

# Brethertons BIG FAQs Series

## Legal Expenses Insurance

When you first engage a solicitor to help with your spinal cord injury claim they will almost certainly mention legal expenses insurance to you. Legal expenses insurance may be something you already have in place, or more likely will be something you need to put in place. No Claimant should pursue a spinal cord injuries compensation claim without legal expenses or some other suitable protection that can indemnify them for costs they might otherwise face having to pay from their own pocket and irrespective of the outcome of the case.

### Who needs legal expenses insurance?

If you do not have trade union funding that will cover your legal expenses, (and often even if you do) you will need legal expenses insurance to pursue a spinal cord injuries claim. If you do not wish to fund the disbursements involved in pursuing your case (that is expenses separate of the legal fees – for example fees for experts or Court fees) as the case progresses - risking not recovering that outlay (particularly if your case is unsuccessful); and if you do not wish to have to pay your opponent's costs incurred in the time between when they make an offer to settle your case that you reject but then fail to better at some later point, you need legal expenses insurance to pursue a spinal cord injuries claim.

### What is legal expenses insurance?

Legal expenses insurance is a type of insurance policy that indemnifies (that is protects) you in circumstances as described above where without that protection you would be liable to pay often considerable (potentially six figure) sums in the event those circumstances arose. All claims are likely to involve incurring disbursement expenses and all claims involve at least the risk that an offer might be made that you reject and then fail to beat. Legal expenses insurance is the safety net that your solicitor will ensure is in place to protect you from what otherwise might be financial ruin for most.

### Why is legal expenses insurance important?

Without legal expenses insurance the costs involved in pursuing spinal cord injuries litigation and the risks any litigant takes when pursuing the claim (as outlined above); would be too significant for anyone to be advised to contemplate bringing a claim for compensation.

### Where can I obtain legal expenses insurance from?

Sometimes people are sold (or given) legal expenses insurance before they are injured – perhaps with a motor or household insurance policy or there may be similar cover with a credit card, bank, or travel insurance arrangement. Often that pre-arranged insurance is not considered suitable for spinal cord injuries litigation, and you may well be advised that an after the event legal expenses insurance is suitable (the event being the injury to which the claim relates). We use brokers to survey the legal expenses insurance market periodically and we ensure that any policy we can assist you to put in place is competitively priced and carries sufficient indemnity to meet your needs. We do not have any financial interest in recommending any insurance product (or indeed any other service we may recommend) as being suitable to you.

### When might I need to rely on legal expenses insurance?

If your case is unsuccessful any disbursements incurred (expert fees, court fees etc) fall to be paid even though our fees are essentially written off. The legal expenses insurance arrangement will indemnify you and pay those fees for you. Similarly, if you reject an offer but fail to beat it and then find you are ordered to pay your opponent's costs from the time the offer was made, provided that you have complied with the terms of the policy, the legal expenses policy can be called upon to protect you and will discharge those fees so you don't have to.

## How do I pay for legal expenses insurance?

The premium for a legal expenses policy can be a significant sum, but it is potentially protecting you from several hundred thousand pounds of exposure. After the event legal expenses insurance tends to work on a no win no premium basis. If your claim is unsuccessful the premium does not fall to be paid. If your case is successful - save in exceptional circumstances (that is save for clinical negligence claims where part of the premium can be recovered from your opponent) - the premium payable falls due when your case ends. It is usually paid from compensation recovered or otherwise payments made on account of costs by the defeated opponent.

If you would like any more information or have any questions, please contact:

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