



# For Life

NEWS AND ADVICE FROM BIRKETT LONG

## Tackling the cost of whiplash claims



A recent Government consultation proposes raising the limit for personal injury claims - including whiplash - to £5,000.

Smaller claims would be dealt with in the small claims track where claimants would have to represent themselves, as their legal costs would not be recoverable. The objective is to save insurers money and tackle the perceived problem of fraudulent whiplash claims. Insurers say they could reduce premiums as a result. The consultation closed in March 2013.

Claimant lawyers are concerned that these proposals could create an inequality of bargaining power, where ordinary members of the public have to face insurance companies that can afford to use legal representation.

Research by the Association of Personal Injury Lawyers shows that on average whiplash case litigants without legal representation received around £1,000. When a solicitor was involved, average damages tripled to an average of £3,173.

The House of Commons Transport Select Committee has just published findings from its enquiry into motor insurance costs. They commented, "We believe that access to justice is likely to be impaired, particularly for people who do not feel confident to represent themselves in what will seem to be a complex and

intimidating process. Insurers will use legal professionals to contest claims, which will add to this problem." Information provided by the Government shows whiplash claims falling since 2010-2011; they are now lower than any time since 2007-2008.

The Select Committee supported proposals to improve medical reports accompanying whiplash claims by the use of an independent expert and suggested that claimants provide more information in support of their claim, such as proof that they saw a doctor shortly after their accident.

The Ministry of Justice said it would consider the views of the Select Committee and is likely to respond to the consultation in the autumn.



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# How much are mum or dad really worth?

As a parent, you want to provide the best for your children and plan for their future. As we all know raising a child/children is expensive, in the last two years the average cost of raising a child has increased by 15% from £133,848 in 2011 to £154,414 in 2013\*. This means the average weekly cost of raising a child is £165.

Losing a parent turns a family's life upside down. If you do not have life cover the trauma can go further than you imagined. Children thrive on stability so the last thing a family needs is to have their routine upset due to financial hardships. Arranging life cover means that you will leave your family with the financial security to be able to afford all the everyday things they are used to. If you do not, your family may have to move house, change schools, etc.

## What is the value of a parent?

When considering levels of cover for life assurance policies, the main basis of calculation is income. However, in addition to this, parents carry out unpaid domestic work which they do not take into account, for example spending time with their children, cooking and preparing meals, washing/ironing clothes, cleaning, driving to activities, other household tasks, are to name but a few. The following graphs demonstrate the value of a parent:



|                | Mum     | Dad     | New Mums/<br>Mums to be |
|----------------|---------|---------|-------------------------|
| Hours per week | 71      | 53.5    | 72.5                    |
| Cost per year  | £31,627 | £23,971 | £32,655                 |

\* Perceived value of a parent:

|      | Perceived<br>Worth | Actual<br>Worth | Difference |
|------|--------------------|-----------------|------------|
| Mums | £15,548            | £31,627         | £16,079    |
| Dads | £15,496            | £23,971         | £8,475     |

As the above demonstrates, parents massively underestimate the value of the unpaid work they carry out in their home. The value of a mum's domestic work is more than double the estimate, and for the dad's there is a difference of 55% between the work that parents think they carry out and the actual amount. Many parents we speak to think that the parent earning the most money is the main person who should be considered when effecting life assurance, however the 'stay at home' parent is very expensive to replace and therefore life assurance should be considered for both parents.

Most people's priority when they have children is ensuring that they can provide the best possible future for their children, yet most parents do not consider effecting life assurance arrangements to ensure that their children are provided for in the event of a parent's death.

## Bare essentials

### Legal facts you can't do without

#### Care fee funding - the complexity remains

It is estimated that more than 80% of people currently living in a residential or nursing home should not be paying for their care, either in full or in part.

The new Care and Support Bill is designed to protect and support relatives and their families to ensure that financial rights and obligations are made clearer to those who need care.

Until the Bill becomes law, however, the rules remain long and complex. Confusion often arises over when an individual is entitled to free care (provided by the

NHS), partly or fully funded care by the local authority or no financial assistance at all.

With thresholds for funded care failing to increase in line with inflation and the complexity surrounding fee entitlement, it is vital that individuals seek proper advice - preferably whilst still well and living at home although failing that, immediately they need care, regardless of whether that care is at home or in a residential or nursing home.

To find out more please contact Caroline Dowding, 01206 217394 or email [caroline.dowding@birkettlong.co.uk](mailto:caroline.dowding@birkettlong.co.uk)

Cost is often highlighted as a reason not to effect life assurance, but the costs are often low - see the example of the cost of a life assurance policy below.

A joint life assurance policy, for a sum assured of £150,000, payable on first death, could cost under £20 per month.\*\*

Interestingly most people consider insuring their pets as a higher priority than insuring their family.\*\*\*

In order to provide for your children's future, arranging family insurance protection and making a will should be part of your financial planning process.

Our team of independent financial advisers can assess your life assurance requirements and as part of the process would also recommend that a will is in place. Less than 31% of parents have a will and for new or expectant mums this is even lower at 16%. Of those parents who do not have a will 52% said the reason was simply that they hadn't got round to it.

If you would like to discuss life assurance arrangements for your

family or making a will, please contact Nicola Ward, one of our independent financial advisers.

*\*Source Legal & General 'Value of a Parent' 2013 research*

*\*\*Avelo Comparison Service, Legal & General quote August 2013; quote based on joint life first death, non-smokers, both aged 36 next birthday, 25 year term, increasing lump sum in line with the Retail Prices Index (RPI) £150,000 for £18.22 per month.*

*\*\*\*www.telegraph.co.uk February 2012*



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## Meet the team

### Liz Jones

Liz specialises in children's cases and represents children and parents at all court levels.

Liz became a partner at Birkett Long in June 2011 and is a solicitor-advocate, meaning that she is authorised to exercise rights of audience in the High Court in all proceedings and in other courts in all Civil Proceedings. She is a member of the Law Society Children Panel and undertakes public and private law children's applications.

Liz completed her degree at Leicester University where she

obtained a degree in Law with French, and at Strasbourg University where she obtained a diploma in French Law. Liz qualified as a solicitor in 1992, after training in London she then decided to pursue a career in criminal and family law. To that end Liz spent six years working at two firms in Romford and then came to work for a Tendring firm where she built up the family and child care part of the practice. Liz joined Birkett Long in 2002.

From April 2012 - 2013 Liz was President of Soroptimist International Colchester.



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# under the spotlight

## 10 grievances, 9 tribunal claims forms

The decision by the Employment Appeal Tribunal (EAT) in *Woodhouse v West Northwest Homes Leeds* will be a disappointment to employers.

Over a five year period Mr Woodhouse raised ten grievances including a claim of racist comments from his colleagues, complaints about sick pay and about the reallocation of his duties when he returned from sick leave, victimisation on account of having made previous grievances and the general way in which his grievances had been handled.

Before he left his employment he had also submitted eight claim forms to the employment tribunal and two weeks after leaving he submitted a ninth. Mr Woodhouse said that he had “lost faith in the organisation and that he was only staying [in employment] in order to fight his cases”. His employers decided that most of his grievances were empty allegations without proper evidential basis or grounds for his suspicion. Because he lodged serial grievances and tribunal claims it felt there was an irretrievable breakdown of trust and confidence and that the employment relationship could not continue, so he was dismissed.

Some sympathy must be had for the employer faced with such a difficult employee!

The tribunal took the view that his dismissal was not victimisation on grounds that he has raised complaints of race discrimination but the EAT disagreed. It said that the grievances and tribunal claims were “protected acts of race discrimination” and that he was dismissed because he made those protected acts. The employer could not show that Mr Woodhouse had made the claims in “bad faith”.

This decision, whilst it might be correct from a legal perspective, will be disappointing for employers faced with numerous, time consuming, unfounded complaints of discrimination. Mr Woodhouse’s employer incurred considerable costs and wasted a

lot of time: the tribunal sat for over 15 days, it considered over 4,000 pages of documentary evidence, it listened to 10 days of evidence from 25 witnesses, followed by 3 days of deliberation and the delivery of a judgment.

Most people view any form of discrimination in the workplace as intolerable. However, they are likely to lament the disproportionate amount of public money spent on Mr Woodhouse’s weak complaints and will wonder how cases like these are allowed to tie up tribunals for long periods of time, especially if the claims have little or no value.

New rules that came into force on 29 July 2013 allows a judge to dismiss a claim or response that has no reasonable prospect of success at the “sift stage”. Hopefully, this will mean similar claims in the future will be struck out.



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## Forthcoming events

- **Long term care seminar**  
**November - dates to be confirmed**  
**Venues in Colchester and Chelmsford**

This free, no obligation seminar will explain how to preserve your home and assets and the importance of a Lasting Power of Attorney. Our experts will also talk about the options available for funding long term care.

**For more information on any of our events please visit**  
[www.birkettlong.co.uk/events](http://www.birkettlong.co.uk/events) or email [seminars@birkettlong.co.uk](mailto:seminars@birkettlong.co.uk)

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