# PERSONAL INJURY CLAIMS BY PLAINTIFFS

**[Your personal injury claim ]**

**Important Information about legal costs in your personal injury damages claim**

I/We propose to enter into a costs agreement with you concerning your personal injury damages claim.

I/we am/are required to disclose to you information concerning our proposed Costs Agreement prior to you entering into an Agreement with me/us.

**Information about maximum costs in personal injury damages claims resolving for $100,000 or less**

Schedule 1 of *the Legal Profession Uniform Law Application Act 2014* (NSW) imposes *maximum costs* in personal injury damages claims where the damages recovered do not exceed $100,000.

1. The *maximum costs* apply except where a costs agreement is entered into.
2. Maximum costs are fixed at 20% of the amount recovered or $10,000, whichever is greater, put simply:
   1. If you recover damages of $50,000.00 or less, then the maximum you can recover for your costs is $10,000;
   2. If you recover damages of more than $50,000 and up to $100,000, the maximum you can recover for your costs is 20% of the amount recovered as damages to a maximum of $20,000.
3. The costs amounts include any costs charged by a barrister engaged to represent you.
4. The amounts set out above do not include disbursements being payments made to others which are incurred by us on your behalf in the preparation of your claim for the cost of medical reports, court filing fees, process service fees and photocopying charges etc.
5. The maximum costs amounts include GST.
6. The same restrictions also apply to any costs which can be recovered from the other party (i.e. the defendant or insurer to your claim) if your claim is successful.

**Information about the effect of entering into a Costs Agreement**

By entering into a costs agreement, you will agree to pay my/our law practice in accordance with that costs agreement. This means that:

* The restrictions on the costs you have to pay my/our law practice do not apply if you enter into a costs agreement with my/our law practice.
* if you are successful in your claim but the amount recovered in your claim for damages does not exceed $100,000 and you obtain an order for payment of your legal costs from the other party, the amount of costs recoverable from the other party will be limited to the *maximum costs* above
* *Maximum costs* will be less than the costs in the costs agreement
* You will be responsible for the payment of any difference between the amount I/we charge you in accordance with my/our costs agreement and the amount recovered from the other party (regardless of whether the *maximum costs* apply*)*. This difference may be considerable depending on the complexity of the issues and the volume of work required to ensure success.

**My/Our Proposal**

My/Our law practice will only agree to act for you if you enter into a costs agreement with me/us.

My/Our costs agreement sets out the basis on which costs are charged and calculated. [Insert here basis on which law practice proposes to charge to comply with the Regulation Clause 28(3)(d)].

Please contact [named person and phone number or email address] immediately if you need clarification of any of the information contained in this letter.

**Next Steps**

I/We will shortly send you my/our costs agreement which will set out the terms of my/our engagement including how the costs will be charged and estimates for doing the work.

I/we encourage you to contact me/us when you receive my/our costs agreement so that I/we can address any concerns and explain any items which you do not understand or find confusing.

Please note that I/we cannot commence the work without a signed costs agreement.

Yours faithfully,