



Commercial ATE Insurance – a brief outline for clients

What is Commercial ATE?

Commercial 'After The Event' insurance can be taken out by the Claimant in a legal action to cover the defendant's costs, own party disbursements and possibly some own solicitor's costs in the event that the case is lost and an award of costs is made against the Claimant. It is usually used in conjunction with a conditional or part conditional fee agreement with the Claimant's solicitor.

How does it work?

- Your solicitor will complete a Proposal Form outlining for insurers your case and why they think it is suitable for ATE insurance. They then submit this with estimates of the likely fees to the insurer.
- The insurer will then undertake an assessment of the case and may seek further information from your solicitor.
- Insurers aim to offer terms (or decline) within ten working days of receipt of all the information requested.
- Once the insurer has sufficient information he will either offer or decline to offer terms.
- Should you receive an offer of terms you will have five working days to accept that offer. Should you not accept within this period the offer will be withdrawn and no further offer will be forthcoming.
- Usually no premium is required to be paid by you but should a deposit be required it may be up to 10% of the premium. A deposit is only normally required where the case is close to trial or if there is any uncertainty that the defendant will be able to meet the award and costs in the event you are successful.
- The premium is payable on settlement or on an award by the court and is paid by the losing defendant along with your solicitor's costs and disbursements.
- In the event that you lose your case, no premium is payable and the insurer meets the costs described under the terms of the insurance policy.
- Premiums are staged so that large discounts apply if the matter is settled early in the proceedings. This encourages early settlement.

There is always a risk in legal proceedings and ATE insurance removes the risk of being faced with the costs in the action.