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Dear Ms. Wayne,

We appreciate you spending time to meet with us and go over the specifics of your personal injury claim. We provide you clear, thorough guidance to lead you through every stage since we know that seeking legal action may be a difficult and occasionally overwhelming procedure.

A key component of the litigation process is the funding of personal injury claims. We want to make sure you know how each arrangement will operate, what obligations you might have, and what protections will be accessible to you. Knowing that your legal expenses will be controlled in a way that fits your best interests will help you to move forward with assurance.

1.Funding Choices

In personal injury lawsuits, there are numerous funding sources accessible:

Conditional Fee Agreement (CFA)

The SRA Code of Conduct 2017 (SRACC 2017) outlines the information a party's legal representative shall provide to the client regarding the firm's services, including expenses.

- Often referred to as a "no win, no fee" agreement, a Conditional Fee Agreement (CFA) will let you avoid paying our fees should your claim be denied. Unless you have insurance covering some expenses such as medical expert reports, court issue fees, other expert reports, you could still have to pay for some.
- The main terms of this agreement are that, should the claim be successful, you will be obliged to pay our fees as well as an extra "success fee. In your situation, should you choose this option, the success fee will be 100% of our base charges. A 100% success fee is legally allowed nevertheless, it must follow (Section 58 of the Courts and Legal Services Act 1990.) Except for past losses and future care and loss of income, the charge is limited at 25% of the client's damages for pain, suffering, and loss of amenity (PSLA) under (The Conditional Fee Agreements Order 2013).
- Success fee cannot be recovered from the losing party. It will be deducted from your compensation. (Legal Aid, Sentencing and Punishment of Offenders Act 2012). This implies that the total charge you will be required to pay will be twice the base costs if you are successful in your claim. It is crucial to acknowledge that our organisation will not be able to recover its base costs from the compensation you receive under this agreement, as they are incorporated into the terms of the CFA (Jones, M. A. 2020).

After the event insurance (ATE)

After the Event Insurance (ATE) is highly advised given the possible doubts about the other driver's insurance. This kind of insurance is meant to protect you from the possibility of having to pay the legal expenses of the other side should the claim be denied. In your scenario, the ATE insurance's projected cost comes to about £500, which you would have to pay upfront. Although this represents an additional expense, it offers you financial protection if the claim fails. (Carey, D. L. 2019).

In personal injury claims "loser pays". That is should you lose, you could be accountable for the defendant's legal expenses. Still, most times Qualified One-Way Costs Shifting (QOCS) offers protection. QOCS caps a claimant's obligation for the defendant's costs under CPR 44.13-44.17. Unless an exception exists, you usually do not have to cover the legal expenses of the other side should you lose.

Legal expenses insurance (LEI)

You said that you had home insurance, hence we would suggest you find out if Legal Expense Insurance (LEI) is included in your policy. Should a valid claim be made, this kind of insurance could pay your legal fees and disbursements. Should you have before the event insurance (BTE), your legal expenses for a personal injury claim could be covered. You should verify though, whether the coverage addresses personal injury claims. Some policies just cover particular kinds of situations. Certain insurers ask applicants to use their panel of solicitors. Often with a maximum cover amount, BTE plans might not cover your case completely. Some claims e.g., minor injuries might not be covered. You might not need Conditional Fee Agreements (CFA) or After the Event (ATE) insurance if you have a valid BTE insurance, since your insurer would cover all your legal bills. If you are unsure about the coverage, we can assist you in reviewing your policy. (Merkin, R. 2017).

Membership in Trade Unions: Benefits

You could be entitled to legal help for your personal injury claim if you belong to UNISON. Legal help is provided by many trade unions to their members, which could include access to legal counsel or paying of claim expenses. To find out whether UNISON may assist with funding your claim, I advise you to immediately contact them.

You should carefully review the provisions as trade union legal cover usually only covers work-related injuries. Does it cover personal injury claims unrelated to employment? While some unions cover events outside of the workplace (such as road traffic accidents), many exclusively help with workplace accidents. Certain union rules mandate that members utilise their own panel of solicitors rather than their own. Certain policies could limit the insured amount or exclude specific charges (e.g., disbursements, ATE insurance). Before becoming qualified for legal help, several unions want members to have spent a designated term (one year) with them. Compare the legal cover of the union with CFA and ATE insurance. You might not need a CFA if UNISON pays all legal expenses.

Should UNISON's protection not apply in your case, you might pay your claim using a CFA with ATE insurance.

Individual Funding

Another choice is private finance, whereby you would pay for the legal expenses straight from a loan or from savings. With costs ranging from £5,000 to over £20,000 including attorney fees, court fees, medical reports, and barrister fees, a personal injury claim can be costly. Under a Conditional Fee Agreement (CFA), an initial consultation might be free.

Further expenses, including medical expert reports (£750–£2,500), court issue fees (£ 455–£10,000), and disbursements (£100–£500), can soon mount up. Should you lose and Qualified One-Way Costs Shifting (QOCS) not apply, you may also be liable for the legal expenses of the opponent, running into thousands. Your £2,000 funds are not enough given these expenses to cover, even the minimum requirements for a claim. Should you self-fund, solicitor fees by themselves may be more than £5,000. Should the matter go to trial, total expenses could potentially run £20,000 or more. But unless your financial circumstances alter, I would not advise this path considering your modest disposable income and £2,000 savings. (Carey, D. L. 2019)

2. Responsibility for Legal Fees and Expenses Under Various Funding Sources

Under CFA financing

Should your claim be successful, our firm will bill you our basic expenses, which will be liable to a 100% success fee. You shall be liable for fully covering the legal expenses in line with the compensation.

Cost expended throughout the lawsuit process such as court expenses, expert witness fees and ATE insurance premium are known as disbursements. Whether upfront or as part of the total settlement, you will be liable for these expenses. Should you choose to go with this alternative, the ATE insurance premium would be £500, which you will be obliged to pay.

Should a valid claim be made, the defendant may be required to pay some or all the expenses. These sums are usually inadequate to cover the whole cost of the legal work done. Protecting your financial interests thus depends critically on the success fee and ATE premiums.

Should the claim be denied, this insurance guarantees you are not accountable for the expenses of the opponent.

Subject to agreement, if your claim is successful the ATE insurance premium can be recovered from the defendant as part of your damages. You will forfeit the £500 premium should the claim fail.

Liability Under Other Choices (such as trade union funding or legal expenses insurance)

Should you decide to seek financing through Trade Union Membership or Legal Expenses Insurance (LEI), the cost liability may differ. Usually covering most of the expenses related to the claim, legal expenses insurance is important to know the coverage limitations and any extra or policy terms before starting the process.

Given your financial circumstances, I would counsel that we move forward with an After the Event Insurance (ATE) and Conditional Fee Agreement (CFA). This would give you financial protection should the claim be denied and enable you to seek your claim free from upfront legal expense payment. Although you would have to pay for the ATE insurance, its estimated cost is £500, which would save you from bearing the other party's expenses.

Please do not hesitate to contact me should you choose to move with this arrangement or have any more enquiries.

Yours sincerely,
Andrew Newman

After Ms. Wayne confirmed she would proceed with her personal injury claim, I detailed the actions to start the process and any action necessary.

Following the Pre-Action Protocol for Personal Injury Claims (Part 8 of the Civil Procedure Rules CPR) guarantees compliance with procedural rules and maximises the possibilities of settlement without the necessity of court intervention before starting official court procedures.

1. Write a claim letter.

Sending a Letter of Claim to the defendant or if known their insurer. This letter must contain:

Details of the case's events.

Specifics of the damage including medical proof.

A statement of the defendant's offence.

A request for insurance coverage confirmation since it is not known whether the other vehicle's driver is insured.

Under CPR 7.2, the defendant has 21 days to admit receipt of the claim and another 3 months to investigate and respond with their choice to admit liability or challenge the claim.

1.2 Acquire Medical Data

Gathering medical data that records Ms. Wayne's injuries will help to strengthen the case. One should have a medical expert's assessment to specify her degree of injuries and any long-term effects. This helps one to decide the suitable pay scale. The Civil Procedure Rules (CPR) handle the need to gather medical evidence in personal injury claims which controls the use of expert evidence including medical expert reports.

1.3 Look at the defendant's insurance situation.

It is advisable to investigate the insurance situation of the defendant as it is not yet known whether the other motorist is insured. Either personally contacting the defendant or should their details remain unknown, consulting the Motor Insurers Bureau (MIB). If the defendant is uninsured, the claim may still proceed through the MIB, though the process may differ slightly. (Birds, J. 2014).

2. Authorising Activities

The next action is to start official court processes should the defendant reject responsibility or neglect to settle the claim within a reasonable period.

Form for a Claim:

Starting the claim formally is done by sending a N1 Claim Form (CPR Part 7). The assertion must be:

a clear declaration of the type of the claim (personal injury).

The claimed pay scale.

Details and insurance records of the defendant.

Settlement Discussions

Often it is advisable to try to settle via negotiation before starting lawsuit. One may accomplish this informally or using official Alternative Dispute Resolution (ADR) techniques like mediation. Before starting procedures, settling early should be given some thought since it will help to lower the expenses and claim processing time. Before moving on to a trial, court encourages participants to try to resolve conflicts by means of negotiations or ADR.

Proceeding with Ms. Wayne's personal injury claim calls for:

Noting a claim in a letter to the defendant.

Getting medical data to back up the declaration.
Looking into the defendant's insurance situation.
Before starting procedures, one should consider settlement alternatives.

References:

Jones, M. A. (2020). *Personal Injury Litigation*. 10th ed. London: Sweet & Maxwell.
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