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Understanding the Fees and Costs Involved in a Personal Injury Case

Tod Hardin · Friday, January 31st, 2025

Did you recently suffer a serious injury in a car accident or other type of serious accident? Have you been seriously injured by the negligence of another person? In this case, you may be wondering whether you need a personal injury attorney to pursue fair compensation.

There is usually no charge for a consultation with a lawyer who reviews the details of your accident and determines whether you need legal representation. This initial meeting allows you to learn about your legal options. You can also meet the lawyer, learn about possible fees and costs of filing the case, and then figure out whether you and the lawyer are the right match.

Contingency fees are common in personal injury cases. Aside from that, there are other fees and costs to consider. This article will help you understand everything about contingency fees and other costs involved in filing a personal injury claim.

Understanding Legal Fees in Personal Injury Claims Cases

It is common for attorneys to charge different fees based on their type of practice. In some cases, the fees clients pay for legal services are determined by the agreements they sign. Several factors can influence an attorney's fees, including the lawyer's experience and ability, the amount of time spent on a case, and the difficulty of the case.

Making informed decisions requires understanding different types of fees. You should read the fee agreement carefully before you hire an attorney. It is always advisable to speak to more than one attorney before choosing the right personal injury lawyer.

How Do Legal Fees Work?

A legal fee is the cost of hiring an attorney to represent you in a court case. Fees can be upfront, hourly, or contingent. Additional legal costs may be associated with going through the civil court system. The amount an attorney charges for their services should be clearly stated in their contracts. If you wish to hire an attorney, ensure you understand the fee arrangement to avoid misunderstandings.

Consultation Fees: What Are They?

During consultations, lawyers learn about their clients' situations and decide whether they can

help. These meetings allow clients to get to know their attorneys, ask questions, and decide whether to hire them.

A majority of lawyers do not charge for the first consultation, especially in cases involving personal injury. Still, verifying whether the attorney charges a consultation fee before the meeting is necessary.

How Does a Contingency Fee Work?

In a contingency fee agreement, clients agree to pay their attorneys a percentage of the settlement or verdict.

Personal injury lawyers typically charge between 30 and 40 percent. When cases go to trial, contingency fees are usually higher.

After receiving the award, attorneys deduct contingencies and expenses. Managing cases, especially those that go to trial, is expensive. Among the costs covered by attorney fees are:

- Costs of hiring expert witnesses
- Court reporters and depositions
- Costs incurred when filing legal documents
- Copying medical records
- Office staff costs
- Costs incurred during trial preparation

Contingency fee lawyers charge fees only if they get compensation for you. However, you may still be responsible for some of the expenses listed. Ensure that you fully understand the contingency arrangement before signing.

Costs Vs. Fees: What's the Difference?

The words "costs" and "fees" have the same meaning to most people. However, they have very distinct meanings in the legal profession.

Attorneys typically charge a fee for handling cases. For instance, a contingency fee is the percentage of the recovery a plaintiff's attorney receives for working on his or her personal injury case.

Costs in litigation include pretty much everything else. Personal injury lawsuits usually incur costs from court filing, paying expert witnesses, and spending on administrative tasks such as deposition and information-gathering.

Personal Injury Costs: Who Pays?

A client's costs associated with their personal injury case will ultimately be paid for by the client, which is determined by the specifics of their attorney fee agreement. The attorney will deduct those costs if the client receives a settlement or court award. In personal injury cases, attorney fee agreements usually state that the attorney will cover the case costs if the client does not receive money.

Personal Injury Settlement: When Are Costs Deducted?

How much money you get after a successful personal injury case depends on when the fees are deducted. Hence, you need to discuss this with your lawyer. To better understand, here's a sample computation:

- The settlement amount is $100,000.
- The percentage of your attorney's contingency fee is 30%.
- The costs of your case are $15,000

After calculating your attorney's contingency fee percentage, you get $55,000, and your lawyer gets $30,000. On the other hand, if all costs of the case are deducted before the contingency fee, you will have $85,000. Your lawyer gets 30% of that amount – which is $25,500. You'll be left with $59,500. This example shows a difference of $4,500 due to the timing of the cost deduction.

What Are the Best Ways to Keep Personal Injury Costs Down?

Some personal injury lawyers don't charge for photocopying and postage, but they're common expenses and rarely exceed a couple hundred dollars. Choosing a lawyer based on such meager savings might not be wise.

Sheriff's fees, court filing fees, deposition transcript fees, and mediation fees must be paid when a personal injury lawsuit is filed. Taking depositions of witnesses and parties is essential at this point, or the insurance adjuster will think your lawyer isn't serious. Transcripts must be prepared and paid for if a lawyer takes a deposition.

Expert witnesses or consultants are required in most personal injury cases. Depositions and trials are not free for experts, including your treating physician. In some cases, doctors charge thousands of dollars to appear in depositions for personal injury claims.

Personal Injury Claims Costs Need a Realistic Approach

To get a handle on costs and expenses, personal injury claimants may want to take the following steps:

- Make a ballpark estimate of the costs.
- Understand what the costs may be going toward.

In your interview with prospective lawyers, ask them how much they anticipate the costs if a settlement can be reached without going to court and how much the costs might be if a suit is needed.

It's important to understand that the cost of a personal injury lawyer depends on various factors, such as the nature of your case, your fee structure, and any additional expenses you incur. To ensure the best outcome, you need to know the exact fees and costs before hiring an attorney. Moreover, don't be afraid to ask about legal fees upfront.

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