

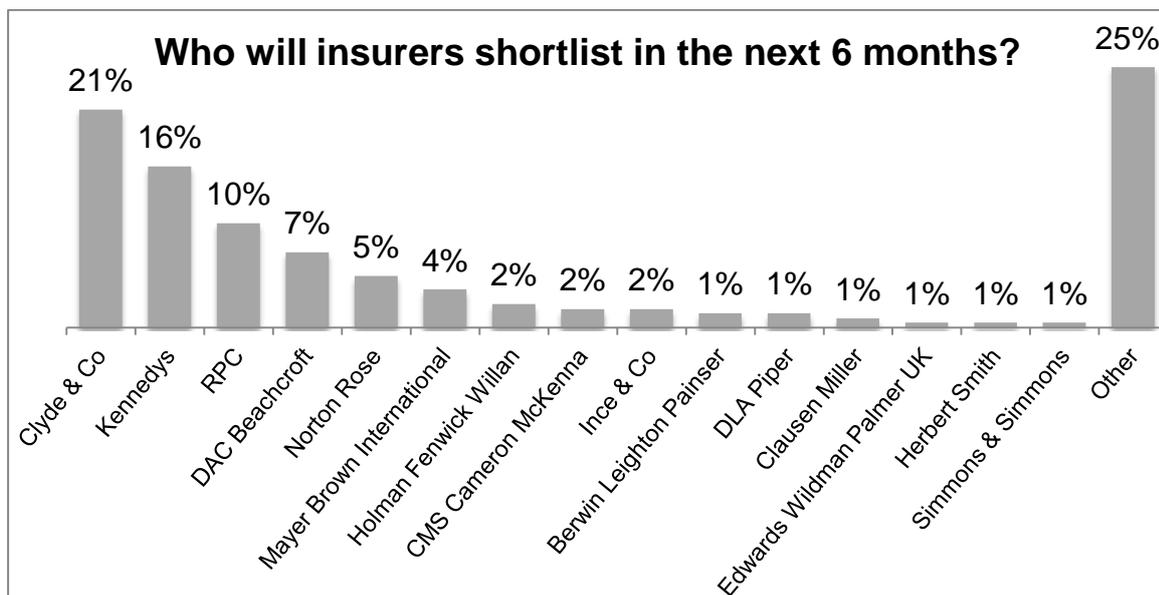
**THE GRACECHURCH REPORT FINDS COST MANAGEMENT
DRIVING DEMAND FOR LEGAL SERVICES**

One third of insurers will review the legal services they buy in the next 12 months

12 March 2013 - Gracechurch Consulting, the leading provider of research and strategic consultancy services to the insurance industry, released the findings of its 2013 Insurance Legal Advisers Report today. This is the first independent survey of claims staff and explores their attitudes to performance amongst specialist law firms.

“The market place for legal services in the insurance sector is undergoing a significant shift in buying behaviour according to the claims professionals who took part in our survey. A third of those who we spoke to said that there will be a change in their buying behaviour in the next year. This will focus on tightening up their panels, increased cost / benefit analysis of suppliers and a need for those firms to be able to deliver greater international reach.

“As insurers struggle with low investment income and a soft pricing, managing the cost side of the equation is becoming ever more important – and legal expenses make up a big part of that. Claims professionals want their lawyers to be cost conscious, commercial and cost-effective. As they look to review their service providers going forward it is interesting to see which firms they are most likely to short list in that process.”



Other key findings include:

- Most respondents (88%) say they use legal panels, these are only obligatory for 30% and most still appoint 'off-roster'
- 45% prefer to select individual lawyers, regardless of the firm they work for; a similar number prefer a combination of firms and individuals

Ben Bolton continued “Although the key firms are all seen as insurance specialists – there are occasions when make insurers look for alternative suppliers: either because specialist knowledge is required or the panel does not cater for all classes of business. There is also a growing need for global reach in new and developing markets, so they want advisers who are can deliver specialist expertise across more jurisdictions. This is trend that we believe will increase significantly in the coming years, and disadvantage smaller local firms.”

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About this report:

The Reputation and Performance of Insurance Legal Advisers 2013 represents the first independent annual survey of claims professionals in insurers, with 150 detailed interviews being undertaken. Interviews were conducted in late 2012 and early 2013.

About Gracechurch Consulting

Insight

Gracechurch Consulting has been conducting independent benchmarking studies in the commercial insurance markets for more than a decade, and has developed a series of metrics centering upon reputation and service by which to define and measure performance of individual players.

The London Market Gracechurch Report insurance portfolio includes:



- **Claims performance & reputation:** demonstrates how claims functions are performing per business line on a quarterly basis, enabling subscribers to track their performance throughout the year and measure the impact of their investments.
- **Underwriter performance & reputation:** this focuses on the individual performances of underwriting teams and how they are positioned in the market according to awareness, service leadership, advocacy and overall service satisfaction. UP&R also provides a listing of top-performing underwriters per business line, providing a unique insight into the stars of the underwriting industry and why service really matters.
- In 2013 the Gracechurch Report is extending its coverage to include a range of other international insurance hubs.

Inspiration

Gracechurch works with insurance teams to highlight issues and provide actionable solutions to drive forward service performance and leadership. We give our clients a deeper understanding of their market and of what their customers need, so they can drive change through their teams and ultimately deliver the service, standards and results they want.

For further information please visit: <http://www.grch.net/>

