

LEGAL PROTECTION INSURANCE

THE UK MODEL

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UK LPI Model

- Distribution
- Coverage
- Claims Handling
- Stakeholder Perception
- What the future holds

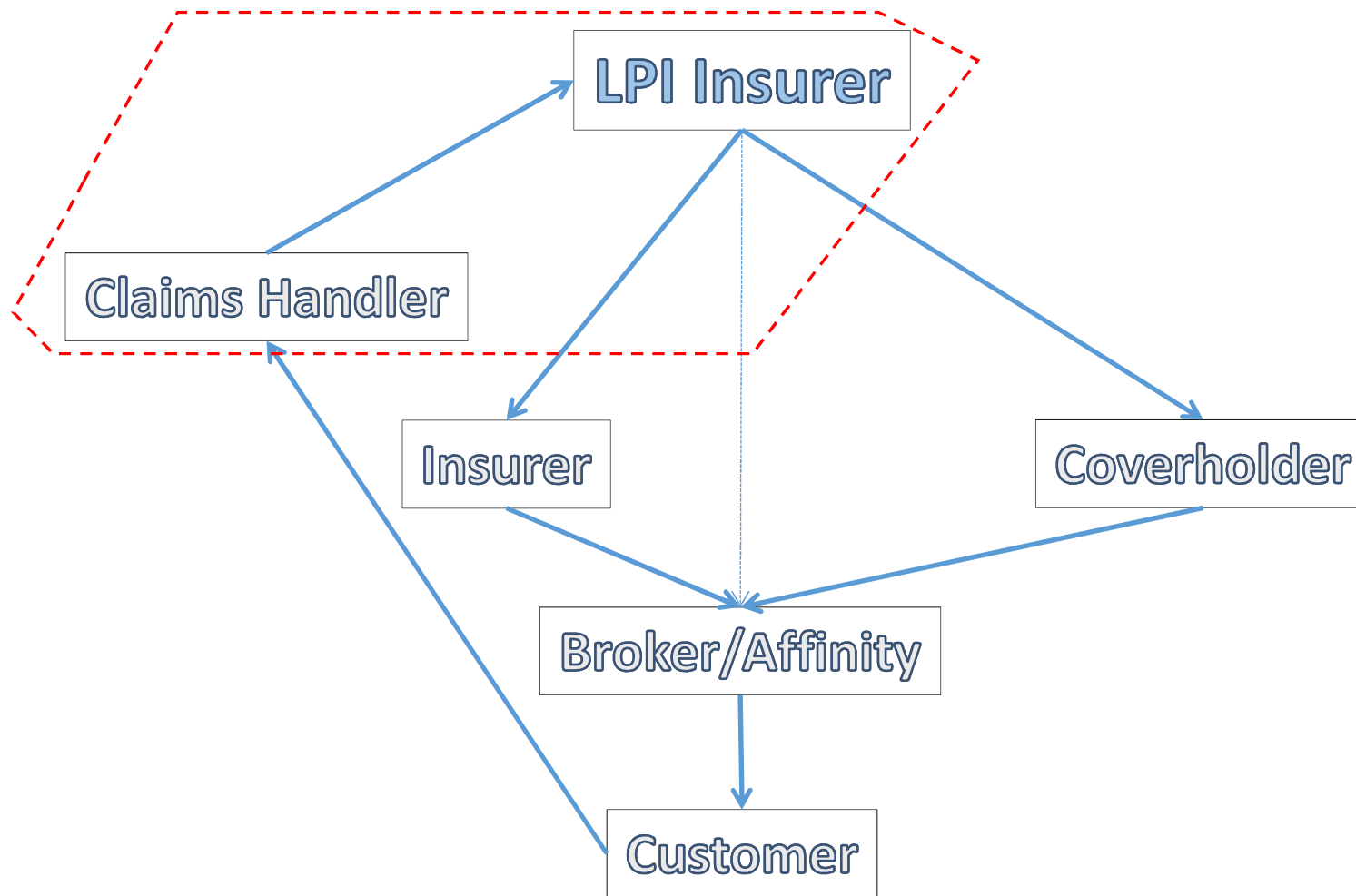


Distribution

- UK is an 'add-on' market
- Low Price, high volume schemes, no 'Stand-Alone'
- LPI's do not have direct interaction with policyholder at inception or renewal, only at point of service/claim
- Typically added to underlying insurance or given as a benefit through affinities



Distribution Model



Coverage

How LPI should be viewed

Personal Cover

- **'Free' Advice**
 - Personal Consumer
 - Family
 - Employment
- **Legal Documentation**
 - Wills & Probate
 - Consumer Complaints
 - Family & Divorce
 - Debt Arrears
 - Parking & Speeding
 - Employment
- **Insurance**
 - Motor
 - Personal Injury
 - Employment
 - Tenant
 - Consumer

Commercial Cover

- **'Free' Advice**
 - Commercial & Contractual
 - Taxation
 - Personal and Family
 - Employment
 - Criminal / HSE
- **Legal Documentation**
 - HR Documents
 - Leases & Tenancy
 - Debt Recovery
 - Health & Safety
 - Intellectual Property
- **Insurance**
 - Motor
 - Health & Safety
 - Employment
 - Taxation
 - Contract



Coverage

Current customer perception

INSURANCE

+

Legal Advice and Legal Services

Future customer perception

Legal Advice and Legal Services

+

Insurance



Claims Handling

- Supply chain management is key to continue providing affordable policy
- Claims handled in-house or through SLA with Coverholder or specialist claims handler in first instance
- Solicitors Panels generally used
- ABS structure also allows for 'pet' law firms to be utilised
- Free Choice of Lawyer means that a number of claims will be determined using external lawyers



Stakeholder Perception

Policyholder 

Intermediary 

Lawyer 

What does it do for me?

Why sell LPI?

Why work with LPI's?

Services

Advising Clients

Income source

Cover

Additional Fee
Income

Costs pressure

Cost effective alternative
to paying at point of use

Differentiate offering

Rise of the "ABS"

Understanding is limited
to motor products

Value proposition

Supply chain
management



Stakeholder Perception

- Low cost access to law for policyholders
- Even more important following the reduction in the availability of ATE
- Triaging of legal problems
- Legal advice and access to legal documentation reduces the recourse to adversarial litigation
- Reducing court litigation

LPI insurers are much more than mere indemnity providers



What the future holds

LPI to Generation Y (and Z!)

- Pay On Use / PAYG

- Pure on-line service delivery

- New covers such as Divorce / Pre-nups / No-nups

- Remaining relevant

FCA Thematic Review:

- No opt out

- Treating Customers Fairly

- Commission Disclosure

- Education of products / services

- FCA results based on 'value' of policy

- Pricing / claim results

Post-Jackson World

- BTE – Back in vogue - Lord Jackson's vision of a Standalone Utopia!

- No viable (ATE) alternative for personal motor claims

- Individual - Add-on

- Commercial – standalone

- ABS structures



Many thanks for your time



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