**Important Information about the Agreement we propose to enter into concerning your work injury damages claim**

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

The costs agreement with my/our law practice contracts out of the Regulated cost provisions contained in the Workers Compensation Regulation.

**Regulated costs**

Division 3 of Part 17 of the *Workers Compensation Regulation* 2016 (the Regulation) restricts legal costs recoverable for work done in a work injury damages claim matter to those costs set out in Schedule 7 to that Regulation.

The costs in Schedule 7 are fixed lump sum fees, based partly on the stage of the proceedings reached at resolution, and partly on the amount of the award or settlement. Schedule 7 applies to both those costs payable to my/our law practice for work done in relation to your matter and the costs claimable from the defendant/insurer if you are successful in your claim.

Clause 93 of the Regulation permits a law practice or legal practitioner to **contract out** of the Regulated costs.

If you enter a costs agreement with my/our law practice, the restrictions on costs imposed by the Regulation do not apply to the costs you are liable to pay to my/our law practice.

**Our proposal to contract out**

I/We propose to **contract out** of the Regulated costs provisions.

It is important that you understand that if you enter into a costs agreement with my/our law practice, even if your claim is successful and you are awarded costs (to be paid by the defendant/insurer in accordance with the Regulation), you will be liable to pay to my/our law practice the amount of the costs provided for in our costs agreement.

This means that you will have to pay us the difference between amount of costs we charge under our costs agreement and the maximum costs that would be payable under the Regulation*.* This difference may be considerable.

**Please note**

We are/ I am prohibited from contracting out of the maximum legal costs in a claim for statutory benefits.

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

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