

Broker's Guide

Temple
LEGAL PROTECTION



Legal Expenses Insurance

Add value to your commercial customer relationships

Your Trusted Insurance Partner

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Opportunities with Temple

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Broker Opportunities With Temple Legal Protection

The real value your customers get from insurance crystallises when a problem arises but the legal and financial protection they expect may not be there when it is needed most.

We're here to help you and help your clients with guidance on how legal expenses insurance (LEI) can be truly effective.

In the current climate of economic uncertainty we are seeing many more calls to our legal (and counselling) helplines, more legal claims and an increasing number of businesses who have a problem, but do not have the cover for their legal expenses.

This likely includes your customers facing costly legal battles which can have a significant impact on their business and its future. They may be more concerned about the 'expense' element of legal expenses insurance, less so the real benefits of having the right insurance?

Budgets are tight and the risks of not being covered is now in sharp focus - but we can help. Discussions and surveys we've conducted among brokers have shown what the issues are and that legal expenses insurance could be the answer. If this resonates with you, then it's time to read our guide to LEI.

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Let's start with quick answers to some common questions

What is legal expenses insurance?

Legal protection or legal expenses insurance (LEI) is a form of insurance that funds the cost of legal advice and legal proceedings including solicitors, barristers and expert witnesses. It is also known as 'Before The Event' legal expenses insurance, as it refers to purchasing insurance before the claim or problem (the event) arises.

What legal expenses insurance isn't

It is not just something added on to a core element of cover. Your perceived value of a standalone LEI policy may be low - but do bear in mind the importance of having access to the right cover.

What is typically covered?

Heads of cover usually included are Employment Defence, Contractual Disputes, Taxation Defence, Legal Defence and Property Disputes, Personal Injury plus a range of additional covers.

How much cover is available?

Cover for businesses typically ranges from £25,000 to £100,000 per claim, with some providers (including Temple Legal Protection) offering up to £250,000.

Other assistance that may be offered

- Policies including free 24-hour legal advice from legal experts
- Free confidential telephone counselling included

Key conditions – examples include

- Legal issues must have over 50% prospects of being successful
- Clients must follow legal advice on employment issues
- The cost to pursue a claim must be less than the amount disputed
- Issues that pre-date the insurance are not covered

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Why Your Customers Need LEI



8 reasons why your customers should buy legal expenses insurance (LEI)

1. Economic recession resulting in company restructuring, redundancies and more employment disputes
2. The majority of businesses in the UK have more than 4 legal issues a year
3. The estimated cost of legal disputes for SME's is over £13bn a year
4. In 2020 there were 117,433 accepted Employment tribunal claims
5. 2019-20's highest awards included £243,636 Age Discrimination Case & £265,719 Disability case
6. LEI cover typically includes a free legal advice line
7. LEI minimum premium is usually less than the cost of 1 hour with a solicitor
8. At any one time 1 in 10 SMEs are being investigated by HMRC to detect 'counter-avoidance'

If you don't buy LEI – here's 7 reasons why you should

1. There is a significant chance your customer might need it in the near future
2. Separate LEI policies are likely to provide wider cover than LEI add-on policies
3. It's too late to buy it once there is an issue, which could lead to your client changing brokers
4. An extra income stream, with decent commission
5. Wider cover reduces customer complaints
6. Less complaints and more cover/assistance improves client retention
7. Stand out against competitors who aren't offering LEI cover

If we have one top tip, it is this - contact your commercial customers and prospects before their renewal date and ask a few questions about their existing cover to make sure it's what they will need in the future.

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Why Talk to Temple?

If you think it is time to find a legal expenses provider – why talk to Temple?

- Temple Legal Protection is a UK based, FCA authorised managing general agent, with over 20 years experience working with insurance brokers.
- We offer comprehensive commercial LEI with limits of £250,000. In addition, legal cover for Landlords, Family LEI, Tax Protection and Bespoke Scheme/Affinity cover.
- We do not have any restricted trades, have very competitive premiums and offer attractive commissions.
- Royal & Sun Alliance Insurance plc (“RSA”), the UK’s oldest general insurance company, is the insurer. It has been in the insurance business for 300 years and has an “A” credit rating.
- We are here to help. You can speak directly to our commercial legal expenses insurance team; please call them on 01483 577877 or email sean.fayle@temple-legal.co.uk

The Temple Advantage for you:

- Easy to issue policies, bespoke cover available.
- No trade restrictions, so no need to search the market for individual clients.
- Simple monthly reporting and a dedicated account manager.
- Affinity products can be created by our expert underwriters.
- Generous and fair commissions.
- Simple agency application with low minimum account size requirements.
- Real time quotations via our online system.
- Quote, convert and produce documents, via our online system.
- Products backed by A Rated insurance company.

The Temple Advantage for your customers:

- Comprehensive cover, including some areas that many of our competitors do not cover, such as loss adjuster fees and employment pursuit.
- First class claims service with expert local law firms.
- No waiting periods – unlike many competitors, our cover commences from the date of policy inception.
- A 24-hour helpline staffed by qualified solicitors.



Employment

The insured, having lost a large contract, had to restructure and make 8 employees redundant. Via a 24-hour legal advice line they liaised with employment law experts provided free of charge with the Temple policy. After consulting all their staff, they completed a selection process for the planned redundancies.

Shortly after, one of the employees brought an employment tribunal claim against the insured for unfair selection, sexual discrimination and disability discrimination.

The insured, who was unaware of any disability, appointed a solicitor provided as part of their Temple policy to defend the tribunal claim and to assist with an internal investigation into any discrimination.

The now ex-employee was not initially represented by a solicitor, which resulted in a great deal more work for our solicitor in explaining the process and fielding many questions and allegations.



The case was booked for a 3 day hearing, during which the solicitor was able to evidence the selection criteria and scoring system adopted and show the full consultation process carried out. The tribunal dismissed the case on the first day, finding in the insured's favour.

It is very rare to recover costs in an employment claim; the costs of the defence, including barristers fees of £15,300 for this matter were covered by the Temple legal expenses insurance policy.

Taxation

Company X received notification from HMRC that they would be subject to an investigation of their taxes, following concerns with their VAT returns and an additional £17,000 in unpaid taxes due.

Temple covered the cost of the insured's accountant to prepare for the investigation, liaise with HMRC throughout the process and successfully evidenced that the company had acted correctly, resulting in no additional tax due.



Legal Defence

Following an anonymous complaint accusing a business with a Temple LEI policy of not carrying out legionella tests, the insured, responsible for a mixed-use property, then received notice from the local authority of investigation and potential legal action, with the threat of a large fine.

Temple helped the insured appoint a local solicitor to respond to the notice, rejecting the accusation. With the evidence of tests carried out as well as additional safety checks also completed they were able to show the insured had acted correctly.

Further legal action was not required, the local authority accepted the solicitors' response and the case closed, with no fines or further investigation.



The solicitor's fees and expert reports costs of £7,300 were covered by the LEI policy.

Property

Company X, through a previous business acquisition and merger of two sites, found themselves with a building temporarily unoccupied, prior to planned improvements later in the year.

The business, who had Temple legal expenses insurance cover, became aware squatters had moved into the empty property and reported this to the local police. Unfortunately squatting in commercial properties is not a criminal offence and the police were not able to assist.

Temple arranged for an experienced property solicitor to urgently obtain a court order to evict the squatters.



Once this had happened, Company X was able to secure the property and install security cameras and lighting to prevent further problems.

Contract Disputes

The insured had their office refurbished by an external contractor. The work was completed to a very poor standard, with elements remaining unfinished.

The contractor refused to correct the substandard work or finish the outstanding items, leaving the insured no option but to arrange for another firm to put right the work and complete the remaining elements.

Temple arranged for a solicitor to be appointed who helped the insured sue the contractor for damages and compensation - seeking over £14,000. The insured eventually accepted £12,500 in an out of court settlement, in addition to £2,000 towards legal costs.



The remaining solicitor's fees and disbursements of £3,700 were covered by the Temple LEI policy.

Loss Adjusters Fees

Company Y owned a number of residential properties. They suffered a fire at one of their high-end, fully-furnished properties.

The fire caused significant damage, both to the property and its contents; initial conversations with their insurance company raised concerns whether they would be able to make a full financial recovery.

Temple were able to appoint an expert loss adjuster who prepared and managed the claim for the company, allowing them to get on with running their business.

The loss adjuster was able to recover over £600,000 - reimbursing their loss and restoring the property.



Their fees of £5,700 were covered by the Temple insurance policy.

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'Why is LEI Now So Important?'

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LEGAL PROTECTION



Here at Temple we have been providing legal protection insurance in the UK for over 20 years and have a wealth of knowledge and expertise in both the commercial and personal sectors.

With legal expenses insurance the right time to have the right cover is right now. It can be the protection your commercial customers need.

However, as with most insurances, you can't buy cover for a problem you already have or are aware of. So cancelling at renewal, or sticking to 'core' insurance covers to save costs, then looking for cover when an issue arises, really can be an expensive mistake! After-the-event legal expenses insurance is an option but is not so widely available for many commercial disputes.

At this time brokers have never been more important, for two reasons -

- The number of businesses unaware of a significant exposure and lack of legal protection is a growing, but little considered, concern. You can increase awareness and add value by raising this with the customer.
- Provide the client with the option to switch to a wider policy cover and an insurer focussed on assisting the customer. Ensure that legal claim is covered before it arises!

There has never been a more important time for the right advice for business customers – and for them to have access to insurance-backed legal advice. This will only happen if they have the right insurance cover in place.

You also want to rely on a claims process that gives peace of mind, rather than wanting to give the insurer a piece of your mind - resolve these potential future problems for your customer and see them become an advocate for your business.

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Temple Legal Protection is one of the country's leading underwriters of legal expenses insurance. We provide a wide range of insurance solutions to brokers and law firms in order to help people reduce their financial risks in litigation.

Contact Us

For more information on how working with Temple Legal Protection can benefit you and your clients, please call us now on 01483 577877 or visit www.temple-legal.co.uk

Temple Legal Protection is authorised and regulated by the Financial Conduct Authority