

CURRENT SITUATION VS TESCO LAW

HOW LEGAL CHANGES MAY AFFECT INSURERS

DATA: INSURANCE TIMES/ABI

A car accident occurs where the customer of insurance company A is at fault

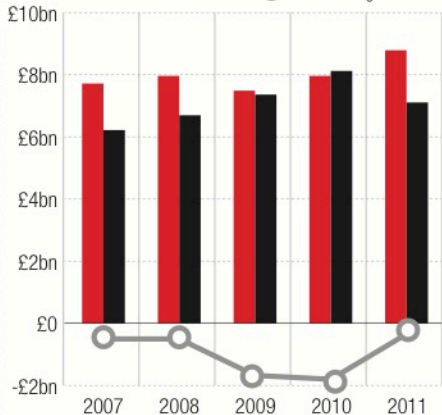


The customer of insurance company B, who has been injured as a result of the accident, is told he can make a claim



DOMESTIC MOTOR INSURANCE RESULTS 2007-11

- Net written premium
- Net claims incurred
- Underwriting result



With Tesco Law Current situation



Insurance company B refers a law firm to its client.

Insurance company B receives a referral fee of £800.



Insurance company B avoids paying referral fees.



Insurance company A pays out to customer. The law firm owned by insurance company B charges legal fees.



Insurance company B profits from legal fees.

