
STATUTORY INSTRUMENTS

1990 No. 1159

The Insurance Companies (Legal Expenses Insurance) Regulations 1990

Arrangements for avoiding conflicts of interests

5.—(1) An insurance company carrying on legal expenses insurance business shall adopt at least one of the following arrangements.

(2) The company shall ensure that no member of staff who is concerned with the management of claims under legal expenses insurance contracts, or with legal advice in respect of such claims, carries on at the same time any similar activity—

- (a) in relation to another class of general insurance business carried on by the company, or
- (b) in any other insurance company, having financial, commercial or administrative links with the first company, which carries on one or more other classes of general insurance business.

(3) The company shall entrust the management of claims under legal expenses insurance contracts to an undertaking having separate legal personality, which shall be mentioned in the separate policy or section referred to in regulation 4.

If that undertaking has financial, commercial or administrative links with another insurance company which carries on one or more other classes of general insurance business, members of the staff of the undertaking who are concerned with the processing of claims, or with providing legal advice connected with such processing, shall not pursue the same or a similar activity in that other insurance company at the same time.

(4) The company shall, in the policy, afford the insured the right to entrust the defence of his interests, from the moment that he has the right to claim from the insurer under the policy, to a lawyer of his choice or, to the extent that the law of the relevant forum so permits, to any other appropriately qualified person.