

After the event 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.

Product design

After the event legal expenses (ATE) is an insurance product designed for customers that want legal expenses insurance protection in order to protect them against the risk of liability for costs and disbursements during a legal action. Our technical ability combined with legally qualified expertise enables us to understand your risk and anticipate what might be required.

We offer a range of products and services which are specifically designed to reduce the financial burden on law firms in the post-LASPO landscape. They include scheme-based solutions (in clinical negligence, personal injury and catastrophic injury) as well as standalone and scheme-based ATE insurance for commercial litigation for complete coverage.

ATE Insurance is purchased after an accident ("The Event") has taken place, but normally before any significant legal costs or disbursements are incurred. The overall concept of an ATE Insurance policy is that it will protect the claimant against costs and disbursement risks right from the outset - if a claim is insured at a late stage then (as with most insurance policies) costs and disbursements which occurred before the date of the ATE Insurance policy will not normally be covered. By using ATE insurance, we will be able to provide a package that will allow access to justice for claimants and provide solicitors with a commercially viable proposition.

Target market

The target market for our ATE Insurance products are customers who meet the following criteria:

- 🛑 consumers who wish to pursue a personal injury or clinical negligence legal action in England or Wales which is above the small claims track limit
- 🛑 who wish to pursue a Commercial Litigation legal action in England or Wales

We're able to provide insurance solutions for a broad range of customers, however this product is not suitable for:

- consumers who would like to bring a legal action outside of the jurisdiction of the courts of England or Wales
- non-UK businesses
- customers who have not entered in to a conditional fee agreement or damages based agreement with a solicitor
- customers with connections or links to sanctioned individuals or countries

We will not look to write risks:

- which have been previously declined or insurer cancelled or have a history of non-disclosure /misrepresentation
- which fall within the small claims court track within England or Wales

Areas of cover

We provide ATE insurance for a wide range of risks within the litigation arena, typically we insure all types of personal injury and clinical negligence cases as well as commercial litigation in areas such as

- | | |
|---------------------------|----------------------------------|
| 🛑 Insolvency cases | 🛑 Contract disputes |
| 🛑 Professional negligence | 🛑 Contentious trusts and probate |
| 🛑 Group actions | 🛑 Intellectual property disputes |
| 🛑 Top up | |

Premiums

There are a number of different premium structures available depending on the risk presented and all offer complete transparency from inception to trial ensuring costs certainty at every stage. The options available are:

- Staged premiums – limited at key stages throughout the litigation
- Conditional premiums – you only pay when you win
- Floating premiums – the premium follows the risk
- Transparent premium structure – so there are no surprises
- Self-insured premiums – if you do not recover the premium, then this will cover the shortfall
- Upfront premiums – paid when the policy is taken out

Product value assessment

Our product value assessment is based on the premium we charge for the cover and the services we provide. We take a wide range of factors into consideration, such as historical and expected claims frequencies, incurred and projected claims costs, plus scenario analysis including likely economic and climatic trends, along with customer feedback.

ATE insurance is a recommended product by the solicitors, who act in the best interests of their clients, if an ATE product does not provide value then the solicitors do not recommend it.

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

- consumers who've a relevant before the event legal expenses policy
- consumers who're eligible for legal aid

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

There are no additional costs or fees applied by ourselves, except for Insurance Premium Tax at the applicable rate. Typically paying commission is not an arrangement we would normally agree to as any additional charges within the distribution chain may potentially make the proposition disproportionate and uneconomical.

Distribution strategy

Our ATE insurance product has been designed for distribution by solicitors that have signed a membership agreement with us and then subsequently recommend this product to their clients.

They must have the appropriate level of understanding about the risks and exposures faced by their customers in the operation of their business as well as meet our risk assessment and file review process standards. The law firm also needs to be on the FCA exemptions register in order to recommend our product.

This product should be sold with the active assistance and guidance of a appointed Solicitor to obtain the appropriate level of cover. This product should not be sold directly to customers without this assistance

This product is NOT suitable for distribution via

- Claimants directly
- Any other channel other than a registered solicitors practice.

Conflict of interest

On the basis that we have not:

- delegated any claims handling duties to you
- delegated any underwriting authority to you

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 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 | Sonja Wigglesworth | Minor typo corrections. | 05/08/24 |