From: [redacted]
Sent: 14 October 2026 09:20
[redacted] Thomas [redacted]
Subject: County Court jurisdictional increase - Justice Committee meeting15th October
Sensitivity: Confidential

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Dear Sir / Madam,

We write on behalf of Zurich Insurance plc, a composite insurer operating within Northern Ireland and a substantial participant in personal injury and civil litigation within the jurisdiction.

Zurich has a longstanding commitment to a civil justice system that provides fair access to justice for plaintiffs whilst ensuring that litigation costs remain proportionate and disputes are resolved efficiently. As a major compensator within Northern Ireland, we have taken a keen interest in the proposed amendments to the County Court monetary jurisdiction and associated scale costs, having previously responded to the consultation undertaken by the County Court Rules Committee.

Our principal concern is the potential impact these proposals may have on the cost, proportionality and efficiency of civil litigation in Northern Ireland. Whilst we recognise and support the importance of ensuring that plaintiffs can pursue legitimate claims through an accessible court system, we are concerned that the proposed changes may lead to a significant increase in legal costs in lower-value actions without delivering corresponding benefits to litigants or the administration of justice.

In our view, any reform should seek to strike an appropriate balance between facilitating access to justice for plaintiffs, maintaining proportionality between damages and legal costs, encouraging the early resolution of disputes and safeguarding the efficient operation of the court system. There is a risk that unintended consequences could emerge whereby legal costs become increasingly disproportionate to the value and

complexity of claims, ultimately adding to the overall cost of litigation within the jurisdiction.

We had understood that the Committee's consideration of these proposals would be accompanied by a broader opportunity for stakeholders to provide evidence and comment. Unfortunately, we only recently became aware of the Committee's timetable last night and, as a result, were unable to provide a formal submission within the prescribed period.

Whilst appreciating that the Call for Evidence has now closed, we would be grateful if the Committee would take account of Zurich's previous attached consultation response as part of its deliberations. We believe that the perspective of organisations with significant exposure to civil claims within Northern Ireland forms an important part of the wider discussion concerning the future direction of the civil justice system.

We would welcome the opportunity to engage further with the Committee or its officials should any aspect of our submission require clarification.

Thank you for your consideration of this correspondence.

Regards,

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NORTHERN IRELAND COUNTY COURT RULES COMMITTEE

CONSULTATION RESPONSE FORM

SCALE COSTS

County Court Rules Committee
Secretariat

15 May 2026

CONSULTATION RESPONSE FORM

We would welcome responses to the following questions set out in the consultation paper and you may use this form to complete your response.

Introduction

Zurich welcomes the opportunity to respond to the County Court Rules Committee's consultation on scale costs. Zurich provides general insurance services to customers across the United Kingdom and has a substantial operational presence and claims handling experience across all relevant jurisdictions of Great Britain and Northern Ireland. As a leading insurer, Zurich has significant technical, operational and market-facing experience of liability claims and the practical operation of civil justice systems. This extends to complex and high-value personal injury cases, claims validation, costs, credit hire, property, disease and defamation matters. That breadth of experience informs Zurich's view that any revised scale costs framework must be legally coherent, commercially proportionate and properly aligned with the nature, value and procedural complexity of claims within the County Court's jurisdiction.

Zurich supports the Minister of Justice's January 2026 announcement that the general financial jurisdiction of the County Court should increase to £60,000; the jurisdiction of District Judges to £20,000 and the upper financial limit for defamation proceedings to £10,000.

Such reform is important and overdue. It should allow a greater volume of claims to be progressed in a more accessible, streamlined and proportionate forum, reducing unnecessary pressure on the High Court and helping parties to resolve suitable claims more efficiently.

However, the success of the jurisdictional expansion will depend in large part on whether the accompanying scale costs framework supports the same policy objective. If the enlarged County Court jurisdiction simply imports higher costs assumptions into a broader range of claims, the intended benefits of the reform may be diluted. Zurich therefore considers that any new scale must preserve the County Court's role as a forum in which costs are moderate, predictable and proportionate.

Against that background, Zurich is concerned that the proposed scale costs may further highlight the differences in costs regimes between Northern Ireland and those of the other UK jurisdictions, whilst respecting the independent tradition of the Northern Ireland civil justice system.

Our concern is concentrated on the potential for further increase to the cost of injury claims in Northern Ireland, which are markedly higher than those in the rest of the UK and have a knock-on impact in terms of the price of liability insurance, with real-world impact upon policyholders.

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This is particularly significant in motor claims, which account for over 70% of all injury claims in Northern Ireland. In England and Wales, policy recognition that many such claims are procedurally standardised and comparatively less complex has driven a sustained reduction in recoverable costs through reform activity aimed at containing damages inflation and costs levels.

The current claims profile is materially different from the landscape in which the scale costs framework was first introduced in 1981. County Court litigation is now heavily influenced by high-volume, comparatively standardised motor claims. As mentioned above, injury claims arising from motor accidents, whether pursued alone or alongside associated claims relating to vehicular damage, account for approximately 70% of all injury claims, the majority of which are likely to sit within the County Court jurisdiction. In that context, the historic assumption that a broad "swings and roundabouts" approach will deliver fair outcomes across the system is increasingly difficult to sustain. A purely value-based scale risks over-remunerating straightforward claims that resolve early, while failing to distinguish them from genuinely complex litigation requiring materially greater legal input.

That distinction is particularly important when claims inflation is taken into account. In many motor claims, liability is admitted at an early stage such that the main issue for resolution is quantum. Inflationary increases in damages do not, of themselves, make the legal or factual issues more complex. In many cases, the work required remains broadly the same; it is the monetary value of the claim, rather than the complexity of the legal input, that has increased.

The concern in relation to claims inflation is amplified by the growth of accident management companies. These companies frequently arrange credit repairs to a plaintiff's vehicle and seek recovery of those charges, through solicitors, from the third-party insurer. Historically, repair costs were more commonly met by the plaintiff's own insurer, with recovery addressed between insurers where liability was admitted. As a result, even where repair or pre-accident value costs are agreed, those sums are now often incorporated into the overall claim value. This can artificially increase the recoverable legal costs generated by value-based scale bands, without any corresponding increase in the complexity of the legal work required.

The same point concerning inflation without increased complexity is reinforced by the 2024 Sixth Edition of the Northern Ireland Green Book, which materially increased the guideline figures for general damages across most categories of personal injury. Reference to published commentary by the Northern Ireland legal community indicates that the majority of injury brackets increased by approximately 20% to 25% over the previous five-year period, broadly reflecting the movement in RPI. Other categories increased more sharply, including increases of up to 67% for minor neck injury brackets, more than doubling in some severe PTSD categories, and increases of approximately 24% to 27% in certain catastrophic injury brackets. Taking account of the 2013, 2019 and 2024 editions, the cumulative increase in guideline general damages over the longer term is therefore materially greater than the latest Green

Book uplift alone. That produces a direct inflationary effect on damages values before any consideration of special damages, credit hire or repair charges. Zurich's concern is that a value-based scale costs framework could compound that effect by allowing damages inflation first to increase the monetary value of claims and then to generate a further automatic increase in recoverable legal costs. In Zurich's view, that would amount to an inflationary double-impact and would not accurately reflect any corresponding increase in legal complexity, procedural activity or professional input.

The overriding concern is that this approach risks further widening the disparity between motor insurance premiums in Northern Ireland and those available to consumers elsewhere in the UK. Claims costs in Northern Ireland are materially higher than in all other UK jurisdictions, driven in large part by higher levels of personal injury compensation, legal costs, increased claims inflation and the additional cost pressures associated with credit hire, repair and accident management activity in motor insurance. The additional financial pressure created for insurers and compensators as a result ultimately affects the affordability and availability of insurance for consumers and businesses in Northern Ireland. Zurich therefore considers it essential that any revised scale costs framework does not unintentionally reinforce those existing cost pressures, but instead supports a more proportionate, predictable and sustainable claims environment.

For those reasons, Zurich considers that stepped increases in costs calculated solely by reference to claim value, and without sufficient regard to the procedural stage at which cases resolve, are no longer appropriate. Recoverable costs should reflect the work reasonably required to progress and resolve the claim, not merely mirror the inflationary effect of higher damages, credit hire or repair values.

Zurich therefore submits that the revised scale costs framework should be calibrated to reflect proportionality, procedural stage and genuine complexity. As to indexation, Zurich considers that the Services Producer Price Index should be adopted as the proper measure by which scale costs are adjusted to reflect changes in the cost of providing relevant services. That approach is now reflected in England and Wales.

In summary, Zurich supports the proposed expansion of the County Court jurisdiction, but considers that the associated scale costs must be set at a level which preserves the proportionality, predictability and accessibility of the County Court system. A revised framework should avoid compounding damages inflation, should not over-remunerate straightforward claims by reference to value alone, and should ensure that recoverable costs remain properly aligned with the actual work required to resolve claims fairly and efficiently.

Question 1: Do you agree that the guiding principles used in the 2001 Review should be applied?

Yes.

Please give reasons for your answer.

Zurich agrees that the guiding principles identified in the consultation paper remain appropriate for the purposes of this review.

Zurich notes, in particular, the stated expectation that "*the advantage of the Northern Ireland civil justice system being less expensive than that in England and Wales [should] be maintained in the future and that the Rules Committee would be alert to keeping the costs of litigation in the County Courts in Northern Ireland as economical as possible*".

Zurich endorses that principle. However, when benchmarked against the recoverable costs levels applicable to lower-value cases in England and Wales, the proposed approach does not give real effect to it.

In Zurich's view, the adoption of flat fee bands determined solely by quantum is unlikely to produce a framework capable of satisfying the stated guiding principles.

Question 2: Do you agree with the insertion of six additional bands at intervals of £5,000?

We do in part.

Please give reasons for your answer.

As set out above, the proposed bands must be assessed against the current County Court claims profile. A significant proportion of claims likely to fall within the expanded jurisdiction will be motor claims, which are typically more standardised and lower in technical complexity.

Whilst Zurich recognises that the proposal would promote consistency with the existing structure and provide greater predictability for users, we believe a quantum-only model risks remunerating routine claims that are capable of early resolution solely by reference to claim value, rather than by reference to the level of legal input reasonably required.

Zurich's suggested approach is for the scale to distinguish between claim categories and to incorporate staged recoverability. As a minimum, motor claims should attract a lower scale cost, with recoverable costs linked to the procedural stage reached, so that remuneration is proportionate to complexity, activity and reasonable legal input.

Question 3: Do you agree with the insertion of three additional bands at the proposed intervals?

No.

Please give reasons for your answer.

Whilst Zurich acknowledges that the proposed bifurcation of these cases is intended to achieve a closer correlation between remuneration and the nature of the work undertaken, the proposed banded structure remains insufficiently granular. It fails to capture the actual work reasonably required in individual matters and does not properly accommodate variations in complexity or procedural trajectory. Accordingly, Zurich submits that a staged (phase-based) costs model should be incorporated, to ensure that recoverable remuneration more accurately reflects the work objectively necessary at each stage of the litigation.

Question 4: Do you agree with the Committee's approach to establishing fair and reasonable remuneration in respect of the six new bands?

No.

Please give reasons for your answer.

The proposed methodology is, in Zurich's view, insufficiently refined. A broad, quantum-led approach is not appropriate given the composition, procedural characteristics and relative

simplicity of the majority of claims likely to be determined in the County Court and does not adequately reflect the work reasonably required in individual cases.

Zurich also does not consider the GDP deflator to be an appropriate mechanism for calculating inflationary adjustments to insurers' scale costs. The Services Producer Price Index is a more technically suitable index for assessing the cost of professional services.

Zurich does not consider that the proposed 20% discount from High Court costs adequately reflects the lower complexity and cost base of County Court litigation.

Data should be used to test whether the proposed scale costs match actual procedural demands. If most claims resolve pre-trial or within short timelines, it would support a staged costs model that distinguishes between pre-issue resolution, defended litigation, interlocutory activity and trial preparation, rather than relying on a single quantum-based fee approach.

A "swings and roundabouts" approach to counsel's fees is also considered to be less than ideal. The framework should differentiate by claim type and procedural complexity, such that the use of counsel is not assumed, or over-remunerated, in straightforward matters. Most relevant cases will be quantum-only motor claims, where value alone rarely creates legal or factual complexity, reinforcing the need for scales calibrated to claim type and complexity.

Zurich notes that the Committee has avoided "bunching at the top end" when setting counsel's fees, indicating that a more graduated uplift across claim values is more consistent with fair remuneration. The same principle should apply to solicitors' costs: increases should reflect procedural complexity, contested issues and stage of proceedings, rather than being driven predominantly by claim value.

Given the fundamental changes in the composition of County Court claims and inflationary movements in damages (including personal injury and special damages), Zurich does not consider continued reliance on the Comerton scale to be appropriate, as it does not accurately reflect the work required.

It should be remembered that any increase in claims costs will ultimately affect consumers. Therefore, careful consideration is required to ensure that the scale costs reflect the actual work undertaken.

Question 5: Do you agree with the Committee's approach to setting the scale costs for proceedings where no intention to defend is served?

No.

Please give reasons for your answer.

In line with earlier commentary, Zurich's view is that costs should be staged rather than calculated as a flat fee by reference to quantum.

Question 6: Do you agree with the Committee's approach to setting the appropriate scale costs for defamation cases?

No.

Please give reasons for your answer.

Zurich considers that the proposed approach remains insufficiently nuanced and that a staged model should be adopted.

Question 7: Do you agree with the Committee's proposal in relation to the defendant's costs in remitted actions?

We have no comment to make, as we have no experience of this scenario, which we understand is rare.

Please give reasons for your answer.

Question 8: Do you agree with the proposed scale costs detailed in Appendix 2?

No.

Please give reasons for your answer.

In line with earlier commentary, the Services Producer Price Index would be a more appropriate index to be utilised.

Question 9: Do you agree with the Committee's proposal that the ceiling on solicitor's costs for an additional day should be raised to £1,000?

No.

Please give reasons for your answer.

Whilst inflation justifies an increase from the current position, our view is that supplementation should be a measure derived from the SPPI, rather than the GDP deflator.

Question 10: Do you agree that the rules should allow for the enhancement of costs in cases involving claims for these diseases?

Our answer is a qualified yes

Please give reasons for your answer.

Our view is that an enhancement is only merited in those claims which involve more than one defendant, to reflect the additional costs involved in such matters. In a single defendant case, we do not consider that an enhancement is merited. Further, lung cancer cases are likely to be matters within the jurisdiction of the High Court in any event.

Question 11: What, if any, other matters should be taken into account when assessing the impact of the proposals in this paper?

The role of modern information technology in reducing the cost of handling claims on behalf of plaintiffs.

Please give reasons for your answer.

Modern IT systems, not to mention the potential for Artificial Intelligence to have a role in the claims process, allow for the easier pursuit and handling of claims, which should have a consequential effect in reducing the real operating costs of a law firm handling such matters, which should be taken into consideration. We have outlined in detail the general principle that without careful calibration, a scale costs regime risks overly rewarding routine, undemanding and fairly standard activity without bringing any benefit to the plaintiff or the process generally.

The introduction of a portal or digitised process for the conduct of claims within the jurisdiction of the County Court in Northern Ireland would also have a beneficial effect on reducing operating costs for lawyers and is something that should be considered as a means to enable access to justice for plaintiffs whilst reducing the expense of achieving that aim. Such technological improvements should be taken into account when reviewing recoverable legal costs.

CONSULTEE DETAILS

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Please provide details of who your organisation represents and, where applicable, how the views of members were assembled.

Zurich UK provides a suite of general insurance and life insurance products to retail and corporate customers. We supply personal, commercial, and public sector insurance through a number of distribution channels, and offer a range of protection, retirement and savings policies available online and through financial intermediaries for the retail market and via employee benefit consultants for the corporate market. Based in a number of locations across the UK - with large sites in Birmingham, Farnborough, Glasgow, London and Swindon, as well as represented in Belfast - Zurich employs approximately 5,000 people in the UK.

The views of members (employees) were assembled by bringing the consultation to the attention of those with considerable experience of dealing with claims for compensation in Northern Ireland which are eligible for indemnity under liability policies issued by Zurich. The relevant personnel were asked to review the consultation document, confer with each other and provide responses to the questions posed with a view to arriving at consensus before submission to the Rules Committee.

Unless individual respondents specifically indicate that they wish their response to be treated in confidence, their name and the nature of their response may be included in any published summary of responses. Respondents should also be aware that the Agency's obligations under the Freedom of Information Act may require that any responses not subject to specific exemptions under the Act, be disclosed to other parties on request.