

The Woolf Reforms

Jim Ryan & Mike Falcone

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Mike Falcone

Agenda

- Overview
- Objectives
- Three Track System
- Shortened Timescales
- Implications for Insurers
- Update on What's Happening
- Conclusion and Discussion

Overview

- The most fundamental change in English and Welsh legal system in over 100 years.
- Who is Lord Woolf?
- What is his report?

Objectives

- Litigation avoided if possible.
- Expenses are reduced.
- Delays in obtaining a claim settlement are minimised.
- Both parties are on an equal footing.
- The process is fair and is proportionate to the complexity and importance of the claim and the amounts involved.
- The courts' limited resources are allocated appropriately.

Three Track System

The Reforms contain a three track system based on financial thresholds:

- The small claims track, (where bodily injury costs are less than £1,000 and total costs are below £5,000);
- The fast track, (total cost of no more than £15,000 and the trial is likely to last less than 1 day with expert evidence being limited);
- And the multi track.

Shortened Timescales

Procedure	Old Timescale	New Timescale
Response to initial letter	N/A	7 days
Rejection of expert	N/A	14 days
More detailed reply to notice letter of claim	N/A	21 days
Investigate and reply regarding liability	N/A	3 months (exclusive of 21 days)

Implications for Insurers

- What happens if you miss the timescale?
- What happened the last time significant changes were made to the way solicitors were compensated?
- 1996 small claims arbitration.

Update on What's Happening

These reforms have been in place for 5 months now

- What are we seeing in the market?
- What are you seeing in your claims department?
- What are the implications for actuaries?

Conclusion and Discussion

- These reforms should have a significant impact on insurers - insurers who are not managing to hit all of these timescales will be at a significant disadvantage as solicitors whose fees are under pressure will be more likely to select against these insurers when handling claims.
- General discussion to follow.