

# ATE Insurance and Disbursement Funding for Commercial Litigation

**temple**  
legal protection



## Temple Legal Protection Client Guide

Helping you to overcome the  
uncertainties of litigation

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### What it is, how it works and why you need it

All litigation comes with the risk that, if things do not go as planned, you could be left in a position where you have to pay out substantial amounts. Our insurance can protect you from that risk. Even if you have a case that appears to be strong, we recommend that you consider ATE insurance. It is cost-effective, affordable and provides peace of mind and protection from financial risk.

Below we have answered some of the common questions regarding ATE insurance, funding for your disbursements and a brief introduction to Temple Legal Protection. Your solicitor may be able to provide you with more detail about the cover available to you, including the cost of the insurance premium for your case.

#### 1. What is ATE Insurance?

Traditional insurance, such as buildings insurance or car insurance, is taken out to protect you in the event that something unfortunate might happen in the future. Litigation insurance is a type of legal expenses insurance also known as 'After the Event' or 'ATE' insurance. It is unique as it is only taken out once you have actually encountered a problem, namely the need to issue or defend a claim.

#### 2. What does it cover?

If you find yourself in a legal dispute, you will generally have to pay your opponent's legal fees and other associated costs - such as court fees - if you are unsuccessful. ATE insurance provides full cover for these costs and transfers the risks to the insurer. Arranging cover at the start of your action is essential in ensuring protection for its entirety as it may not always be possible to obtain cover at a later date.

#### 3. How do I obtain ATE Insurance?

Your solicitor will arrange this insurance on your behalf following your acceptance of the terms offered. They will also handle all communications with Temple ensuring you will only need to correspond with your solicitor.

#### 4. Why has my solicitor recommended ATE insurance?

This type of insurance enables you to pursue a claim without the fear of having to pay out large sums if things do not go as predicted. Not only does this give you peace of mind but it also shows your opponent that you have the resources to fight the case for as long as it takes to get a good outcome.

#### 5. My solicitor has said I have a good case, with at least a 60% chance of winning, so why do I need ATE insurance at all?

There is still a 40% chance that you could lose your case and have to pay the other side's costs and your own disbursements. If the other side's costs for defending the claim come to £100,000, you will have to pay those costs. With ATE insurance cover in place, the insurer will pay those costs.

#### 6. Who is insuring my claim?

Temple Legal Protection is one of the country's leading underwriters of legal expenses insurance on behalf of Royal & Sun Alliance (RSA). RSA is a well-known, "A" rated and UK based insurer. Temple provides a wide range of ATE insurance solutions to law firms and insurance brokers in order to help people reduce their financial risks in litigationsolutions to law firms and insurance brokers in order to help people reduce their financial risks in litigation.

### 'Levelling the playing field'

*Claims are often made against large organisations that have far greater access to funds to enable them to defend their case aggressively. They will often use robust or aggressive tactics to try and persuade you to settle sooner or for a sum lower than your claim's true value. Examples of this include your opponent making a 'Part 36 offer' to settle the case before trial or your opponent makes interim applications. ATE insurance helps in both of these situations.*

# Client Guide

## Your questions answered



### 7. How much will the insurance premium cost?

Once we know more about your case, we will give you a firm indication of how much the premium will be. Pricing reflects the amount of cover you need to meet the other side's costs and your own disbursements (court fees, experts' fees and the like) if your claim fails. We also bear in mind the amount of damages you expect to recover or the value to you of the assets in issue in the case so that the premium is reasonable, affordable and proportionate.

### 8. When do I pay the insurance premium?

There is no premium to be paid up front and also no premium to be paid if your claim is unsuccessful. This is one of the great aspects of ATE insurance - and there is no catch. You only pay the premium if you win and when you win.

### 9. What is Disbursement Funding and why do I need it?

In addition to your solicitor's legal fees, you will also be required to pay significant sums for court fees, expert reports and other associated costs of running your case. These costs, usually referred to as disbursements, are often payable early in the life of your case. As these are usually

several thousand pounds, this can cause excessive additional financial strain potentially leading to cases with good prospects of success being abandoned. You should be aware that disbursement funding does not extend to funding for your solicitor and/or barrister.

### 10. How does it help my case?

Whilst ATE insurance gives you that all important peace of mind, disbursement funding removes the financial burden, allowing you to continue your claim. As with ATE insurance, disbursement funding sends a clear message to your opponent that you have sufficient funds to pursue your case to trial if necessary. At the end of your case, if it is successful, the disbursements will be recovered from the opposing party and, in some cases, the interest as well. Should you lose, all funding costs are covered under your Temple Legal Protection ATE insurance policy.

### 11. How much does Disbursement Funding Cost? With Temple Funding there is a fixed interest rate of only 15% per annum, plus a £75 drawdown fee per transaction. Interest is only applied to funds used, not allocated - and only payable if you win your case. There are no hidden charges and no additional monthly fees.

## ATE Insurance with Temple Legal Protection

- Total peace of mind that, if the action is lost, you will not pay any fees or insurance premiums.
- A flexible solution - it can be used regardless of how your case is being run by your solicitor.
- Eliminate your costs exposure resulting from the litigation - from the outset.
- Works seamlessly with Temple disbursement funding.

## Temple Disbursement Funding

- A fixed interest rate of only 15% per annum, plus a £75 drawdown fee per transaction.
- Interest is only applied to funds used, not allocated and only payable if you win your case.
- There are no hidden charges, no additional monthly fees no ambiguity, just transparent, responsible lending
- Temple Funding is fully FCA regulated and authorised and a wholly owned subsidiary of Temple Legal Protection.

To utilise our disbursement funding a Temple Legal Protection ATE insurance policy needs to be in place first as it fully indemnifies the funding provision.

## Next steps:

If you are considering bringing a commercial claim please talk to your solicitor to arrange ATE insurance with Temple Legal Protection.

Temple Legal Protection and Temple Funding are authorised and regulated by the Financial Conduct Authority