

Litigation funding options

We understand that the costs of litigation may be significant and that funding those costs can be a challenge for our clients. There are a variety of alternative funding arrangements which may assist you in reducing the costs of litigation or sharing the risk of those costs with another party such as a specialist insurer.

This summary provides an outline of the various funding arrangements that are available. We would be very happy to discuss these options with you in more detail.

Fixed Fee Agreement

An agreement between you and us where we agree to share some of the risk with you by conducting all or certain stages of the case for a fixed price, regardless of the time actually spent by our lawyers.

Conditional Fee Agreement

Another way in which we can share the risk with you, a so-called 'CFA' is an agreement between you and us where you agree to pay our fees at reduced rates (for example 80% of our standard rates) if the case is not successful, and at our standard rates plus a 'success fee' if the case is successful. As a result of recent changes in the law, please note that the 'success fee' can no longer be recovered from the other side as part of your costs.

Damages Based Agreement

A Damages Based Agreement or 'DBA' is an agreement between you and us whereby our fees are conditional on the success of your case and are determined as a percentage of the damages that you receive.

Before the Event Insurance

So-called 'BTE' insurance is a pre-existing insurance policy, often sold or given away alongside your home or credit card insurance, which covers some or all of the legal fees and disbursements incurred in bringing or defending legal proceedings. The policy may also cover you if you are ordered to pay your opponent's costs.

After the Event Insurance

After the Event or 'ATE' insurance is an insurance policy taken out by you with a specialist insurer to protect you against the risk of having to pay the other side's costs in the event that the case is not successful. ATE insurance can be combined with a CFA to offer you maximum protection in the event that your case is unsuccessful.

Third Party Funding

The provision of funds by a third party funder (usually specialist institutional or private investors, private equity funds or hedge funds) to cover all or part of the costs of litigation in return for a proportion of any proceeds if the case is successful (often around 30%).



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