The Woolf Reforms

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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

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Old Timescale</th>
<th>New Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response to initial letter</td>
<td>N/A</td>
<td>7 days</td>
</tr>
<tr>
<td>Rejection of expert</td>
<td>N/A</td>
<td>14 days</td>
</tr>
<tr>
<td>More detailed reply to notice letter of claim</td>
<td>N/A</td>
<td>21 days</td>
</tr>
<tr>
<td>Investigate and reply regarding liability</td>
<td>N/A</td>
<td>3 months (exclusive of 21 days)</td>
</tr>
</tbody>
</table>
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.