

Employers' and Public Liability Insurance

Jackson Reforms 2013

Civil litigation

The Jackson reforms

Recently enacted legislation is about to change the way in which Employers' liability and Public liability claims are handled. Part of the legislation will reduce the costs that claimant's solicitors can charge for handling their client's claim. To take advantage of these reduced costs our brokers, our policyholders and not least Sportscover must be ready to investigate claims much more quickly.



The changes!

- Those changes relating to the introduction of fixed fees will become effective from the end of July.
- Claims of a value of up to £25,000 will be transacted electronically over a web based system known as the portal.
- Solicitors will report claims direct to insurers via the portal (currently only motor claims are dealt with in this manner) and insurers will acknowledge and respond on liability to the claimant's solicitor by the same method. There will however be occasions when the identity of the insurer is not known.
- There will be fixed costs for EL and PL claims as long as they are handled by insurers within the portal, which means complying with certain time frames. The fixed costs are shown below.
- The onus will be on the solicitor to find out who the insurer is before a claim is submitted.
- If the claims "drop out" of the portal the claimant solicitors will be able to bill insurers at a higher rate which will significantly increase claims costs and loss ratio and ultimately affecting the policyholders' premium.

Why the need for reform?

The Ministry of Justice was concerned that spiralling claims costs to insurers and employers, were resulting in increased premiums. The M.O.J. carried out a very wide ranging review of the civil litigation process and introduced measures to combat the "compensation culture".

Part of the outcome of the review was to make lawyers costs proportionate for the larger claims and to introduce a fixed fee regime for the lesser valued claims, up to £25,000 in value.

Fees within the portal

Cover class	Claim value £1k - £10k		
	Stage 1	Stage 2	Stage 3
Motor	£200	£300	£500
EL / PL	£300	£600	£900

Cover class	Claim value £10k - £25k		
	Stage 1	Stage 2	Stage 3
Motor	£200	£600	£800
EL / PL	£300	£1300	£1600

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What will this mean for our brokers and policyholders?

- There will be many more requests from claimant solicitors for insurer details.
- Where one of our insureds receives a claim notification "CNF" from a solicitor there is a time limit of 1 day for a response to be returned to the claimant solicitor advising who the correct insurers are and to also forward a notification to Sportscover. The CNF will explain the steps to be taken.
- Forward the CNF on the day of receipt by e-mail to your broker.
- Brokers are then to immediately send a reply to the claimants solicitor with a copy to insurers. Again communication should be by e mail
- Once a reply has been sent to the claimant's solicitors the claim will be dealt with by means of the portal and at that stage our policyholders will have no further tasks to undertake. It is very likely that a loss adjuster will be appointed by Sportscover to contact our insured at a later date.
- If the time scale mentioned is not adhered to it is likely that the claimant solicitors will take steps to deal with the claim outside of the portal and costs will therefore increase, ultimately affecting the policyholders' claims experience.

What do you need to do next?

- Send this message immediately to all of your Sportscover clients. All of our clients should be aware of the changes, the timescales involved and the steps that need to be taken.
- Request that they respond immediately to any requests from Solicitors for Sportscover's contact details. Policyholders can either do this direct or forward the correspondence, without delay, to you to respond on their behalf. This means that our policyholders and you as their broker need to check your mail on a daily basis for claims notifications..
- Make sure that Sportscover is immediately notified of all new claims.

What will Sportscover be doing?

- In addition to forwarding this message to you for onward transmission to all of our clients, we will be attaching a note to all forth coming renewals reminding each of our insured's of the importance of an immediate response to any claim request received from a solicitor.

We will be encouraging our

- policyholders to add an insurance message to their websites – alerting solicitors to the fact that Sportscover are the insurers who need to be contacted. This does not absolve you from responding to any requests you receive from solicitors.
- Responding to claims requests on the portal, appointing adjusters and where ever possible making a decision on liability in the time frame allowed, thus keeping costs to a minimum.

We are here to assist you and provide advice on the new procedures, we would however ask that you do one thing, and that is to respond to all claims requests for contact details for Sportscover without delay.

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