

Overview of Legal Protection Insurance in Europe

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Legal Protection Insurance as a Means of Financing Legal Services

RIAD

■ Mission

Promoting affordable and high quality access to justice and the law

■ Goals

Upholding the interests of legal protection insurers to improve conditions which support an increasing presence of legal protection insurance

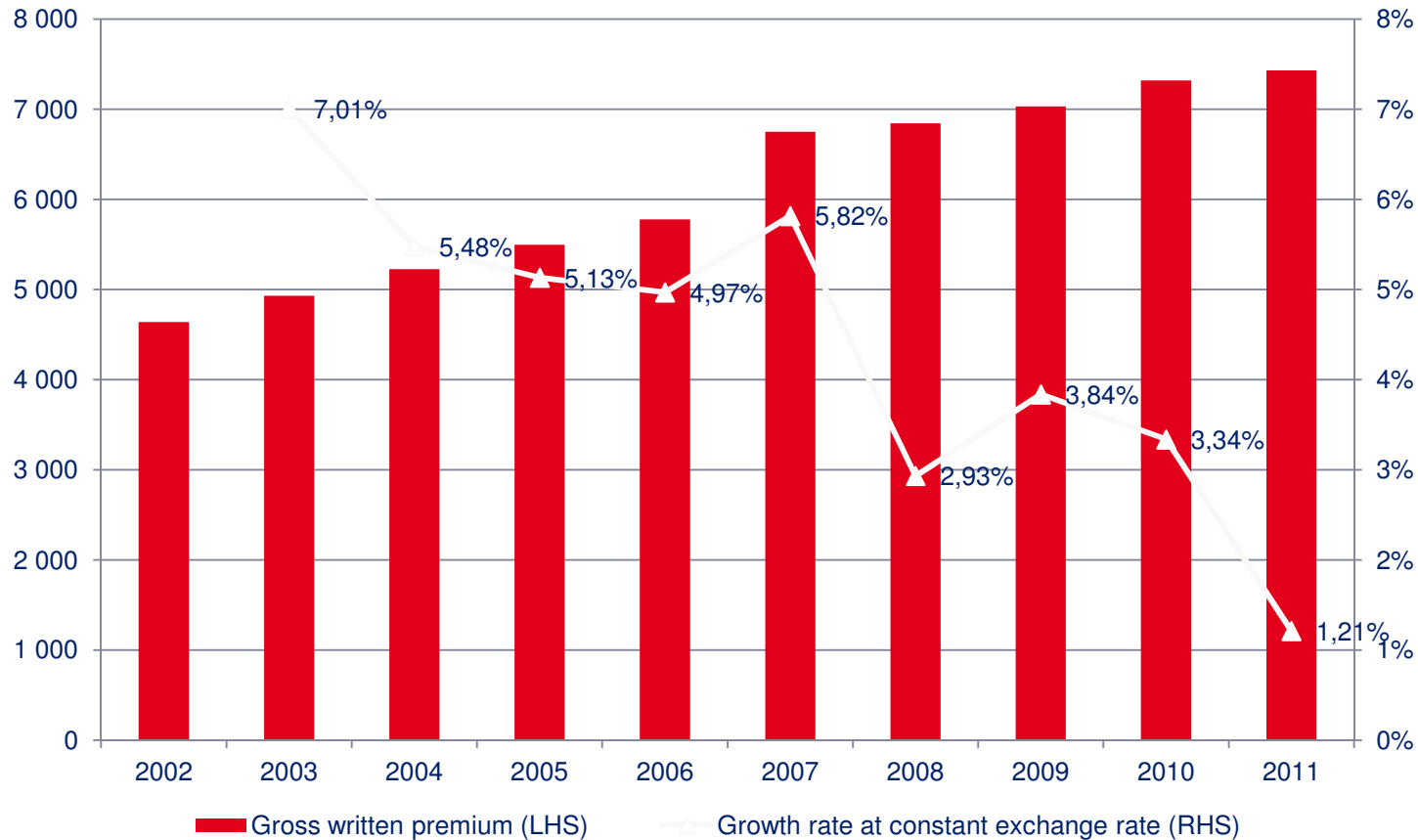
■ Activities

Exchanging information with and between members, maintaining contacts with other organisations, monitoring all relevant legal and non-legal initiatives, organising conferences



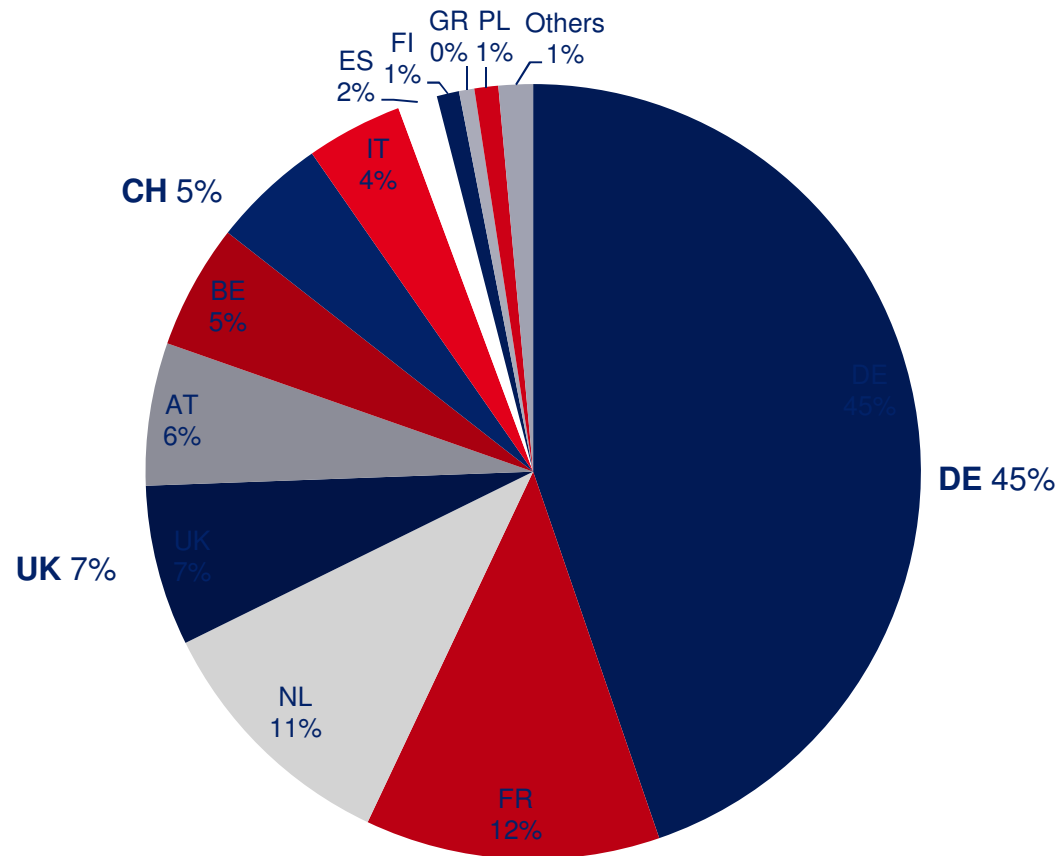
Market – Written premiums Europe

Gross written premiums Europe and growth rate (Source: InsuranceEurope)



Market – Breakdown per country

- Breakdown of legal protection premium income per country in 2011 (Source: Insurance Europe)



The legal environment

- **Articles 198-205 of EU Directive 2009/138/EC (former EU Directive 87/344/EEC)**
 - Definition – Art. 198.1.
 - Specifics to preclude or resolve conflicts of interests (Art. 200: 3 prescribed methods to manage claims, Art. 201, 204: right to the free choice of lawyer, Art. 203: Arbitration
- **Insurance supervision** (Solvency II, Ombudsman etc.)
- **Regulation of the legal services markets** (reserved services, professional requirements etc.)



What is legal protection insurance?

■ Definition – Art. 198.1. of EU Directive 2009/138/EC

(former Art. 2.1. of EU Directive 87/344/EEC)

[...] an insurance undertaking promises, against the payment of a premium, to **bear the costs** of legal proceedings and to **provide other services** directly linked to insurance cover, in particular with a view to the following:

a) securing compensation for the loss, damage or injury suffered by the insured person, by **settlement** out of court or through civil or criminal proceedings;

b) **defending or representing** the insured person in civil, criminal administrative or other proceedings or in respect of any claim made against that person.



What can legal protection insurance offer?

■ Legal advice

LPI are allowed to provide this without significant restrictions in: AT, BE, CH, CZ, FR, HU, IE, IT, LU, NL, SK, UK

■ Out-of-court settlement of claims

LPI are allowed to provide this without significant restrictions in: AT, BE, CH, CZ, ES, FR, GR, HU, IE, IT, LU, NL, SK, UK

■ Representation in-court or administrative proceedings

Possible but subject to restrictions in: AT, CH, CZ, HU, IE, NL, SK, UK



Outlook – What are the prospects?

- **Mutualisation of risks:** the insurance philosophy
- **Cost element**
- **Societal changes:** digitalisation and changed consumer behaviour require new ways for obtaining legal advice and solving conflicts
- **Legal burdens and barriers:** liberalisation
- **Emergence of new service providers and demands**



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