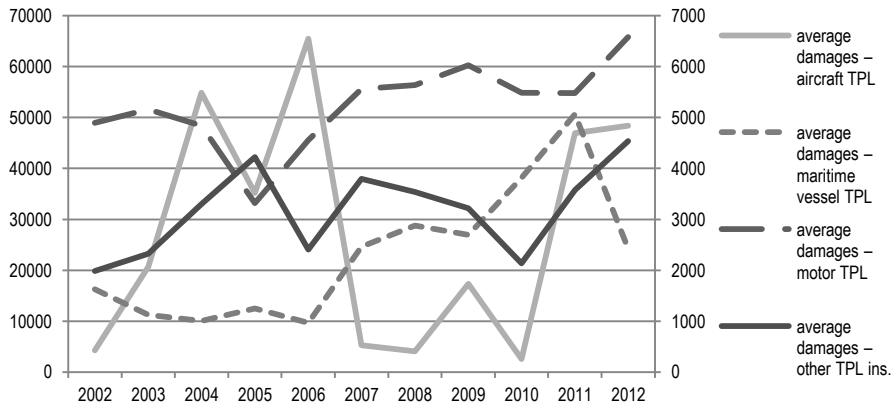
FIGURE 5. QUANTITY OF DAMAGES (TIMES) DISBURSED FOR THE WHOLE NON-LIFE INSURANCE BRANCH AND LAND, AIR (RIGHT AXIS), MARITIME (RIGHT AXIS) AND OTHER TPL IN THE PERIOD 2002 - 2012



Source: Own work based on reports by Financial Supervision Authority.

In the average values of claims, the great variability of TPL related to maritime traffic is noteworthy - an example decrease by 50% of the average disbursement value in 2012 relative to 2011. It is worth noticing the uniform growth of average damages in respect of motor liability and other TPL policies. In the case of the latter, the value increased over two times over the discussed period saw. The discussed amounts are presented and Figure 6.

FIGURE 6. AVERAGE GROSS DAMAGES VALUE (IN THOUSAND PLN) FOR LAND, AIR, MARITIME AND OTHER TPL INSURANCE AGREEMENTS IN THE PERIOD 2002 - 2012



Source: Own work based on reports by Financial Supervision Authority.

Unfortunately, two significant - from the Authors' point of view - fields were not distinguished in the above analysis. One of them is claims in respect of medical errors (applies to medical entity third party liability insurance), which is indicated in many countries as a field of claims that are significant in terms of quantity and value (U.S. Tort Cost Trends, 2001). The other one is claims in respect of bodily injury as opposed to damage to property. Such a distinction would enable taking into account the specific features of those forms of loss or damage and claims for compensation thereof in the assessment of trends<sup>1</sup>. Unfortunately, data shared by the supervision authority do not include such approaches<sup>2</sup>.

### Social factors of the increase in the quantity and value of claims

As mentioned above numerous analyses dedicated to the issue of risk and third party liability insurance, in particular with reference to experiences of the American and British, but also Irish and Italian markets, discuss legal and system, economic and social (cultural) factors increasing the quantity of value of claims, and, as a result, of disbursements. Social factors being the object of the study are indeed difficult to distinguish and analyse without indicating others, because they all overlap in the specified fields. Legal and system as well as economic considerations significantly affect attitudes of injured parties or their representatives. At the same time it is observed that behaviours, claims and reasoning of parties asserting claims result from system changes.

Among the most important factors relevant to the social attitudes, besides legal requirements relating to the scope of permissible claims, the following are listed (Ward and Thornton, 2009; Holzheu and Lechner, 2009): the release of the injured party against the financial risks of the process in form of conditional (success) fee (Lowe, 2002;

<sup>1</sup> For example taking into account non-property damage in the case of bodily injury (pain and suffering) or environmental damage that are difficult to assess.

<sup>2</sup> An attempt to analyse bodily injury claims was made in research underlying the collective study regarding trends in bodily injuries compensated from motor liability insurance; cf. Kwiecień, Monkiewicz, and Monkiewicz (ed.) (2010) and Kwiecień (ed.) (2011). Global reinsurer PartnerRe estimates that in the recent years increased costs of large bodily injury claims have been observable at level 3-10%, average for 15 years before 2008 from 30% in Spain to 200% in Germany, 300% in France and 400% in Great Britain (Bodily Injury Viewpoints for Europe, 2008).



Carmignani and Giacomelli, 2010); transfer of financial burden and risk of pursuing claims to the third parties (Hodges et al., 2012); creating demand by proxies (Lowe, 2003; Fenn et al., 2009; Carmignani and Giacomelli, 2010); influence of the media and other institutions, including increased awareness (Furedi, 1999; Lowe, 2002), the position of the British association of solicitors (MASS 2006), class-actions (Leimbacher et al., 2009).

Market analysis also confirm an increase in the propensity to pursue civil claims in general in the judicial process in many markets. According to the data of CEPEJ (2012) the litigation rate in 2010 (i.e. the yearly ratio of new proceedings in civil cases to the population) increased significantly between 2008 and 2010 in Czech Republic 26% (to 4.5% in 2010), Poland 9.6% (to 2.1%), but decreased in Italy (-15%, however was still very high 3.9%), and UK (-4%, where was the smallest 0.5%).

Concentrating on the object of this study - against experiences of other markets, including in particular the British and American ones, and general trends described in analyses of insurance companies (mainly Swiss Re and Munich Re, Partner Re) - according to the Authors, the following factors and their implications can be indicated as present on the Polish market and significant from the viewpoint of social attitude analysis:

### ***Growth in the value of both tangible and intangible property***

On the one hand, the value of material loss or damage is higher due to the fact that the society is becoming richer, including growth in income and property, and to the increased demand and growth in costs of medical services, which is related to both their specialisation as well as to development of private services and insufficiency of benefits provided by the state system, of rehabilitation and care services. On the other hand, a growth in the quality of life results in a growth in expectations as to compensation of non-material loss and damage, the value attributed to health and life increases. This is confirmed by the growth in the claim value on the market and amounts of damages awarded also by courts for the injury resulting from detriment to health or death. Such tendencies are currently present also on other European markets - cf. Swiss Re, Munich Re (Mayr, 2011; Werwigk, 2012).

### ***Growth in legal awareness and inclination to assert claims***

These aspects are viewed from the positive or negative perspective, as they underlie the discussion about the phenomenon of the so-called compensation culture<sup>1</sup>. A growth in awareness means greater resources of knowledge and skills, which is intensified by both generally better education and information availability. This inclination might result from striving for exercising rights which arise from legal regulations as a consequence of being aware of them. It is emphasised that its other sources are changes in mentality, social attitudes, acceptance of the strive for exercising one's rights, seeking an appropriate and just source of compensation for loss or damage. When evaluating these social changes, it is noticed that they might assume a negative form by transforming into an excessively demanding attitude<sup>2</sup>. What occurs then is divergence from legal principles (Furedi, 1999; p.2), and strategies increasing chances for achieving the best possible result gain significance (claim effectiveness and value). Phenomena such as forum shopping (a strategy of court selection), claims based only on principles of conduct in the community (in the case of poor grounds or absence of legal basis), intensification of claims in areas where the potential debtor is more secure in terms of finance (the state Treasury, the

<sup>1</sup> cf. regarding the culture of claims : Kwiecień (2010) and the literature invoked there.

<sup>2</sup> What is emphasised here is the broad scope of such changes, which covers - apart from compensation claims - a growth in the quantity of complaints about actions of specified entities, including professional groups and public institutions; cf. among others Furedi (1999) and Lowe (2002).

insurance company)<sup>1</sup> occur as a consequence. Mental changes are manifested also in an expansion of claims into areas which were earlier free. These could be controversial areas proving an intensified expectation of monetary compensation<sup>2</sup> - an example from the Polish market might be claim for compensation for injury arisen from the Catholic sacrament of extreme unction to a non-believer at hospital<sup>3</sup>. However, these may be claims resulting from the change in awareness of one's rights, such as claims for covering the costs of hiring a replacement vehicle or loss of the market value of the damaged vehicle, which have been gaining significance on the Polish market in recent years. The boundary between high awareness with respect to damages and a demanding attitude viewed from the negative perspective is difficult to capture. The arising question is when the strive for compensation is no longer the strive for exercising subjective rights.

Both the inclination itself and the scope of claims are extended through support from representatives and advisers. An increased interest of barristers and solicitors in the area of damages, together with the emergence of claims management firms resembling British ones, is observed in Poland (Monkiewicz and Kwiecień, 2011). Numerous foundations and non-profit institutions also operate in this area. Awareness is increased also by institutions such as the insurance ombudsman, trade press or the media.

### **Reduction of financial risk**

American and British market trend analyses emphasise that the costs related to asserting claims are essential for the growth in the quantity and value of claims. In the American system, the stimulant is encumbering exclusively the defendant with the costs regardless of the effect (cf. Cooter and Ulen, 2011; p.580). In Poland, court fees are distributed proportionally to the effect, which implies the claimant's financial risk and makes him/her consider the reasonability of claims. A detailed analysis of the issue of freedom to determine the claim amount is disregarded here; to put it briefly, this can be abandoning less certain components in the case of property loss or damage, or its different "valuation" in the case of non-property loss or damage. The occurrence of services provided by representatives remunerated on the "success fee, no-win no-fee" basis has become a significant stimulant for the Polish market (like earlier for the American and British markets). Such a remuneration system was introduced by the mentioned claim management firms, whose intensive development has been observed on the market since 2005<sup>4</sup>. Such services have been gradually introduced to barristers and solicitors' offers, although to a smaller extent due to regulatory limitations, and probably less financial potential to finance the process. However, law firms have taken over the role of a commissioner and sponsor of barristers and solicitors' services to a certain extent. They offer additional services of covering the court registration fee (5% of the claim value), thus eliminating the problem of unavailability of court proceedings or the risk of losing the court registration fee in the case of a failure (when the law firm assumes the risk of losing it). Financial risk reduction affects both the inclination to assert claims and the increase in claim values. However, as regards social factors, it needs to be indicated that taking over

<sup>1</sup> cf. Kwiecień (2010) and other studies quoted there.

<sup>2</sup> This problem was indicated on the British market as a sign of compensation culture development; such examples were invoked as students filing lawsuits against schools in connection with the loss or damage arisen from low quality of education or errors in the evaluation process; soldiers, police officers and rescue service staff demanding compensation for mental suffering and traumas experienced in connection with their jobs, being on duty; speculators suing banks and financial advisers for not having been warned of crisis on the real estate market, and employees suing their employers for stress resulting from overwork.

<sup>3</sup> Filed in 2014, dismissed by the court due to the claimant's failure to specify the incurred injuries; yet the court admitted that personal interest itself deserves protection; press relations: <http://www.wprost.pl/ar/433521/Niewierzacy-nie-dostanie-odszkodowania-za-ostatnie-namaszczenie/>

<sup>4</sup> cf. Monkiewicz and Kwiecień (2011).

the risk by another entity makes it assess the reasonability of claims, thus constituting a natural element restricting excessive escalation.

## A questionnaire survey of attitudes among potential injured parties

### Characteristics of the sample

The research tool was the authors' own survey questionnaire and the survey itself was anonymous. It was conducted among natural persons in two ways: in direct surveys among residents of Śląskie, Opolskie and Małopolskie voivodships, and in online surveys across Poland. As a result of the conducted survey, 691 filled in questionnaires were submitted. Due to the lack of complete answers to the questions asked to respondents, 124 survey questionnaires were rejected, and hence the remaining sample amounted to 567 elements. Women constituted more than half of the respondents (the final sample included 302 women, which is 53%, and 265 men, which is 47% of the correctly filled in questionnaires). People aged between 21 and 40 are predominant in the respondent group (72% in total), while people aged 51 and above constitute only 5%. These proportions should be borne in mind when interpreting the results of the survey. The respondents were mostly students of state and private higher education institutions, who accounted for 45% of those admitted for further analysis from among complete questionnaires. It needs to be mentioned, however, that they were mainly extramural students, who both study and work (including pursue their own business activities) - they constituted 39% of the final group under research.

TABLE 4. THE DISTRIBUTION OF THE RESPONDENTS BY SELECTED SOCIO-DEMOGRAPHIC CHARACTERISTICS

Characteristic	Number of people by the selected variant of answer							
	female				male			
Sex	302				265			
Age	18-20	21-30	31-40	41-50	51-60	>61		
	11	257	157	71	56	15		
Education	Primary		vocational	secondary		higher		
	4		7	229		327		
Marital status	single, childless		single + child	in a relationship + child		in a relationship, childless		
	204		34	240		90		
Professional activity	studies (education)	studies + work	studies + business activity	permanent employment	casual employment	business activity	unemployed	retirement pension / disability pension
	47	206	16	185	4	87	11	11
Place of residence	village		town of under 50k residents		city of 50k to 200k residents		city of over 200k residents	
	140		137		97		193	
Net income per capita in a household (in PLN)	up to 1000		1001-1800		1801-2500		over 2500	
	109		187		118		153	

Source: Own work

What unambiguously follows from the above presentation is that the described sample lacks characteristics of a representative sample. Too many of the respondents come from the group of students and therefore the conclusions presented in this paper are premises rather than definitive statements.

## **Survey of the attitudes of the respondents - results**

The results of a survey are summarised in Table 5, results of the test in Table 7 (Appendix).

The first part of the survey regarded experiences with accidents in the past and with asserting claims. Out of the surveyed 567 persons, nearly 75% (423 persons) owned a car or a motorcycle. Almost 56% of the respondents (316 persons) experienced a motor vehicle accident, 126 of them (nearly 40% of those who had a motor vehicle accident) were perpetrators, 256 (81% of the respondents) were persons injured in an accident by damage to property, 67 (over 21% of the respondents) indicated that they had been injured as a result of bodily injury (49 persons, which is 15.5% of those who had ever had a motor vehicle accident, experienced both damage to property and bodily injury).

It is worth noting that for most socio-demographic characteristics the hypothesis of independence of the characteristics and the responses to the question about experiences with traffic accidents was rejected. Men in their responses often indicated that they had an accident. Men were twice as many women among the perpetrators and almost twice as many of the victims (damage to property and to property and personal). Only in the case of personal injury the response rate was similar among men and women. Such results may be a consequence of the fact that in Poland, more drivers are men. In the case of age, a relationship seems to be obvious. The older a person is tested, the greater chance that he or she ever had an accident and possibly claimed damages. In addition, the distribution of responses could affect the specificity of the sample. Among young people (under 30) were significantly more women, among people above 31 years more men, and they cause more accidents. Most of the perpetrators were, therefore, in the age groups 50-60 and 30-40 years. Among those who indicated that they had ever personal injury - dominated the age group 20-30 years, in the case of the response indication "injury to person and property" dominated the age group 20-50 years. It was also found the relationship between the experience of traffic accidents and education level of the responders. Most people have no experience with traffic accidents had completed secondary education. This group was dominated women (the number of women to men with secondary education 7:4), which are less frequently active participants in the traffic. Similar observations can be made regarding marital status. The group, which has declared the slightest experience of accidents was dominated people who do not have children in this group again was recorded greater participation of women. In the case of professional activity the hypothesis of independence was also rejected. Among the perpetrators the majority were people running their own business, among people who have personal injury - students, and among people who have had experience with the damage to property and person - pensioners and casual workers.

From among the surveyed 567 persons, 302 said that they had ever experienced damage to property and bodily injury caused by another person (entity), for which the insurance company was or could be held liable. Analyzing the results of the test of independence between socio-demographic characteristics and the responses to this question can be seen that the hypothesis of independence was rejected for all characteristics. In case of gender results were consistent with the answers to the previous question, more men had damage, among them there were more either perpetrators or victims of accidents. In case of age the proportion of people who reported that they had loss was significantly higher for people over 30 year old and increased with age. Among those who reported that they had an accident not of their guilt dominated people with higher education. The highest percentage of people who had in the past, the damage could be seen among people who have children, but it is worth to be careful with the interpretation of this relationship, because at the same time in this group dominated people aged 30 + (more men than women). The authors do not take up too putting strong conclusions about the results for the low loss ratio among students, due to the fact that this age group is just not frequently an active participant in traffic. Regarding the place of residence, it could be noted that

residents of large and medium-sized towns often have damage. In addition, the injury often have people with high and medium income (2 groups with higher incomes), but must be remembered that at the same time a group of high-income men were dominant.

The vast majority, almost 95% (284 persons), asserted claims for the damage from the perpetrator or the insurance company. Merely 15 persons resigned from asserting claims, 8 of whom gave up out of conviction that the odds for success are low or none, 4 persons due to lack of time, 2 persons due to lack of knowledge and skills, and 1 person did not like “fighting” for his/her rights. From the analysis of the relationship between socio-demographic characteristics and the responses to this question the following conclusions can draw:

1. the proportion people under 30 resigning from asserting claims was much higher than in groups of people over 30 (in the age groups under 30 - 70% of respondents resigned from asserting claims, in age groups over 30 - only 30 %).
2. people with higher education were more likely to assert claims (response rate higher than the average for the whole group of responders).
3. people who do not have children were less inclined to assert claims (60-69% of respondents do not assert claims), people with children in the majority assert claims (70% of respondents “in a relationship + child” and 53% “single + child”).

The successive questions were supposed to serve the purpose of analysing the extension of the grounds for the asserted claims. The initial two questions within this category concerned strictly material elements constituting damages. The following ones regarded attitudes towards selected elements of bodily injuries.

In next question: “Should - in the case of damage to vehicle - the perpetrator or his/her insurance company pay the costs of hiring a replacement vehicle?” the vast majority of the respondents (70%) are convinced that the perpetrator or his/her insurance company should cover the costs of a replacement vehicle because it is impossible to use one’s own vehicle. Moreover, 20% of the respondents state that the perpetrator or his/her insurance company should cover the costs of a replacement vehicle both when the vehicle is used for profit-oriented or professional activities and when it is indispensable in private life, 7% of the respondents believe it is necessary only when the vehicle is used for profit-oriented or professional activities, and only 3% said that the costs of a replacement vehicle should not be covered by the perpetrator or his/her insurance company at all. For all socio-demographic characteristics the hypothesis of independence not was rejected.

In answers to the question about whether the perpetrator or his/her insurance company should cover the loss of the market value of the vehicle damaged in an accident only 3% of the respondents are against covering the lost market value of the vehicle, 54% of the respondents are convinced that it is a component of the loss or damage which should be always covered by perpetrator or the insurance company, 20% of the respondents say that it is necessary in the case of relatively new vehicles, whereas further 23% believe that the loss of the market value of the vehicle damaged in an accident should be covered when the loss or damage is serious.

Interesting conclusions can be drawn from the analysis based on the answer to this question and the socio-demographic characteristics and responses to earlier questions about the experience of the damage in the past. Factors in the case of which the hypothesis of independence was rejected were:

- Gender - men more often gave answers “always”, women were more likely to answer that the loss of the market value of the vehicle should be covered only when the vehicle is new and of high value;
- Age - the percentage of people convinced that the loss of the market value of the vehicle shall be reimbursed by the insurer was the highest for the age group 30-50 years;

- Marital status - the highest proportion of those committed to the need to cover the loss of market value could be observed among people “in a relationship + children”;
- Professional activity - the highest percentage of answers “always” performed in permanent employees and people conducting business activity, the highest percentage of answers “yes, if the damage is high” or “yes, if the value of the vehicle is high” occurred among students and pensioners;
- Income - answers “always” were usually indicated by responders with the highest income, “yes, if the damage is high” frequently gave people with the lowest incomes;

Vehicle owners were more convinced that the loss of the market value of the vehicle should always be covered by the insurer, while those without vehicles often indicated that the insurer should cover the loss of market value in the case of a large value of the vehicle. Percentage of “always” was the highest among those who had an accident in the past. In addition, people who had in the past, damage to property, and the perpetrator of the damage more often than other groups of respondents indicated the answer “always” whereas people who have personal injury or did not have an accident in the past more often than the others indicated “yes, if damage is high “. In addition, people who had in the past damage and claimed for compensation more often than those who did not have a history of accidents and experiences with the investigation of claims are convinced that the loss of market value should always be covered by the insurance company.

The next question concerned the necessity for the perpetrator or his/her insurance company to cover damages for pain and suffering of close relatives of the person deceased in an accident. Over half (56%) of the respondents say that the damages should be covered, 21% have the contrary opinion (they believe that only lost profit and maintenance costs should be covered), and 23% of the respondents did not provide their viewpoint to this issue. Among the characteristics for which was rejected at this question, the hypothesis of independence was gender. Men more often responded that the benefit should be paid by the insurer, while women contradicted or indicated no opinion on the matter. As regards the professional activity of the respondents, students more often do not have the opinion, the people working were more often uncertain about the need for insurance covering compensation for the relatives. Interestingly, people with vehicles, the experience of traffic accidents in the past (especially those who have had damage to property and injury to a person or just a personal injury), the perpetrators of accidents and people who in the past claimed for compensation were clearly more confident that compensation should be covered by the insurer.

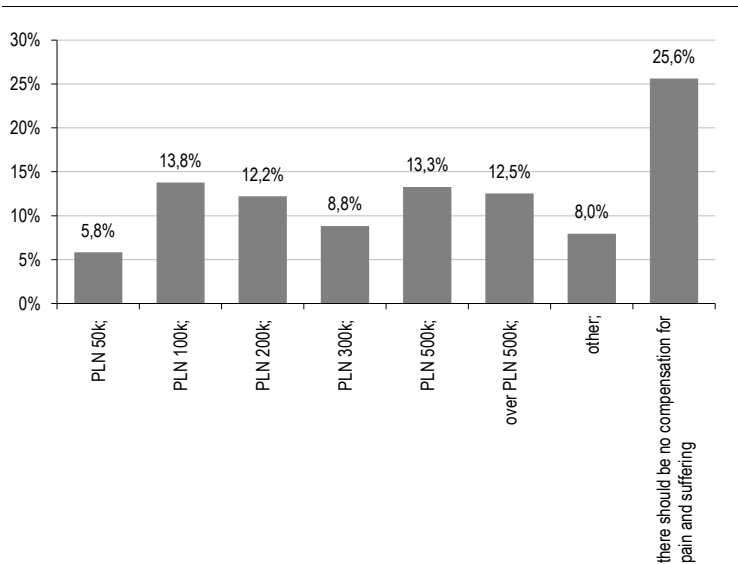
Among answers to the question about amounts of damages for pain and suffering to a close relative of the person deceased in an accident (Figure 7), the following were most commonly mentioned: circa PLN<sup>1</sup> 100k (almost 14%) and circa and above PLN 500k (13.3% and 12.5%, respectively) and PLN 200k (12.2%). Nearly 6% of the respondents declared the amount of PLN 50k as sufficient, 8.8% specified this amount at circa PLN 300k. Over 25.5% of the respondents stated that no damages of this kind should be paid. The answer “other” was chosen by 8% of the respondents. Various amounts were provided here: from under PLN 15k (2 answers) to PLN 1m (5 answers). Yet the prevalent answers could be classified as no opinion to the subject or statement that the value of human life cannot be assessed.

For the answers the question about the amount of compensation, the hypothesis of independence was rejected only for questions about the experience of the accident traffic in the past. People who have had a personal injury were more confident to pay higher amounts. Among those who believed that the provision should not be covered by the insurer dominated people who have had no damage or only damage to property. People who have had damage either the property or personal injury more often than others indicated amounts in the range of PLN 200-300 thousand. Among those who showed the

<sup>1</sup> 1 EUR = 4,1595 PLN (Average exchange rate by the Polish National Bank 2014-02-25)

highest amount, i.e. PLN 500 thousand or more dominated people who have had experienced personal injury.

FIGURE 7. THE DISTRIBUTION OF ANSWERS TO THE QUESTION: “WHAT ONE-OFF AMOUNT IS IN YOUR OPINION APPROPRIATE (IN THE POLISH REALITY) FOR COMPENSATING THE INJURY (PAIN, SUFFERING) ARISEN AS A RESULT OF THE CLOSEST RELATIVE’S DEATH (SPOUSE, CHILD) IN AN ACCIDENT?”



Source: Own work

Answers to two next questions were supposed to enable an analysis of media information impact on respondents' attitudes and expectations regarding amounts of damages for close relatives of the deceased person. Two pieces of information were provided to the respondents, who were then asked if the information made them change their answer to the previous question (“What one-off amount...?”), and if so, they were asked to specify the amount.

The first item of information was as follows: “In 2007, the court awarded 50k to a female singer as damages for her naked photos from holiday.” Only 12.5% of the respondents (71 persons) expressed their wish to change the amount declared before. In the case of the other piece of information: “Families of the Smolensk disaster<sup>1</sup> victims have received damages of PLN 250,000 per each close relative as a result of settlement”, almost 10% of the respondents (55 persons) declared the desire to change the previously stated damages amounts. Due to the diversity of the amounts specified by the respondents, their answers

<sup>1</sup> Polish government plane crash in Smolensk (Russia) - plane crash, which occurred in Smolensk on Saturday, April 10, 2010 at 8:41:06 CEST (GMT). Killed 96 people in it, among them the President of the Polish Republic Lech Kaczynski and his wife, the last President of Poland in exile Ryszard Kaczorowski, Deputy Marshals Polish Parliament (Sejm and Senate), a group of MPs, the commander of all types of Armed Forces, employees of the Office of the President, heads of institutions of state, ministers, representatives of ministries, veterans' organizations, social and accompanying persons, representing the Polish delegation to the celebration of the 70th anniversary of the Katyn massacre (shooting the spring of 1940 at least 21 768 Polish citizens, including more than 10 thousand officers of the army and the police, by a decision of the highest authorities of the Union of Soviet Socialist Republics), and the crew of the aircraft.

were grouped into classes analogous to the answers provided for in previous question. These were the amounts presented in Table 5.

TABLE 5. THE DISTRIBUTION OF ANSWERS TO THE QUESTIONS: "IN 2007, THE COURT AWARDED 50K TO A FEMALE SINGER AS DAMAGES FOR HER NAKED PHOTOS FROM HOLIDAY." AND "FAMILIES OF THE SMOLEŃSK DISASTER VICTIMS HAVE RECEIVED DAMAGES OF PLN 250,000 PER EACH CLOSE RELATIVE AS A RESULT OF SETTLEMENT."

Question / Amount [PLN]	up to 50k.	50k-100k	100k-200k	200k-300k	300k-500k	over 500k	in total
"In 2007, the court awarded 50k to a female singer as damages for her naked photos from holiday."	12	7	11	15	13	13	71
"Families of the Smoleńsk disaster victims have received damages of PLN 250,000 per each close relative as a result of settlement."	9	6	5	19	12	4	55

Source: Own work

Being provided with the first piece of information, over 90% of the respondents indicated amounts not lower than those declared before this information, and nearly 10% - lower amounts. Out of 145 persons who had answered the question about the damages amount for close relatives of the person deceased in an accident that there should be no damages for pain and suffering, after receiving the information 15 persons specified the amount, 6 of whom indicated the amount over PLN 500k, 5 persons from PLN 100k-300k, while others declared lower amounts. In the case of the other piece of information, almost 81% of the respondents indicated amounts not lower than before; in some answers amounts of the order of PLN 2m were provided. From among 145 persons who had stated that no damages should be paid for pain and suffering 12 persons specified the amount (8 of whom - amounts of PLN 100k-500k, 4 persons - below PLN 50k). For all socio-demographic characteristics and experiences of accidents and damage investigation in the past, was rejected the hypothesis of independence.

The next question aimed at analysing social solidarity in the context of implication of growth of disbursement amounts. With this respect 41% of the respondents believe that the awarded amounts of damages for bodily injuries should be high even if they affect the insurance premiums paid by all insurance policy buyers, 37% of the respondents think otherwise because in their opinion this would unfairly encumber all policy buyers by increasing their premiums, and 22% did not express their viewpoints. Gender proved to be characteristic for which was rejected the hypothesis of independence, the same was the case with age, professional activity, income, vehicle ownership and experiences with traffic accidents in the past. Women more often were opposed to the payment of high compensations if it causes charging of the costs of all insured, similar tendency was observed in young people's answers, but older people tended to answers that claimed for compensation should be high, as it is more important the interests of victims. In the age groups above 40 years half of the respondents was for high compensations, one third against, in groups of people up to 40 years old half of the respondents were opposed to the high compensations, one third thought that interest of the victims was more important. Students, the unemployed and casual workers were opposed to the payment of high compensations, workers more often have prioritized the interests of victims. In case of income level it could be observed that with the increase in income was increasing the percentage of people convinced that the interest of the victim was more important, the lower the income, the more respondents tended to the fact that high claimed for compensation unfairly charged to all insured. Holders of vehicles more often were convinced that these compensations should be high. People who have had an accident,

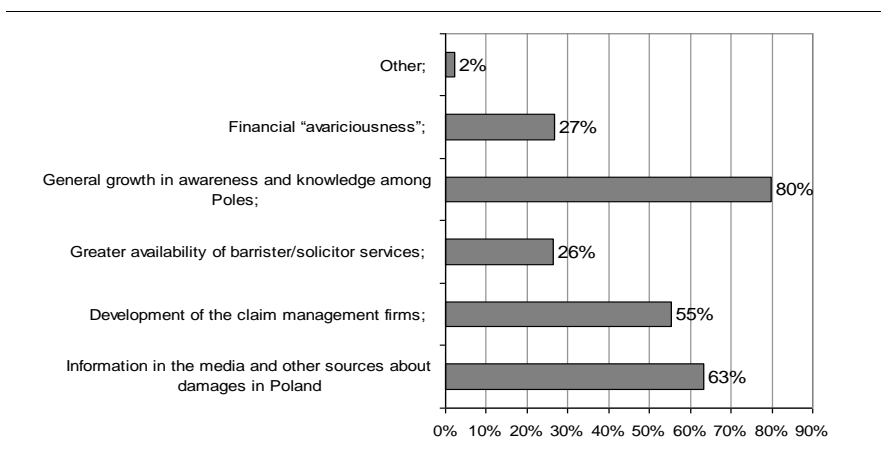


particularly damage to property and personal injury, or only personal injury are convinced to a need to pay high compensations, while those who had no damage more were often against high compensations. In addition, people who had damage for which insurance company held responsibility and those who attending claims, more often than other groups indicated that the compensation should be high.

When answering the question about the society's increased inclination to assert claims for loss and damage, 76% agreed with this statement, 6% disagreed, and the remaining 18% of the respondents did not express their viewpoints. Among women one can observe more answers "no opinion". With increasing age proportion of answers confirming this statement was growing, like in case of persons employed or running business activity.

The people who answered "yes" to this question were asked to present their opinions about what factors played a role there (more than one answer could be indicated). The distribution of answers is presented in the Figure 8.

FIGURE 8. THE DISTRIBUTION OF ANSWERS TO THE QUESTION: "WHAT FACTORS AFFECT THE SOCIETY'S INCREASED INCLINATION TO ASSERT CLAIMS?" (MORE THAN ONE CAN BE SELECTED)



Source: Own work.

The successive two questions were supposed to enable an analysis of potential interest in services consisting in supporting the entities dealing with asserting claims, lawyers and other institutions of that kind. Among the respondents, 5% would prefer to assert claims on their own, 12% would decide to use barrister/solicitor services, 19% would choose services provided by a claims management firm. Yet the majority of the respondents makes the decision dependent on the level of the case complexity. Men were more interested in the services of the law firm compensation, while women often indicated no opinion on the matter. With age a higher percentage of respondents would prefer to assert claims independently, but also increased the level of indecisiveness on this issue (answers "it depends...", "no opinion"). Higher than in the other groups percentage of people choosing to use the services of professionals (lawyer or claims management firm) was observed among people running business activity also among those with high incomes (among people with the highest income more often barrister/solicitor were selected, the lower income groups the more frequently - claims management firm). The highest percentage of undecided people appeared in the group of middle income. Claims management firm had been chosen more often by people without cars, people who had personal injury or damage to property and personal injury.

In the case of using representative services when asserting claims for the loss or damage incurred, 70% of the respondents chose the amount payable as the success fee even if it

were ultimately higher than the fee paid regardless of the effect, 19% - the amount (fee) paid in advance regardless of the effect of the case, whereas 11% of the respondents would decide to act on their own without help from the representative. Women are more likely than men to indicate the amount paid in advance. With age, more people chose a commission for the success or decide to act on their own without help from the representative, while younger people more frequently than others pointed to a fixed amount. In case of education, those with secondary education more often than others chose the amount payable in advance. People that do not have children (a group dominated by women) chose a fixed amount, while those with children the more frequently chose a commission depending on the results or decide to act on their own without help from the representative. People working or running a business the more frequently than the others chose a commission based on the result, just people with high incomes, while those with low incomes the more frequently pointed to a fixed amount. Holders of vehicles the more frequently decided on a commission independent or decide to act on their own without help from the representative. To the amount paid in advance were more convinced those who did not have an accident, the least convinced of this form of remuneration were those who had damage to person and property. The commission was chosen by people who have a personal injury and perpetrators, while the percentage of people decided to act on their own without help from the representative claims was highest among those who had damage to property and damage to property and person. People who have damage for which the insurance company was responsible, often decided to act on their own without help from the representative while people who did not have such damage the more frequently chose the amount payable in advance. Moreover, those who were attending in the past compensation from the insurer often decide to act on their own without help from the representative or remuneration in the form of commission dependent on result.

When answering the question aimed at determining the inclination to assert claims in court (“You filed a damages claim and received an amount lower than expected or were refused, the insurance company informed you that you could only institute court proceedings because it would not change its decision. What do you do?”), almost 62% of the respondents said that they would decide to file a lawsuit if the amount which they had a chance to win was significant, nearly 21% would choose a lawsuit regardless of the claimed amount, and over 14% of the respondents would not file a lawsuit, more than 5% of whom would resign due to excessive lengthiness of court proceedings, almost 4.5% - due to costs, over 2.5% - due to emotional aversion, and 2% due to lack of knowledge and reluctance to pay the representative, and nearly 3.5% of the respondents did not express their opinion to this subject. Among the characteristics for which was rejected the hypothesis of independence is worth paying attention to gender, age, economic activity and income. Women were less willing to claim a higher amount. Moreover, with age more and more clearly marked the division between those who have aversion to disputes and “trouble-makers”, i.e. people who, regardless of the amount at issue, would have decided to take legal action (increase response rates in both categories). People who conduct business activities are most likely to claim regardless of the amount, a possible reason for his resignation could be the costs. The percentage of people willing to claim with significant amount in the case of students was higher than for other groups. People with low incomes became less likely to claim than the other groups (resigned because of a reluctance to disputes or excessive length of proceedings), with an increase in income increased tendency to claim. People who have had a traffic accident and thereby damage to property and a personal injury dominated among the answer “yes regardless of the amount” (50% with an average of 21%). Respondents who had a personal injury dominate among the “yes, if the amount is high” (82% with an average of 62%), while those who had damage only to property often indicated “yes, regardless of the amount” and less frequently answer “yes, if the amount is high”. Among those who had damage for which insurer took over liability and people who claims percentage of answers “yes, regardless of the amount” was higher than among those who did not have in the past such damages or

were not claiming, among them higher than for other groups was the proportion of answers “yes, if the amount is high”.

Then it's worth to analyse the distribution of answers to the next question: “Would you be inclined to assert claims if a doctor, a barrister, a tax adviser inflicted damage on you through performance of his/her professional duties without due care?”. Over 1/3 of the respondents (34%) are inclined to assert claims because they believe that a specialist in whose knowledge and carefulness they confide should “pay” for his/her mistakes. The total of 55% of the respondents would be inclined to assert claims in cases such as significant loss or damage (20% of the respondents) and in the situation where they would be strongly convinced that the specialist performed his/her job incorrectly, made a serious mistake. The remaining variants of answers were indicated by 11% of the respondents, 35 of the respondents (5%) would be inclined to resign from asserting claims if they were convinced that the specialist made efforts to perform his/her duties well but he/she failed, 8 persons (slightly more than 1%) would give up claims if they were convinced that these professions are difficult and it cannot be guaranteed that “everything” would be alright, a little more than 0.5% (4 persons) do not like disputes and proving their arguments, and the answer “I do not know” was chosen by 26 persons (slightly over 3.5% of the respondents).

Women turned out to be less willing to claim, if necessary, were willing to claim if considered that the mistake made by a professional was essential. Interesting is the relationship to answer this question with the age of respondents. Percentage convinced to claiming was higher in the age groups 30-60 years, but after 60 years this proportion decreased markedly. Among people with a university degree higher than in the other groups was the proportion of people believing that a professional should pay for mistakes. Similar state is in the case of persons conducting business activity. The smallest share of this variant of answers could be observed among the students, those most frequently indicated that they would be willing to claim in the event of a serious error. Residents of large cities often than others were attending to claims, because they think a professional should pay for their mistakes, residents of medium and small cities would be willing to claim, if they were convinced would be a serious error. Both holders of vehicles, the perpetrator of damage and people who have in the past damage to property and a personal injury are more likely than other groups to claim, because they think that professionals should pay for their mistakes.

The last question concerned the perception of the insurance company as an entity paying for loss or damage. 55% of the surveyed persons answered that the claim amount might be higher because the insurance company was “solvent”, 15% of the respondents stated that it was worth filing a lawsuit because it was easy to win with an institution such as an insurance company, 12% of the respondents were convinced, in turn, that it was not worth fighting for damages because the insurance company had better lawyers and would win, and the answer “other” was chosen by 18% of the respondents. Women were more convinced that in this situation does not had sense to assert claims, while men were more convinced of the fact that from the insurer one can win more win. Person in the age of 40-50 were the most confident that the amount that could be won can be higher, while those aged 50 + were more likely than others convinced that with the insurer it was easier to win. Individuals without children were more than those with children convinced that it is not worth fighting for compensation from the insurance company because it is difficult to win. Respondents conducting business activity were more convinced that it is worth fighting because the insurer is solvent and the amount that can be obtained may be higher. People studying and pensioners were compared to the other groups, more convinced it is not worth fighting with the insurer, since it is difficult to win. The last of the characteristics for which the hypothesis of independence was rejected, was the level of income. People from households with lower incomes per capita were more than the others convinced it is not worth fighting with the insurer.

## Conclusions

Analysis of data regarding third party liability insurance confirms that a significant growth in the value of damages and compensations is observed on the Polish market.

According to the data presented in the second part of the article it should be noted that on the Poland insurance market still grows the value of liability premiums. But it should be also noticed a significant increase in the compensation paid. This is due to increasing customer awareness of insurance companies. Obligation to have liability insurance for making activities in some areas, and the continuous development of professional groups covered by this obligation, also affects the growth in premiums written of liability insurance. On the other hand, it should also taken into account an increased awareness of their rights by persons who needs to have compensation of personal and property damages.

Only in case of motor TPL insurance value of gross claims paid is increasing faster than the value of the premium written. Is important to say, that the value of gross claims paid from other TPL insurance in 2012 is six times higher than in 1999, but in the same time other TPL insurance premium is eight times higher. Although there is still a large increase in compensations, these insurance are still profitable.

However we can suppose that the increase in written premiums also arises from the response to the increase in payments - increased prices adequately to the risks, increase awareness of entities exposed to the liability risk and a higher propensity for insurance cover.

Analysis of survey results allows the following conclusions, in relation to the identified factors determining changes in the liability claims:

- a. *Financial risk is significant in the decision-making process.* We clearly prefer compensation on the success fee basis, even if it were ultimately higher than the fee paid regardless of the effect. This is confirmed also by the indication that the introduction of this formula to the market might result in a significant growth in inclination to assert claims. The certainty/position of the creditor (the fact that it is the insurance company that will disburse the compensation) affects the claim amount and the inclination to assert claims in court proceedings.
- b. *We observe the growth in the inclination to assert claims.* This fact is stated by 76% of the respondents. It is confirmed by a significant percentage of the respondents, who are inclined to assert claims in court proceedings in the case of dissatisfaction with the amount received by the insurance company by way of acknowledgement. Such attitude of potential claimants shows also the inclination to assert claims for the loss or damage inflicted by a specialist when performing his/her professional duties and few of those who would resign as a consequence of recognising good will and level of difficulty of a given profession.
- c. *Inclination growth factors indicated by respondents are convergent with the factors indicated as resulting in the growth in the quantity and value of claims above.* The vast majority of the respondents pointed to a general growth in awareness and knowledge among Poles. The information about damages and development of claims management firms, a greater availability of barrister and solicitor services<sup>1</sup> were also considered significant, but many respondents mentioned also the negative aspect of “financial avariciousness”. Additionally, the use of representative support is dependent on the level of the case complexity. The considerable media influence is confirmed also by the results presented in Table 7 (Appendix).
- d. *It is not an easy balance social solidarity versus interest of the injured party.* It seems that the sense of social responsibility: awareness of social consequences of a growth in disbursement amounts, a growth in premium values on the market, which will

<sup>1</sup> Recently Poland has seen a considerable increase in the number of barristers and solicitors as a consequence of changed rules for access to those professions (cf. Kwiecień, 2011)

additionally encumber all entities at risk and seeking protection, might constitute a certain counterbalance for the inclination to escalate claims excessively. The results of the survey illustrate that this issue is not simple for the respondents either.

- e. *We observe growth in expectations and growth in value (here: value of life).* The study confirms that we want compensation to include also the components considered at times as unobvious in light of freedom of interpretation - both non-property loss or damage, such pain and suffering, or loss of the market value of vehicles. Most people expect higher amounts than awarded on the market in respect of compensation for pain and suffering after a close relative's death. While the compensations awarded by courts oscillate between 50k-250k, over 25% of the respondents stated in the survey that the amounts should be around or above 500k.

Presented Table 7 (Appendix) allows drawing a few conclusions that will allow for generalized the survey results. It enables to indicate the characteristics of respondents who strongly reflect upon their decisions and those that are less relevant to the answers. For example, important for the attitudes presented in the survey have respondent's sex and his professional activity (they impact on 9 of 14 attitudes), and the age and the fact that they already had traffic accident (impact on 8). They are therefore characteristics that need to be known in research on the attitudes of a specific traffic participant to be able to draw assumptions about their attitudes towards submission of compensation. In contrast, place of residence proved to be characteristics, which affect only one attitude.

The analysis of the Table 7 can also be performed in terms of which attitudes are specific to a particular respondent's characteristic. There are also attitudes, which are affected by a large number of characteristics of the respondents. For specific attitudes maybe included, for example, an opinion on the amount of benefits for indirectly injured in the accident. This attitude depends (on the basis of the survey) only of the fact if respondent had a traffic accident in the past, not on of his age, sex, or the professional activity. The study showed the four attitudes that are not dependent on a single surveyed characteristics. There are three opinions: on the amount of benefits after a confrontation with information relating to the amount of the other (model) compensation payments, as well as an opinion on whether the victim should receive a replacement vehicle.

It should also be mentioned at the end of the attitudes that depend on so many characteristics of the respondents, that it is difficult to determine which of them are the crucial. As many as 10 of the 11 characteristics the respondents affect the form of remuneration for the agent in the proceedings for damages (attorney / law firm for compensation). As many as 9 out of 11 characteristics affect the response to whether he or she would use the services of such an intermediary. Also, the decision as to whether the insurer should compensate for the loss of the market value of the car is not an attitude associated with a particular respondent 's characteristic, but is the result of as many as 9 out of 11 characteristics.

In the presented paper has been verified the hypothesis of whether the changes observed on the Polish market can lead to a situation of increased demanding attitudes and increase the value of such claims in the future, as in developed countries. It should be noted that some of the characteristics that describe the respondents are dynamic and the direction of development can be indicated. For example, this feature is the sex of respondent. This should be understood in the sense that from year to year in Poland the percentage of women that drive the vehicles is increasing. Therefore, these attitudes that have characterized women can be more important in future. These attitudes may include those that were indicated in the text: less willingness to recover their claims and a lower amount of it. Another dynamic feature is education. Education of citizens in Poland goes in the direction of higher level education. Such persons in the study indicated that in the case of claims willingly benefit from the services of an intermediary, there were also more likely to pursue claims and were convinced that the professional should pay for mistakes. Another dynamic characteristic may be the a traffic accident experience. Due to the fact that the automotive market in Poland is developing and the number of road users is increasing, is

also the number of people who will be involved in road accidents and are injured, may increase. People who in the past had a car accident were clearly more confident that the compensation for pain and suffering should be covered by the insurer, and asked about the value of benefits that should be paid, showed the highest values. Among those people who showed the highest amount of compensation dominated people who had experienced personal injury. People who have had an accident, particularly damage to property and personal injury and only personal injury are convinced of the need to pay high compensations, while those who had no damage often were against high amounts.

Therefore three sample characteristics of the respondents, which are gaining in importance has been indicated. Although the first of these (sex) could suggest a not unambiguous development of demanding attitudes, the next two (education and experience related to the accident communication) almost clearly give evidence to believe that changes in the Polish market, as well as in Britain or the United States, lead to a larger number, the higher amounts of compensation.

Such results and conclusions confirm our hypothesis that changes in the attitudes of the injured parties are noticeable and may affect the growth in the number and value of liability insurance claims, as was the case in more developed economies. However authors are aware of the analysis presents a certain moment in the study and are conscious of that this type of survey, should be done again. Firstly, just to examine a representative group of people, and secondly (maybe cyclically), just to be able to verify that the attitude displayed by the respondents are changing and whether their direction is in line with forecasts.

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## Appendix

TABLE 6. THE DISTRIBUTION OF ANSWERS TO THE SURVEYS QUESTIONS

Question	Answer variants	No. of answers
"Should - in the case of damage to vehicle - the perpetrator or his/her insurance company pay the costs of hiring a replacement vehicle?"	ALWAYS because you cannot use your own vehicle	396
	Only when the vehicle is used for profit-oriented/professional activities	42
	Both when the vehicle is used for profit-oriented/professional activities and when it is indispensable in private life	114
	NEVER	15
"Should - in the case of damage to vehicle - the perpetrator or his/her insurance company pay for the loss of the market value of the vehicle (a repaired vehicle might be worth less on the market than if it had not required repair)"	Yes, always	310
	Yes if the vehicle is relatively new	115
	Yes if the loss or damage is serious	133
	NEVER	16
"Should the perpetrator or his/her insurance company pay for pain and suffering of a close relative of the person deceased in an accident?"	Yes	315
	No - only lost profit and maintenance costs should be covered	121
	I do not know	131
"What one-off amount is in your opinion appropriate (in the Polish reality) for compensating the injury (pain, suffering) arisen as a result of the closest relative's death (spouse, child) in an accident?"	PLN 50k	33
	PLN 100k	78
	PLN 200k	69
	PLN 300k	50
	PLN 500k	75
	Over PLN 500k	71
	Other	45
"Should the awarded amounts of damages for bodily injuries be high if they affect the insurance premiums paid by all insurance policy buyers?"	There should be no compensation for pain and suffering	145
	Yes because the interest of injured persons is more important	229
	No because I think it would unfairly encumber all policy buyers by increasing their premiums	212
"What factors affect the society's increased inclination to assert claims?" (more than one can be selected)	I do not know	126
	Information in the media and other sources about damages in Poland	272
	Development of the claim management firms	237
	Greater availability of barrister/solicitor services	113
	General growth in awareness and knowledge among poles	343
	Financial "avariciousness"	114
"Would you - in the case of loss or damage - prefer to assert claims...?"	Other	9
	On your own	23
	Using services of the claim management firm	98
	Using barrister/solicitor services	60
	It depends on how complex the case would be	324
"You filed a damages claim and received an amount lower than expected or were refused, the insurance company informed you that you could only institute court proceedings because it would not change its decision. What do you do?"	I do not know	4
	I decide to file a lawsuit regardless of the claimed amount	118
	I decide to file a lawsuit if the amount which I have a chance to win is significant	350
	I decide not to file a lawsuit due to costs	25
	I decide not to file a lawsuit due to excessive lengthiness of court proceedings	29



TABLE 6 (cont.). THE DISTRIBUTION OF ANSWERS TO THE SURVEYS QUESTIONS

	I decide not to file a lawsuit due to emotional aversion (I do not like disputes and do not want the case to be publicised)	15
	I decide not to file a lawsuit due to lack of knowledge and I do not want to pay the representative)	11
	I do not know	19
"Would you be inclined to assert claims if a doctor, a barrister, a tax adviser inflicted damage on you through performance of his/her professional duties without due care?"	Yes, because I believe that a specialist in whose knowledge and carefulness I confide should "pay" for his/her mistakes	248
	Yes, if I considered the loss or damage significant	144
	Yes, but only if I was strongly convinced that the specialist performed his/her job incorrectly, made a serious mistake	252
	No, if I was convinced that the specialist made efforts to perform his/her duties well but he/she failed	35
	No, because I think that these professions are difficult and it cannot be guaranteed that "everything" will be alright	8
	No, because I do not like disputes and proving my arguments	4
	I do not know	26
"What, in your opinion, is affected by the information that the loss or damage will be paid by the insurance company and not the perpetrator himself/herself?"	The claim amount might be higher because the insurance company is "solvent"	313
	It is worth filing a lawsuit because it is easy to win with an institution such as an insurance company	83
	It is not worth fighting for damages because the insurance company has better lawyers and will win	67
	Other	104

TABLE 7. RESULTS OF THE CHI-SQUARE TEST OF INDEPENDENCE AT THE SIGNIFICANCE LEVEL  $\alpha = 0.03$ 

Question / characteristics	Gender	Age	Education	Marital status	Professional activity	Place of residence	Net income per capita in a household (in PLN)	car / motorbike	Traffic accident in the past	Damage in the past	Claiming for damage
"Should - in the case of damage to vehicle - the perpetrator or his/her insurance company pay the costs of hiring a replacement vehicle?"	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
"Should - in the case of damage to vehicle - the perpetrator or his/her insurance company pay for the loss of the market value of the vehicle (a repaired vehicle might be worth less on the market than if it had not required repair)"	R	R	NR	R	R	NR	R	R	R	R	R
"Should the perpetrator or his/her insurance company pay for pain and suffering of a close relative of the person deceased in an accident?"	R	NR	NR	NR	R	NR	NR	R	R	R	R
"What one-off amount is in your opinion appropriate (in the Polish reality) for compensating the injury (pain, suffering) arisen as a result of the closest relative's death (spouse, child) in an accident?"	NR	NR	NR	NR	NR	NR	NR	NR	R	NR	NR
"In 2007, the court awarded 50k to a female singer as damages for her naked photos from holiday."	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
"Families of the Smoleńsk disaster victims have received damages of PLN 250,000 per each close relative as a result of settlement."	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
"Should the awarded amounts of damages for bodily injuries be high if they affect the insurance premiums paid by all insurance policy buyers?"	R	R	NR	NR	R	NR	R	R	R	R	R
Do you think that in Poland in recent years increased the tendency of society to redress for the damage?	R	R	NR	NR	R	NR	NR	NR	NR	NR	NR
If you answered yes to the previous question, "What factors affect the society's increased inclination to assert claims?" (more than one can be selected)	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR	NR
"Would you - in the case of loss or damage - prefer to assert claims...?"	R	R	R	NR	R	NR	R	R	R	R	R
If you came of claims for consequential damage and would like to use the assistance of an adviser / attorney WHAT form of his remuneration would you prefer...	R	R	R	R	R	NR	R	R	R	R	R
"You filed a damages claim and received an amount lower than expected or were refused, the insurance company informed you that you could only institute court proceedings because it would not change its decision. What do you do?"	R	R	NR	NR	R	NR	R	NR	R	R	R
"What, in your opinion, is affected by the information that the loss or damage will be paid by the insurance company and not the perpetrator himself/herself?"	R	R	NR	R	R	NR	R	NR	NR	NR	NR
"Would you be inclined to assert claims if a doctor, a barrister, a tax adviser inflicted damage on you through performance of his/her professional duties without due care?"	R	R	R	NR	R	R	NR	R	R	NR	NR

R - hypothesis REJECTED

NR - hypothesis NOT REJECTED