



Costs and financing of legal assistance

Key figures 2000-2006

November 2007

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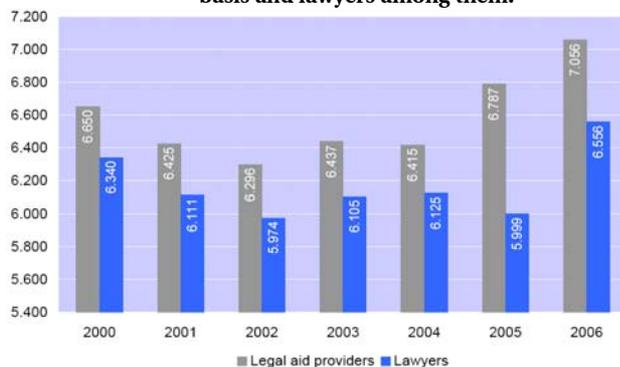
This overview examines supply and demand with respect to several forms of legal assistance and their costs from the perspective of the person who seeks justice. It is limited to the most important, nationwide operating institutions and organisations for legal assistance and (extra)judicial dispute settlement but actualized for 2006. A detailed overview for 2000-2005 is provided by Maas (2007).

Subsidised legal assistance

Supply of subsidised legal aid

Up until 2004, first-line subsidised legal aid was offered through Legal Aid Advice Centres (47 establishments). In the periode 2004-2006, these were replaced by 30 of the new Legal Aid Offices. In 2005, a total of 7,056 legal assistance providers worked at least one subsidised legal assistance case (figure 1). For the most part, these are lawyers (85-95%), whose number in 2006 exceeded for the first time during the periode the level that it was at in 2000.

Figuur 1: Legal aid providers working on assignment basis and lawyers among them.



Use of Legal Aid Advice Centres/Legal Aid Offices

In the years 2000 through 2003, the number of contacts between citizen seeking justice and Legal Aid Advice Centres averaged 444.000. In around 49% of these cases, such contact led to an appointment for the free consultation hours. Subsequently, 8% went on to make use of (modestly rated) extended consultation hours.

In 2004, the total number of contacts with still existing centres and already established offices was 11% less than the number of contacts registered by the centres in 2003. The total number of customer contacts in 2005 is not available. In 2006, there were 575,315 customers contacts with Legal Aid Offices.

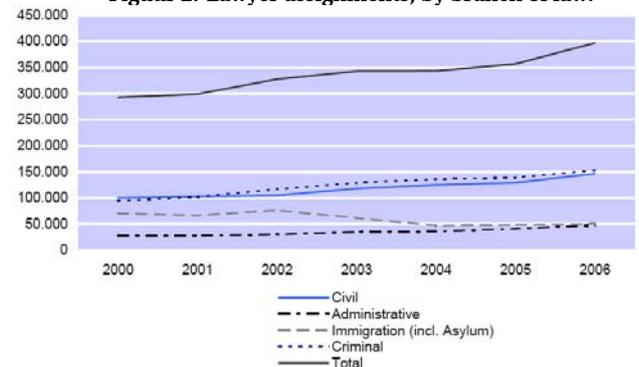
In 2006, the primary channel used to contact Legal Aid Offices remained the telephone (60%), followed by the counter visit and free consultation hour appointments (22%). The proportions of contacts via Internet site (15%) or e-mail (3%) are the lowest. In comparison with the Legal Aid Advice Centres in 2003, there is as yet little observable difference. Between 2005 en 2006, the share of contacts involving the telephone declined slightly, to the benefit of share of internet and email contacts.

It is not yet apparent what differences there are between the old centres and the new offices.

Use of lawyer assignments

The use of subsidised legal assistance is not constant. Amendments to the law influenced the level of appeal to this provision. Since 2000, the number of civil lawyer assignments (excl. administrative and immigration law) increased by over one fifth to 146,480 in 2006 (figure 2).

Figuur 2: Lawyer assignments, by branch of law.



Although an increase relative to the previous year can be observed in all years in the 2000-2006 period, especially strong increases in the number of lawyer assignments granted occurred between 2002 and 2004. The proportion of assignments in civil matters remains rather stable, however.

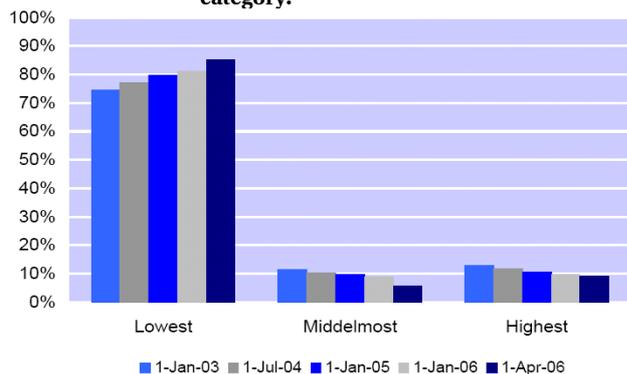
Costs of subsidised legal assistance

We distinguish the costs for the legal assistance client or user from the costs of the legal aid scheme for general government.

During the first quarter of 2006, the average user co-payment for lawyer assignments decreased by 4% (from € 198 to € 189). The same had happened from 2004 to 2005, when the average co-payment went from € 206 to € 197. However, it had increased 30% from 2003 (€ 159) to 2004 (€ 206), due to a 35% rate increment that took effect in January 2004, together with austerity measures relating to anticumulation.

Between 2003 and 2005, the proportion of means-tested personal contributions in the lowest contribution four categories increased and that in the higher two contribution categories decreased. The co-payment situation during the first quarter of 2006 can be compared with that in previous years. Afterwards, with the coming into force of VIValt, a new situation arises, featuring fewer income categories and different income norms. The concentration in the lowest co-payment categories continues to advance (figure 3).

Figuur 3: Lawyer assignments for which a personal contribution was paid, by payment category.



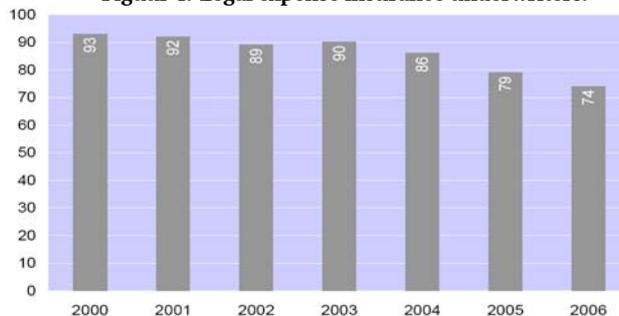
Government expenditure for the legal assistance scheme increased steadily, generally by about 8-10% per annum, from €243,131,000 in 2000, to € 408,476,000 in 2005. Proportionally, the increase from 2005 to 2006 is very modest (a good 2%).

Legal expense insurances

Supply of insurances

In 2005, there were 74 companies with a license to sell legal expenses insurance in the Netherlands, 20% less than in 2000, (figure 4). This drop is related to concentration and broader trends towards up-scaling and expansion.

Figuur 4: Legal expense insurance underwriters.



Most of the companies can be labelled multi-branche players, as they offer more product than just legal expense insurance. Additionally, there are monobranche players. These lack the option to cross-subsidise insurance products with different returns that multibranche players do have. Finally there are legal offices – mostly foundations – that execute the legal expense insurances for multibranche underwriters.

Demand for insurances

Between 2000 and 2006 both the number of family policies and the number of company policies increased considerably. The number of policies for motorvehicles fluctuated but was back in 2006 at the same level as in 2000 (figure 5).

The claim frequency per 100 company policies in 2006 after some fluctuation is at its lowest since 2000. The steepest drop in frequency occurred in 2004, however. To a lesser extent, this pattern also applies to family policies, where the claim frequency is more stable.

Between 2000 and 2005, the average per claim damage amount has increased with both family- and company policies. From 2005 forward, a drop is perceptible, however. The coverage degree – i.e. family policies sold as a percentage of the number of households – has steadily increased from 14.3% in 2000 to 19% in 2004.

Figuur 5: Legal expense insurance indicators, by type of insurance policy

	2000	2001	2002	2003	2004	2005	2006
Number of policies (2000=100):							
Family	100	112	132	152	171	188	206
Motorvehicle	100	106	111	110	106	107	105
Company	100	109	112	114	159	153	153
Claimfrequency (number per 100 policies):							
Family	13	13	13	13	13	12	11
Motorvehicle	6	6	6	6	6	6	6
Company	27	27	25	26	22	23	21
Average damageamount per claim (euro):							
Family	822	819	948	958	1025	905	916
Motorvehicle	252	188	233	187	289	195	289
Company	1.118	1.170	1.146	1.329	1.324	1.256	1.269

Surveys conducted in 2003 and 2005 among citizens seeking justice show that 24% of those entitled to subsidised legal aid do not have a family policy, against 37% of those not entitled. Surveys of users of Legal Aid Offices in 2006 and 2007 show that 17% to 23% have a family policy.

Literature

Maas, G.C.

Kosten en financiering van rechtsbijstand. In: Erp, J.G. van, E. Niemeijer, M.J. ter Voert, R.F. Meijer (Red.) *Geschilprocedures en rechtspraak in cijfers 2005* Den Haag, WODC, 2007. Cahiers 2007-8

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