



Ministry of  
**JUSTICE**

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### **Low Value Road Traffic Accident Personal Injury Claims**

I am writing as Duty Minister for the Minister for the Ministry of Justice during the Summer recess, on behalf of Bridget Prentice, the Minister responsible for civil law and justice. As you are aware, the response to consultation paper '*Case track limit and the claims process for personal injury claims*' indicated that a new streamline claims process would be established for road traffic accident personal injury claims valued between £1000 and £10,000. The new process would provide for early notification of claims; promote early admissions of liability and early settlements; and remove duplication of work from the process. Since publication the department has been working with both claimant and insurer representatives to agree the process and the associated fixed recoverable costs for each stage.

The parties have reached broad agreement on the detail of the new scheme. This will reduce the time taken to settle disputes by setting fixed time limits and costs for settling less complex claims. It will also be a significant step forward in helping victims of car accidents receive justice through compensation quickly and simply

Ministers are grateful to the Civil Justice Council who have mediated an agreement between claimants and insurers on the fixed recoverable costs which will depend on which stage of the new process each case reaches. The agreed fixed costs are:

- £400 for Stage 1 (the claimant solicitor completes the claim notification form and sends it to the insurer who may admit/deny liability);
- £800 for Stage 2 (where liability is admitted, the claimant obtains a medical report and the process continues with offers and negotiation of a settlement to a strict timetable); and
- £250 paper hearing / £500 oral hearing for Stage 3 (where the parties cannot agree a settlement and the case goes to court).

The Civil Procedure Rule Committee sub-committee will work officials to work to bring forward draft rules, practice directions and pre-actions protocols to implement the new process with a view to implementing in April 2010.

Yours faithfully

**MICHAEL WILLS MP**