

Lexelle Product Value & Oversight Summary

This Lexelle Product Value & Oversight Summary is a document for our brokers & partners to demonstrate the value of our product to their customers, our target market and our distribution strategy. It also includes an overview of our Product Oversight and Governance framework.

Insurer / Carrier Name	Financial & Legal Insurance Company Limited
Product Name	Commercial Legal Expenses Insurance
Roles and Responsibilities	Lexelle Ltd is co-manufacturer with the insurer for this product.
Distribution	The Lexelle Commercial Legal Expenses Insurance is sold through FCA regulated brokers and authorised intermediaries. The product is available on a standalone basis or add on to a commercial property insurance policy.
Reference/UMR [Binder]	CLEII / 01 / 2022
Reference [Class of Business]	Legal Expenses Insurance
Date	31-12-2021
Date of review	17-04-2023

Product Information

Product Design & Description	Unexpected legal disputes can be costly to a business and not all companies are of a size that they fund an in-house legal team and commercial legal expenses insurance is an existing product widely available in the market. The Lexelle commercial legal expenses insurance product is designed to provide cost-effective access to expert legal advice for issues such as employment disputes, personal injury, property protection, legal defence and tax protection. The policy is available a standalone product or add on to a commercial property insurance policy. The net premium charged by Lexelle Ltd, reflects the risks and expenses associated in providing the Lexelle Commercial Legal Expenses Insurance product to our brokers and authorised intermediaries.
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Product Coverage	<p>The Lexelle commercial legal expenses insurance product is for a duration of 12 months and covers any business or organisation up to a maximum annual turnover of £10 million.</p> <p>The typical areas available for cover are:</p> <ul style="list-style-type: none">• Employment Disputes.• Financial Compensation Awards.• Tax Protection.• Service Occupancy.• Legal Defence.• Property Protection.• Bodily Injury.
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Lexelle Ltd offers an end-to-end solution; manages manufacturers, delivers distribution and provides a full comprehensive claims service.

	<ul style="list-style-type: none"> • Tax Protection. • Contract Disputes. • Debt Recovery. <p>For all policy sections the maximum amount we will pay in respect of any claim is £50,000 and the maximum payable for a 12 month period of insurance is £500,000.</p> <p>Important Note: The levels of cover provided on a commercial legal expense insurance policy can vary between selling agents or authorised intermediaries. This can be due to targeting different profiles of customer or for pricing considerations, (e.g. to keep the retail price to the customer at a lower price point). Please refer to the specific Lexelle policy documentation we have supplied for more information about the cover and policy we have provided you.</p>
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Customer / Market

Target Market	<p>Our target market is for business or organisations who are:</p> <ul style="list-style-type: none"> • Based in the UK, Northern Ireland and the Channel Islands. • Have a turnover less than £10 million.
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Type of Customer for whom the product would not be suitable	<p>This product is not designed for business or organisations who are:</p> <ul style="list-style-type: none"> • Not based in the UK, Northern Ireland and the Channel Islands. • Have a turnover more than £10 million.
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Claim Characteristics

Value to Customers	<p>The claim characteristics of a Commercial legal expenses insurance scheme differs slightly from general insurance products like motor or home insurance. Typically, the claims frequency rate tends to be lower, but the true individual claim cost can be relatively high. The frequency rate tends to be lower due to the claims being assessed on whether they have a reasonable prospect of success, (usually greater than 51%), and therefore this increases the proportion of claims rejected. However, when a claim does have prospects of success the legal costs that can be incurred can be substantial hence the product's high indemnity limits.</p>
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	Furthermore, the overall outcome after a successful claim can have significant value beyond paying the legal costs to the insured business or organisation, for example, a claim covered under the employment disputes section of cover could have funded the legal fees for a policyholder to successfully defend themselves in the event they are taken to employment tribunal by an employee or ex-employee.
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Any notable exclusions or circumstances where the product will not respond	Please refer to the “What is not insured?” section in the Insurance Product Information Document, (IPID).
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Product Oversight and Guidance

Ongoing Product Assessment – Product Oversight & Governance	<p>The Lexelle commercial legal expenses insurance product is reviewed continuously by Lexelle Ltd as part of a formal monthly governance Operations Management Meeting which incorporates reviews of:</p> <ul style="list-style-type: none"> • Sales & Marketing Information / data. • Compliance & Risk Management information / data. • Products & Pricing Governance and Oversight. • Conduct risk data analysis. • Claims and complaint analysis. <p>The outcome of these reviews is to always ensure the legal expenses product continues to be fit for purpose and holds fair value to the policyholder. Furthermore, it makes sure there are no conflicts of interest or areas of detriment to the policyholder in the distribution activity. If any issues or improvements are identified in such reviews they will be implemented as soon as practically possible.</p> <p>Additionally, Lexelle Ltd supports our brokers & partners by providing an online training portal for all our current products at www.lexelle.com.</p>
Fair Value Assessment Statement	This product has been subject to Lexelle’s Product Oversight and Governance process and has been reviewed and signed off by Lexelle Management as representing fair value to customers.
Date Fair Value assessment completed	24-04-2023
Expected date of next assessment	April 2024

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