

Legal expenses insurance

A guide to legal expenses insurance



Overview

Legal Expenses Insurance (LEI) is a form of insurance that funds the cost of legal advice and/or legal proceedings.

It can be very valuable, funding costs of up to £50,000 and, on some policies, £100,000 worth of legal fees. Such insurance can enable you to pursue a claim when you otherwise would not have been able to afford to do so. This is particularly so in the Employment Tribunal where generally each party bears its own costs. We can work with your LEI provider to get the cover in place and for the duration of your case.

How will I know if I have it?

You can buy singular policies for LEI however, most are add ons to home buildings or content insurance policies. You may not even know you have this add on, so it is always worth checking your policies to see.

If, having checked your policy, you are still unsure then it is best to give your provider a call and ask them to confirm whether you have this cover.

What will the provider cover?

This can vary from policy to policy so you should refer to your individual documents but will usually cover the legal costs (including court fees and barrister costs) for you to pursue a claim relating to your employment up to a maximum value which is usually £50,000 or £100,000. However, the general position is that the provider will require you to have exhausted any internal procedures your employer has before cover can begin. Also, some policies will only cover claims in the employment tribunal and not in the civil courts.

Having LEI as part of your policy does not mean that the provider will definitely cover your legal costs. Usually a provider will want to see that your case has reasonable prospects of success and sufficient financial value. This is something we can help with and liaise with your provider on.

What if my provider has panel solicitors that they want me to use?

Your insurance provider cannot compel you to use their panel solicitors. An individual has the freedom to choose their own solicitor. However, this right only arises when legal proceedings are issued and so you may be required to use the panel solicitors up until this point. If this is your insurer's position then please let us know as we are very experienced in negotiating with insurers and in the past have been successful in securing permission to act and have our fees paid before legal proceedings have started.

Some insurers initially offer to meet solicitors' fees at a rate lower than our normal hourly rate. We have a

lot of experience of negotiating our rates with insurers and when getting cover in place for you, will do our best to get our normal hourly rates covered.

What if I do not want to bring a claim?

We would still advise that you check whether you have LEI. It is always preferable to negotiate a settlement if possible rather than commencing legal proceedings. However, it is useful for you in planning your strategy and approach to negotiations and your matter generally to be aware of any funding options available to you.

What should I do next if I do have it?

Once you have confirmed that you do have LEI, you should let us know. We can then assist you with the initial steps needed to get cover in to place. If the cover is not needed immediately then we can update your file with this information and keep under review if and when an application for cover needs to be made.

Contact us:

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