

Commercial legal expenses

This guide is for intermediary reference only:

It doesn't contain the full terms and conditions of the contract of insurance.

Full terms and conditions are within the policy documents; you can request to have a copy of these.

Background

Markel are among the UK's premier suppliers of legal expenses insurance to the SME, commercial mid-corporate and corporate market. For over 30 years, our vision has been to provide the complete solution to our customers' everyday legal needs.

Through the unique combination of our underwriting heritage, and our award-winning, in-house law firm, we have more than 50 professionally qualified lawyers and barristers handling around 500 calls a day. Of which, around 1% result in litigation thanks to our expert advice.

Product design

Markel UK provides market-leading commercial before the event (BTE) legal expenses insurance (LEI), and has deep knowledge of this often-complex product niche. Our product is designed to cover a wide range of common legal problems a business might encounter and is backed up by access to 24/7 expert legal advice, and representation when required.

Target market

Our coverage is tailored for UK based SME's and the common contentious legal issues they might encounter.

We're able to provide insurance solutions for a broad range of businesses and are happy to consider those that sit outside of these parameters; however, this product is not suitable for:

- businesses established and/or operate outside of the UK
- companies with connections or links to sanctioned individuals or countries
- businesses lacking in, risk protection control and risk management procedures
- non-conventional insurance options, such as customers that run their own captives or require a layered insurance program.
- a person acting for purposes outside their trade, business or profession

We will not look to write risks for:

- Property developers
- Companies with more than 10 properties
- Companies with over £100m turnover

Scope of cover

Available sections of cover include:

- 🔗 Employment disputes
- 🔗 Employment compensation awards
- 🔗 Property and landlord and tenant disputes
- 🔗 Criminal defence
- 🔗 Interview under caution
- 🔗 Tax protection
 - Aspect enquiry
 - Current tax year
- 🔗 Regulatory compliance
- 🔗 Court attendance costs
- 🔗 Employee extra protection
- 🔗 Negotiation cover
- 🔗 Restrictive covenant
- 🔗 Crisis communication
- 🔗 Contract disputes
- 🔗 Construction contractors' disputes
- 🔗 Transport disputes

Policyholder services

The policy comes with access to various policyholder services.

General Legal Advice - 24 hours a day

Scottish Legal Advice - 24 hours a day

Employment Advice - 24 hours a day

Safety and Environmental Advice - 9am to 5pm, Mon to Fri

Tax, VAT and PAYE Advice - 9am to 5pm, Mon to Fri

Law Hub offering easy to access information online, covering all your legal, tax and health and safety needs.

A 24-hour crisis communication line and access to a stress counselling telephone support line.

Product value assessment

Our product value assessment includes the cost to Markel of providing the product, through the distribution channel by which the product is sold, and a review of the product performance and the type and quality of services provided to the end customer.

We will take into account the nature of the product and its cover, benefits and any limitations, the price paid by the end customer together with the services we provide. A wide range of factors are considered, not exhaustive but such as, historical and expected claims frequencies, declinatures, incurred and projected claims costs, plus scenario analysis including likely economic and climatic trends, along with customer feedback and complaints.

We also consider how the premium is affected by the commission we pay the placing intermediary for the activities they conduct on our behalf together with any fees that we may pay for additional services received.

This also applies where an add-on-product (including premium finance) not manufactured by us is sold alongside, or forms a package with our products. These may affect the value to the end customer and will need to be taken into your consideration of value and must be proportionate to the benefits, cost and service provided.

We wouldn't expect this product to provide fair value to:

- non-renewable covers for less than twelve months
- businesses with very low-level exposures where we need to apply minimum premiums
- This product would not be expected to provide fair value to policyholders/risks that fall outside the Target Market

Where appropriate, we will group products together for the assessment where they are intended to deliver a similar outcome and the target markets are consistent. If any of our fair value assessments result in an outcome where we believe fair value is not being provided, we will engage with the relevant distribution channels to agree appropriate actions.

Partner remuneration and costs

- Commission levels agreed prior to placement
- Fee for Service arrangements are considered should they be entered into between both parties
- No additional costs or fees applied by ourselves, except for Insurance Premium Tax at the applicable rate
- Any additional charges within the distribution chain may potentially erode the intended value of our product

Distribution strategy

Our Commercial legal protection insurance product has been designed for distribution by insurance Intermediaries that hold commercial agency facilities with us. They must have the appropriate level of understanding about the risks and exposures faced by their customers in the operation of their business.

The distribution strategy is considered appropriate for the target market with customers having the option to purchase these products through a distributor of their choice. These products are considered suitable for advised and non-advised sales, where seen and agreed appropriate, by suitably skilled persons via telephone, face to face or an appropriately designed on-line journey

Conflict of interest

On the basis that we have not:

- delegated any claims handling duties to you
- delegated any underwriting authority to you
- remunerating you beyond the flat rate commission or fee for services provided, agreed between parties

We confirm that the product is free from any innate conflict of interest that would compromise you from putting customers interests first.

Distributor's responsibilities

You are reminded to assess fair value to your customers where you charge additional fees or where commission rebating takes place. Distributors should consider whether their customers who are purchasing a Markel product are being charged any additional fees that are not funded by the premium paid. If customers are being charged additional fees by anyone in the distribution chain, this could impact the outcome of the fair value assessment.

If a distributor identifies that a product is not providing fair value and this has been caused by the distributor's distribution arrangements, including its remuneration arrangements, the distributor must immediately inform the Markel for appropriate action to be taken.

Markel are satisfied that the product offers fair value to its intended target market subject to distributors

- Not charging customers additional amounts over and above the gross premium quoted by us without first determining that they do not have a detrimental effect on the value of the product.
- Ensuring that no duplicate cover exists or is caused by an add-on where that cover is already provided by the policy

Providing feedback

We welcome any feedback from our distributors on the performance of our products. All feedback will be considered in our next product review. Also, if you believe that your staff would benefit from additional training on this product, please let us know.

Please contact your Markel Relationship Manager.

Version control

Version	Updated By	Revision Description	Version Date
1.1	Rishi Bhanderi	Minor typo corrections.	09/08/23