



Topics covered: Permanent Health Insurance / Legal Expenses Insurance

Permanent Health Insurance

Permanent health insurance policies can be taken out by an employer or employee to provide benefits if an employee is unable to work due to injury or illness. A payment of 50-75% of salary is usually included. Furthermore, a pension may be included following a period of sickness leave, until the employee no longer is incapacitated, or if their employment is ended either through being terminated or retirement.

Legal Expenses Insurance

'Before the event' legal expenses insurance is commonly attached to household and car insurance policies. This type of policy is relatively inexpensive and covers events that may occur in the future. The main providers of before the event legal expenses insurance are DAS, Direct Line and Prudential. Policies attached to household insurance commonly cover legal expenses associated with claims relating to personal injury, employment disputes, property disputes and goods and services disputes.

Many people are not even aware that they have before the event legal expenses insurance until they need it and this can lead to difficulties. Most insurers only provide cover where the claim has been reported to the insurer within a certain time period of the event occurring. In the case of employment disputes, conditions usually apply. For example, an insured employer must have consulted the Jersey Advisory and Conciliation Service (JACS) at an early stage of the dispute and followed their advice, before it can avail of cover. It is essential therefore to be familiar with the terms of the policy at the outset, so as to comply with any conditions that may be attached to it.

Another type of legal expenses insurance is 'after the event' insurance, which is taken out after an event has occurred that gives rise to a claim, and once legal proceedings are contemplated. After the event insurance can be very expensive and covers the insured's legal expenses and possibly the opponent's legal expenses if the legal action is ultimately discontinued or lost.

Usually the insurer must be satisfied that the claim has a reasonable chance of success before providing cover. Most providers of legal expenses insurance have a panel of lawyers that they instruct, but the insured generally has the right to choose their own lawyer.

Most insurance companies will want to ensure that the value of the claim outweighs the cost of pursuing it and also that any offers of settlement are given serious consideration.

It is important to remember that legal expenses insurance will only apply where the insurer has authorised the lawyer to start work.

This type of insurance is also very useful for employers faced with unfair dismissal and discrimination claims, but be sure to read the small print.

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