

What is the environment for legal protection insurance ?

Spain

is an illustration of the important **changes** taking place in many European countries

Spain

- Decline in the insurance business
- Increased conflict
- Acceleration of Internet use (reduced costs)

2 Chapters

- ❑ 3 key drivers of change
- ❑ 3 tracks the evolution of the legal protection

1

The main drivers of change
in our environment

1

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1.1.

Europe feels more vulnerable
and believes less and less in justice

Europe's crisis is economic, fiscal, financial and **social**

The crisis created a sense of **vulnerability**

A sign : the number of divorce is falling down in heavily affected countries by the crisis

The decline in purchasing power,
rising unemployment increases the **risk**

Consumers no longer have the means to
protect themselves.

All levels of society are concerned

European citizens are afraid:

- to loose their jobs
- not being able to pay their rent
- not being able to repay their loans

The **fear** is amplified by the fact that they no longer have the means to enforce their rights.

Only Germany and the northern countries beyond these fears.

Fear is different: inflation could be back!

The crises threaten and even **destroy the established**

This situation reminds what happened to the health sector in the last century.

This is insurance that has a solution for all.

Is it a **threat** or an **opportunity**?

Insurance will necessarily participate in debates on the costs of justice.

Consumers expect insurance as a management fee as a **technical support**.

1

The main drivers of change in our environment

1.2.

Access to information has changed: we must adapt to new communication channels

Survey France - 2014 - 18/60 years

1. When a legal problem arises, the first instinct is to consult a search engine online.
2. The online solution is in all cases verified with a qualified professional (Lawyers).

Survey France - 2014 - 18/60 years

3. Users are more and more interested in the source of the information quality (legitimacy).
4. They never think about insurance (the insurer has no natural legitimacy in this area).

To exist, Insurers must integrate habits:

- Provide **access** to passive information anytime and anywhere via the Internet
- Allow direct **calls** when they are in an active phase.

Health insurance has the **same logic** than the
Legal Protection Insurance

Legal protection insurance is not active
on **Internet** (in any country)

Health insurance is much more advanced: the biggest health / beauty websites all **belong** to insurance companies, in Northern Europe.

See what they do! This is what is closest to your business and these are the **same customers.**

Survey – Germany - 2013

- Internet is the **first** source of information: 80% of Internet users
- Internet is the **only** source of information: 65% of Internet users

Validation of legal information by experts
will be the key to success, on Internet.

Place on Internet has to be taken!

The conditions:

- **Technical**: Improving the tools (search engines)
- **Human**: To train, develop a good information culture adapted to the web

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The main drivers of change in our environment

1.3.

Time appreciation has changed :
everything accelerates and created new fears

We are in the world of immediacy: everything is accelerating and nothing can resist the feeling of unbridled acceleration of our lifestyle.

This is reflected by an increase of the sense of urgency, guilt, stress, anxiety schedules, the need to accelerate,
the fear of "**not being able to follow.**"

We need to address two **priorities**:

- ability to take care of the problem and stress of the client.
- ability to adapt to the new demands of the time

We need to rethink the **culture of writing** and adapt to the requirements of law.

The **widespread** of the legal protection insurance in each of our European countries will **create new obligations** :

- requests for advice
- assistance to conflict with limited stakes ...

Responsiveness, Immediacy...

An **issue** for many countries :

- . What role to play outside or before any dispute ?
- . What role in prevention ?

2

The possible developments of the Legal Protection insurance

2

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2.1.

The enlargements of Territories: act before a proved conflict or without any conflict!

Changes in Legal Protection Insurance are **closely linked** to the organization and structure of **justice** in different countries.

Fiscal policies will lead to lower costs of justice leaving to **others** to take over.

The majority of the European countries have become very active in their judicial reform to **disengage** from certain categories of disputes.

Are priority **targets frequent low-stakes** litigations.

If **divorce** is particularly significant

One of the budget items that could be very touched ,
it is **the legal aid**:

The North-European countries (excluding Germany)
and Italy are likely to be most directly affected by
budget cuts.

The Legal Protection Insurance will probably experience a new period of development, provided a new balance of **marketing-mix** suitable for the country and its economy.

Many countries have a great potential in solving voluntary extra-judicial procedures.

For many countries, **new territories** could be found:

- Acting below the current action level
- Acting before the existing dispute.

Every country, every Company must find its own solution, with many possible variants.

Imagination will be the Key

New information technologies allow to go much further and much faster to most of the actual customers needs.

Let us look beyond our own territories !

2

The possible developments of the Legal Protection insurance

2.2.

Find new bases with lawyers and legal professionals

The subject is as old as time.

Antagonisms tend to come from monopoly situations.

Changes can only be made through negotiation.

Germany is a good example of harmony with the Lawyers.
This does not preclude having, by far the highest level of penetration of the Legal Protection Insurance, in Europe.

Lawyers and legal professionals follow the same logic as the economic curve: **the profession is in crisis**, because its revenue is decreasing.

They seek to create new territories, trying to nibble the territory of other professions (eg notaries, even judges in some cases ...).

It is necessary to devise **new borders** to meet the changing consumer needs.

Insurers are in very favorable position:

- they can manage with a great number of clients
- they can master customer relationships
- they have very effective access to the customers.

The crisis could get everyone to agree:

- Monopolies disappear
- Lawyers are less active than economists
- We need to reduce costs

Don't forget that the main obstacle to change comes from **internal** structure.

2

The possible developments of the Legal Protection insurance

2.3.

**Communication is a factor of maturity,
Not an inflation accelerator.**

Legal protection should contribute to solve the crisis.

To play such a role, Legal Protection Insurance must **exist** in the eyes:

- of the general public
- of the government.

Traditional **barriers** to communication:

- It is considered as a minor branch
- It does not enjoy a positive image, as a specialist of the legal position of injured parties of motor vehicle accidents

Traditional **barriers** to communication:

- It enjoyed the non-dynamic image of lawyers and legal professionals
- The mention of its existence gives spots to the face of the lawyers.
- Many insurers believe that communication encourages the consumption of the branch (ie claims)

To **communicate** could be a real advantage for the insurers who suffer from strong and negative image of business finance.

The legal protection Insurance is not based on the **compensation** principle. It supports **fee** for access to the knowledge, expertise (as much for health insurance ...). It has a different logic that can help improve its image if it manages to stand out from the picture a bit dated from the legal profession.

Legal Protection is particularly adapted to the four themes that are generally used in communications for insurance:

loyalty,

responsibility,

serenity

and accessibility.

The communication can be perfectly integrated at two levels:

- At the level of the **Branch**, nationally or internationally.
(advertising tool will be primarily used)
- At the level of the **Companies**, each company may put forward its own competitive advantages.

Internet has revolutionized communication

by providing access to these targets in large numbers and at low cost.

What is possible in a start-up becomes possible to "small" structures.

The crisis is active and may be there for a few more years.

Trying to profit by creating real business opportunities.