

# Circular

**CIRCULAR TO ALL MEMBERS**

**Ref: 2012/04**

July, 2012

## **Effective Management of Claims and Control of Costs**

The Managers' Value for Money ("VfM") programme was introduced with the specific aim of ensuring that best practice was applied in the handling of cases by third party service providers and also to improve the cost effectiveness of the services provided. There are a number of key VfM requirements however two are critical;

1. Case Assessment Report ("CAR"): These CAR are to be prepared by the service provider and should set out the key issues in a case and the proposed action to be taken. It is important that a CAR is produced in the majority of cases and should be updated in a timely way as a case develops.
2. Estimating: As a legal costs insurer a proper and accurate assessment of the likely costs of a potential course of action is absolutely critical. If it becomes apparent that an estimate is likely to be exceeded then the service provider must bring that to the attention of the Managers at the earliest opportunity along with a detailed explanation as to the reasons for any overrun.

The Directors place great store in the proposed steps to be taken in any particular case and the costs to be incurred. Both are relevant factors, pursuant to Rule 3 of the Association's Rules, in determining support for any given case. The Directors' have become increasingly concerned of the number of cases where estimates have proved inadequate or inappropriate. In the case of an inadequate or inappropriate estimate the service provider will be expected to honour the estimate previously given unless there are mitigating circumstances.

Yours faithfully,  
**THOMAS MILLER DEFENCE LTD**  
Managers