

Taking centre stage in 2016

What should those operating in the claims industry be most aware of in 2016 and why?



Previously we've already discussed the benefits of B2B collaboration in the claims industry and our recent contract successes are a testament to the fact that successful collaborative partnerships will be key to successful claims handling in 2016. However, the elephant in the room – direct access – is increasingly a reality in the claims market.

In an age where clients' compensation funds often pay for litigation, the rise of the savvy legal consumer who is prepared to shop around and demand value for money is here. For many, the idea of legal representation is key – whether the professional is qualified as a solicitor, paralegal, CiLEX or even (*LIGHTSBLUETOUCHPAPER*) a barrister.

Like it or not, claims professionals at the Bar are being marketed directly to the consumer and clients are happy and willing to pay for their legal support. Albeit I'm talking about a smaller percentage of the overall claims consumer base at present but with slick marketing campaigns and numerous marketing partners, the fight to deliver professional and value-for-money legal advice to consumers (in the way they want it) is well and truly on.

Yet this isn't simply a game of '*us v them*'. Clerksroom Direct, (comprised over 1000 public access barristers from 150 chambers across England and Wales) for example, works closely with and to the benefit of many UK law firms.

We have referred hugely valuable claims to departments as we identify cases that demand an experienced solicitor. This is our regulatory obligation – one we take seriously as it's in the best interest of the consumer. It's also a benefit to the many high profile practices we work with. For consumers, it offers more control, greater clarity of fees and wider alternative options to seek resolution to their claim.

Another 'one to watch' is the role of mediation in the claims process. Clerksroom Mediation is increasingly called upon to manage ADR for claims as the market becomes more restrictive, less profitable and as consumer choice takes the lead in defining the claims process.

We are a long way off either of these solutions catching up with traditional claims litigation but as both consumers and the legal sector face increasing constraints over fees, the impact of collaboration, alternative legal representation and ADR will increasingly drift towards centre stage over the next 12 months.

Stephen Ward, Managing Director, Clerksroom Direct.

Don't switch off

How should the PI sector react to the Chancellor's statement regarding the lift in small claims limits for PI to £5,000?



The fivefold increase to £5,000 is a bombshell and even more challenging is the removal of compensation for minor soft tissue injuries. It will impact on the sector significantly if not potentially catastrophically and it will be disastrous for Claimants too. How will the Courts also cope when the system is already under significant pressures?

Factoring in the impact on profitability, including the current cost of case acquisition, the proposed changes are at risk of becoming a market exit 'no brainer' for PI firms.

The vast majority of RTA Portal claims each year fall into the £1,000 to £5,000 bracket. For volume firms, the £5,000 limit could affect as much as 75 to 85% of the business across RTA, EL & PL. This will impact on ATE and BTE providers, as well as potentially impacting on case acquisition schemes.

Now is not the time to be isolationist in the sector. Sharing of data and knowledge is critical. The re-start of the Access to Justice Action Group ("AJAG") is a fundamental foundation to unify strategy and approach to the reforms. (AJAG@ralli.co.uk)

The key is to focus NOW rather than sit back and wait. Firms need to look at re-modeling and understand the impact. Access to sophisticated processes and key case data trends is more critical than ever.

The voice of the Claimant must also be heard but a large part of this is educating the public of what the changes mean for them. This is not an easy task coming from lawyers.

The PI sector's reaction needs to be structured, LOUD and relentless. There is an urgency required to any response and sadly this Christmas it is not a time to switch off and wait until to see what the New Year brings.

Zoe Holland, Managing Director, Zebra LC.