

ILAG 2025

TL0

Legal expenses insurance and its key role in access to justice in Germany

Thomas Lämmrich, 25 June 2025



Folie 1

TLO

[@Gabriele Hillmer-Möbius] Ich bin am 25.6. bei einer Veranstaltung in Köln, die Prof. Kilian organisiert, wohl ein internationales Treffen in Sachen Legal Aid. Da macht es natürlich Sinn, über Wichtigkeit und Bedeutung der RSV zu sprechen. Ich habe 15 min., viel mehr als in den Folien geht also nicht, auch die könnten schon eng werden. An Dich hätte ich die Bitte, mal kritisch drüber zu schauen, insb. über die Folien zu 1, die ja nicht aus unserem Fundus stammen. Natürlich erst, wenn Du wieder an Bord bist. Jedenfalls schon einmal vielen Dank.

Thomas Lämmrich; 2025-06-05T08:37:37.679



1. Legal Expenses Insurance (LEI)

LEI has a central role in access to justice

Social and constitutional function

4.6 mio.
insurance claims
GDV 2024



3.8 bn. EUR
expenditures
2004: 2,1 bn. EUR
GDV 2024

27.3 mio.
contracts
GDV 2024

Around **60%**
of German households
Destatis: app. 41.3 mio. households in
2023



The value proposition of LEI is access to justice

“Peace of mind knowing you are protected”

Tasks of legal expenses insurance

You want to assert your legal interests. We provide the necessary services and thus ensure your access to justice. The scope of our services is described in the insurance application, the insurance policy, and these insurance conditions. We are happy to support you in resolving your conflict quickly and sustainably. Ask us about your options.

Sektion 1 General Model Conditions for Legal Expenses Insurance (ARB 2021)



Benefits of LEI

More than mere cost reimbursement

Financial security in legal disputes and peace of mind knowing legal costs are covered (such as statutory lawyer fees, court fees, and witness expenses)

Access to professional legal advice

- Orientation and support in navigating the complex legal system (insurer as a guide in legal matters)
- Legal advice hotline, recommendation of lawyers and further legal services

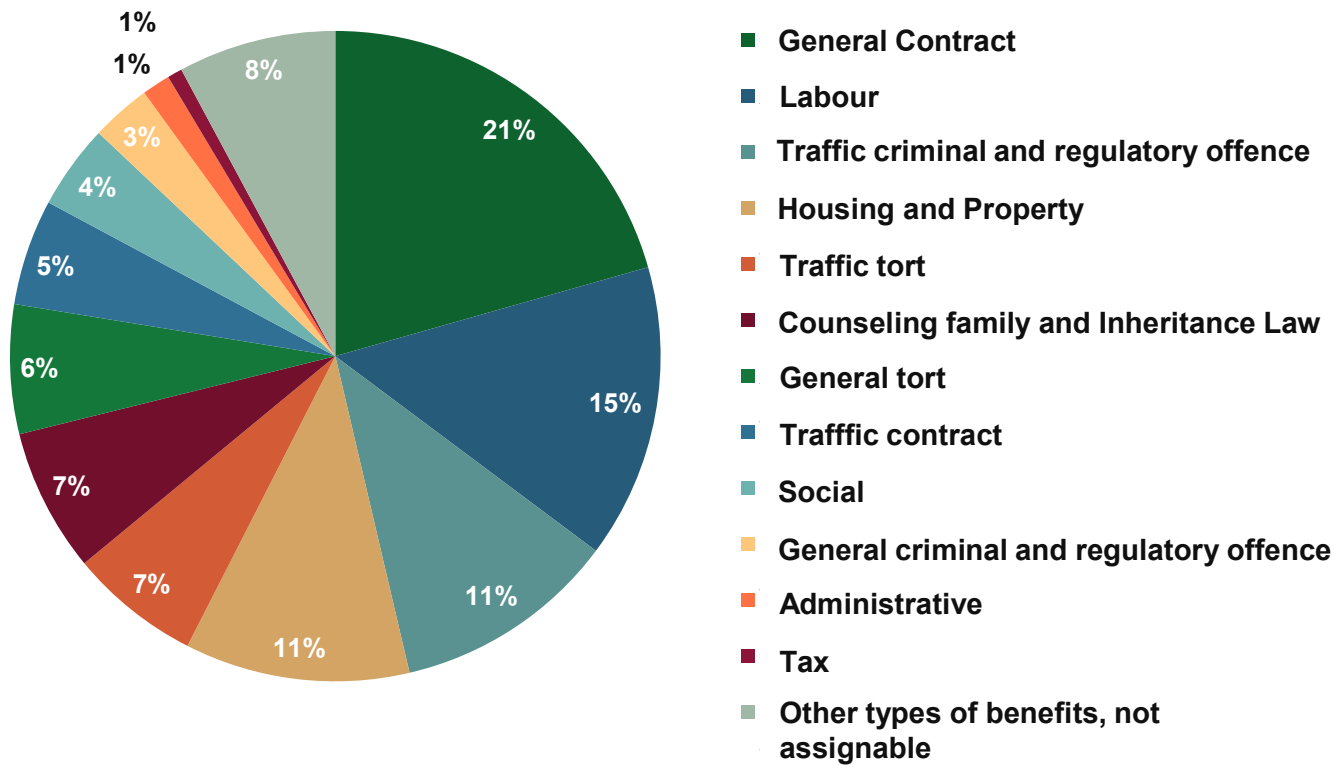
Coverage for various legal areas



“Legal areas” covered by LEI

Types of benefits

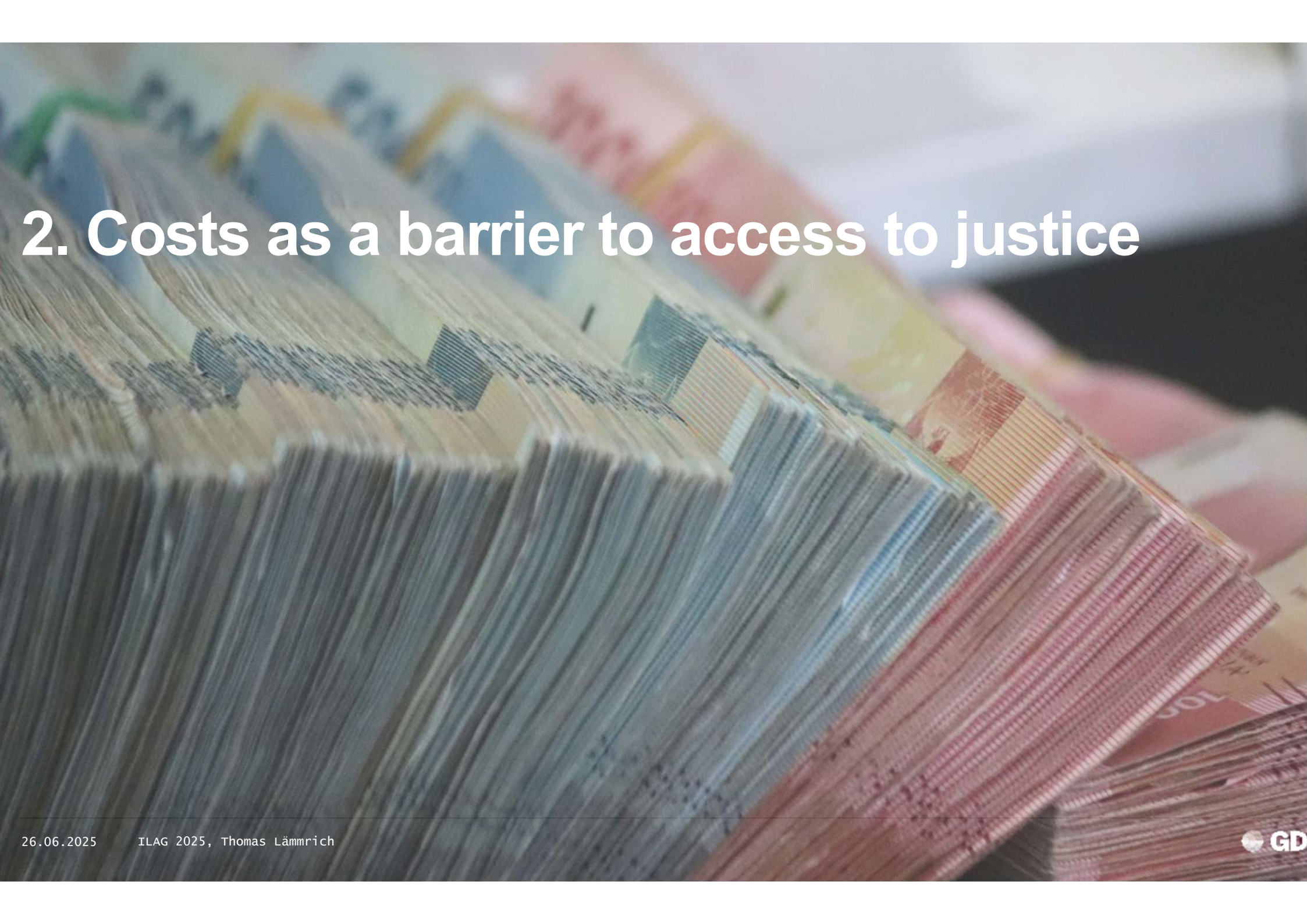
Claims reported



Coverage and costs

- **Various Packages, available for private individuals, families and businesses**
- **Premiums vary based on coverage (from 150 EUR upwards)**
 - Often includes a deductible (from 150 to 300 EUR)
 - Insured sums vary (from 300,000 EUR upwards)
 - Coverage limits may apply
 - Some policies offer worldwide coverage



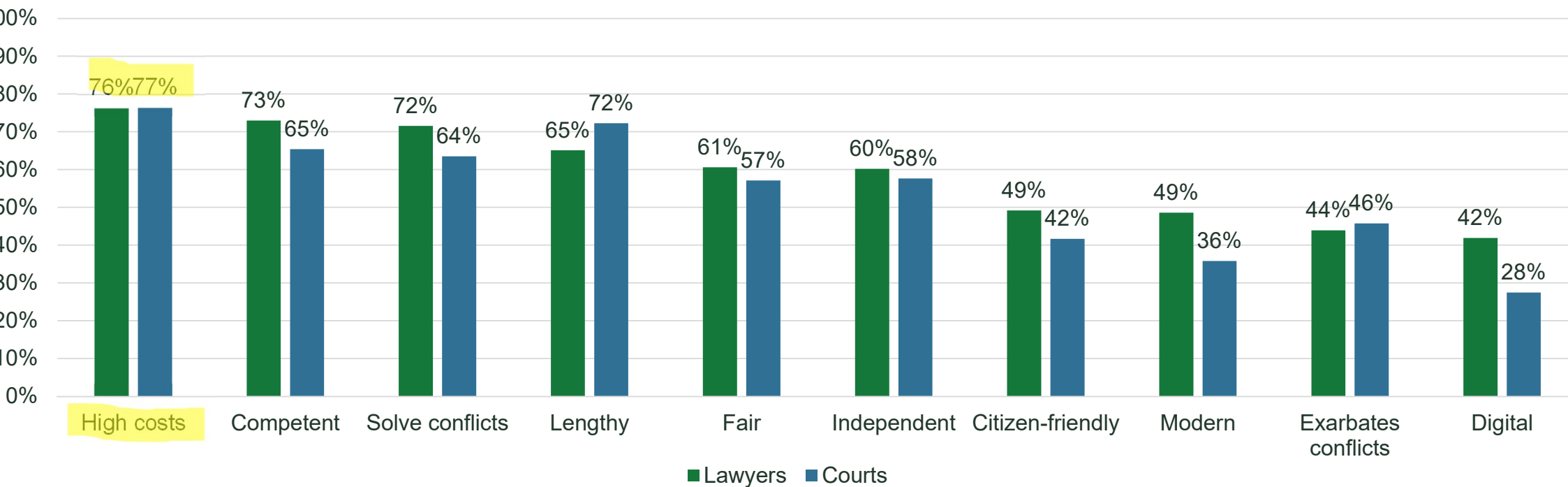


2. Costs as a barrier to access to justice

Above all, associated with lawyers and courts are high costs

Associations with lawyers and courts

YouGov



DV/Yougov 2022: To what extent, if at all, do the following characteristics apply to the handling of legal problems by lawyers? To what extent, if at all, do the following characteristics apply to the handling of legal problems in court? All respondents (n=2,074)

Costs are a barrier to access to justice

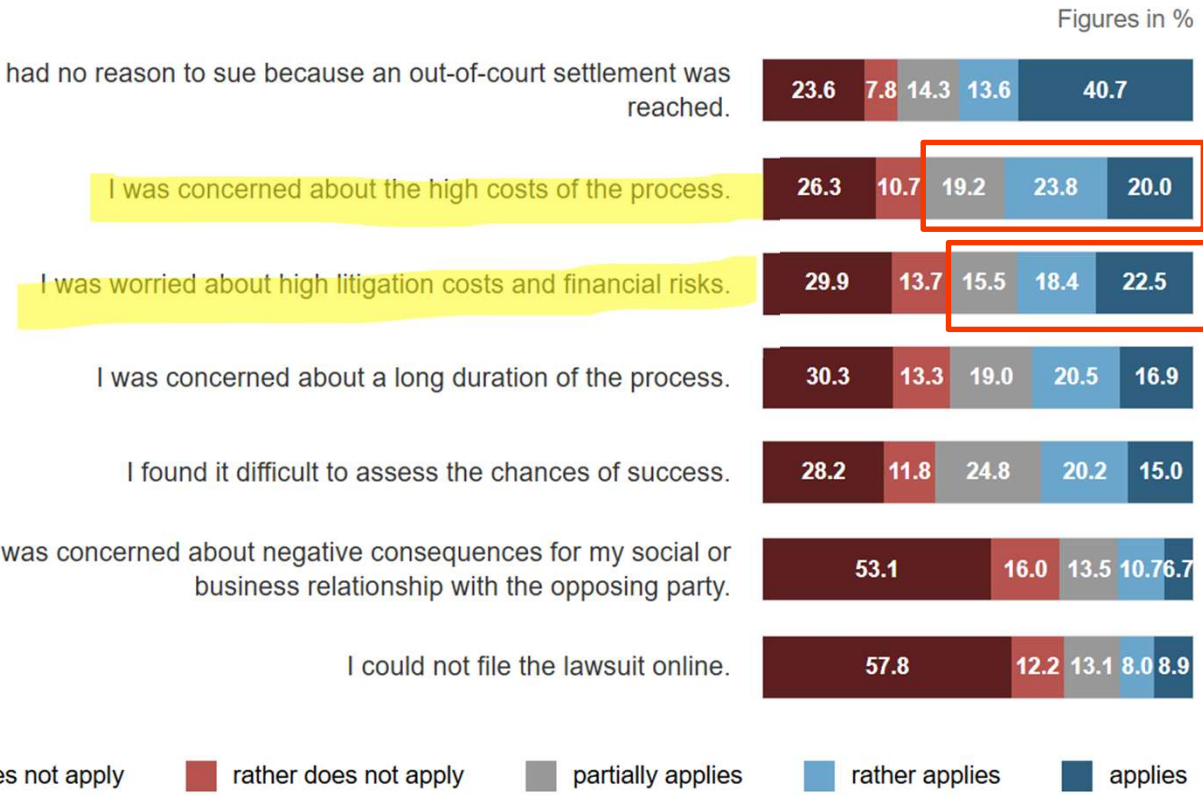
Cost barriers for people without legal expenses insurance



GDV/Yougov 2022: Please think about the costs of legal disputes. To what extent, if at all, do the following statements apply to you personally? Respondents without legal expenses insurance (n=1,007)

50% decide against legal proceedings due to concerns about costs

Reasons against legal proceedings



Source: Online panel survey, n = 1973 (persons with out-of-court conflict resolution).
Values < 4% are not displayed

Final report on the research project "Investigation of the causes of the decline in the number of cases at civil courts"

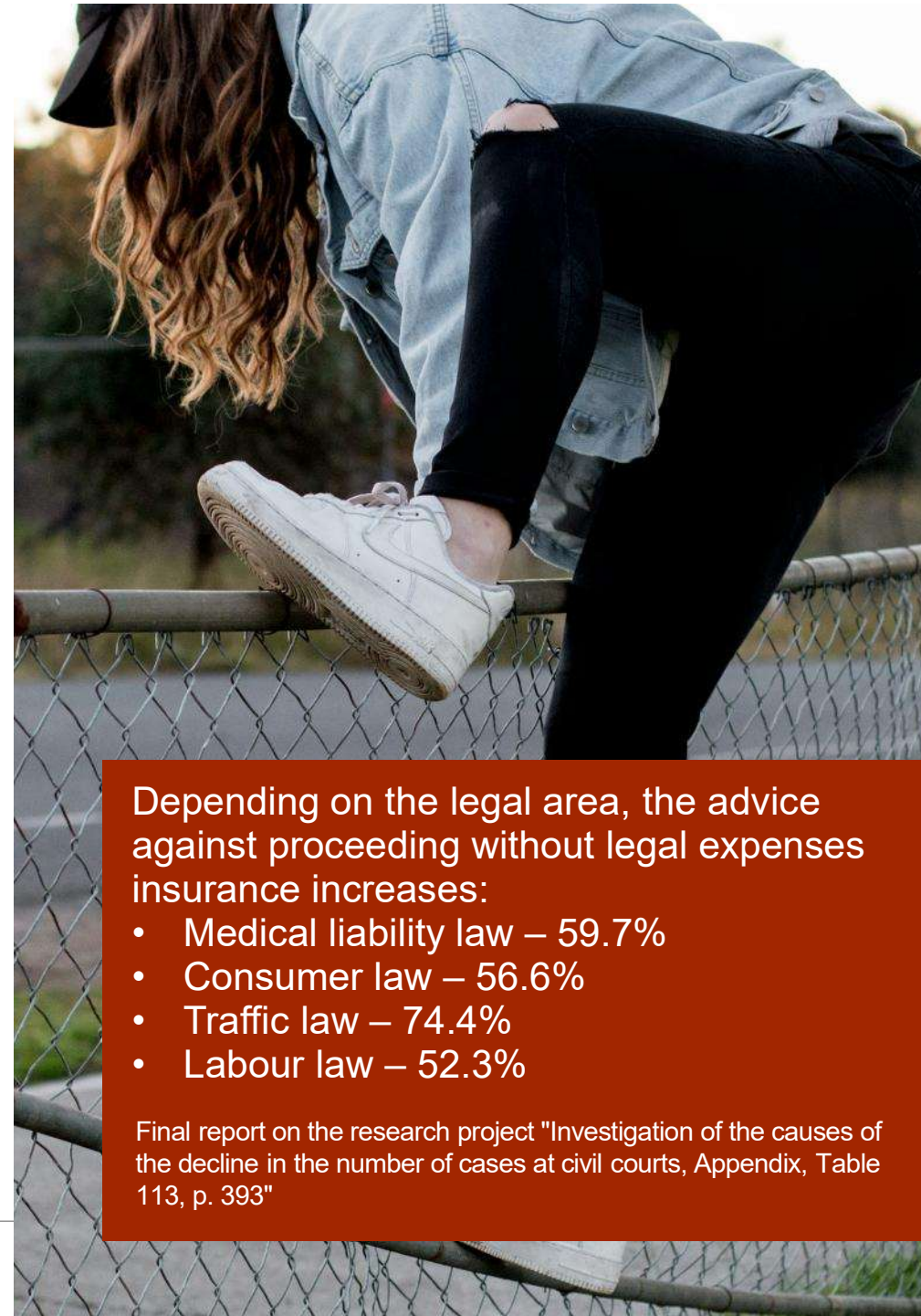


LEI plays a central role in overcoming the cost barrier

Reasons für lawsuit avoidance

	Reasons from the client's perspective to avoid lawsuits (n=1,899)	Reasons to advise against a lawsuit (n=1,912)
Uncertain chances of success	56.3%	66.3%
Costs of legal proceedings	59.2%	52.0%
Length of legal proceedings	70.6%	59.9%
Formal nature of procedures and communication in legal proceedings and before court	4.2%	5.2%
Lack of understanding by the judiciary for specific technical issues	-	24.2%
Lack of legal protection insurance	-	36.9%
Lack of prospect of litigation cost assistance	-	19.2%
Prospect of amicable settlement of the conflict	32.6%	36.9%
Other	17.6%	13.1%

Final report on the research project "Investigation of the causes of the decline in the number of cases at civil courts"



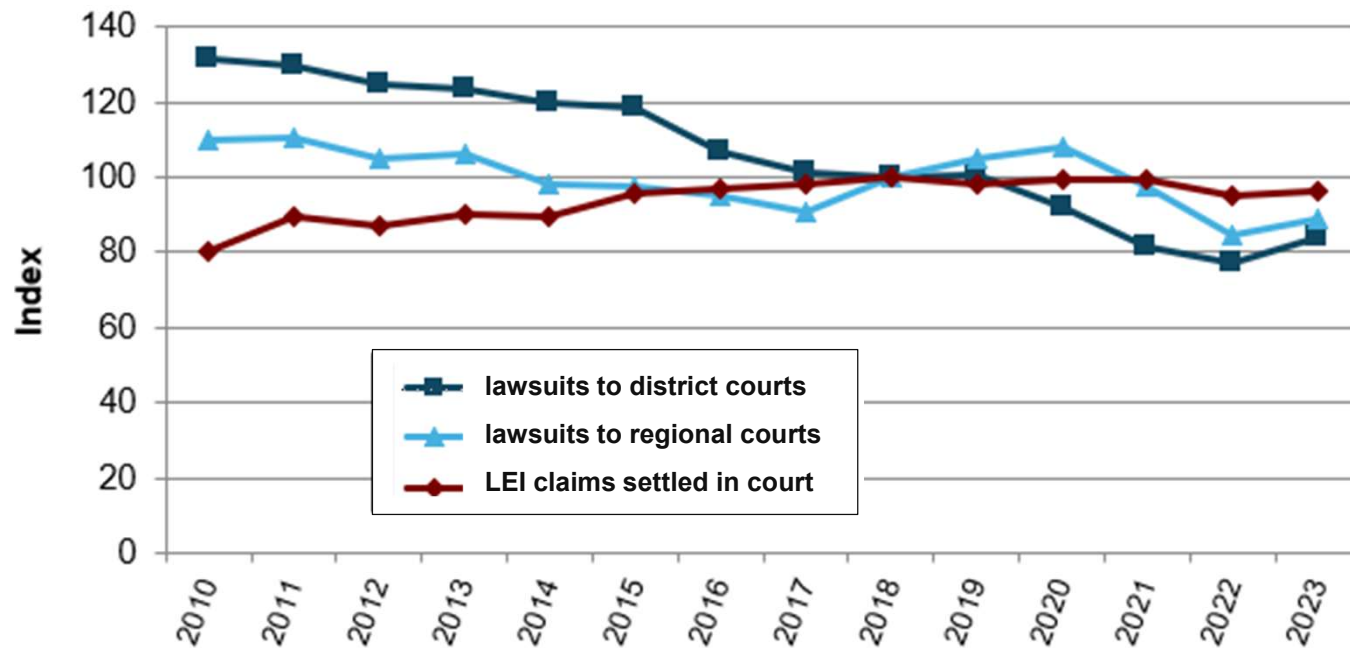
Depending on the legal area, the advice against proceeding without legal expenses insurance increases:

- Medical liability law – 59.7%
- Consumer law – 56.6%
- Traffic law – 74.4%
- Labour law – 52.3%

Final report on the research project "Investigation of the causes of the decline in the number of cases at civil courts, Appendix, Table 113, p. 393"

No decline in court entries in LEI

Court entries in civil jurisdiction compared with insurance claims settled in court



Source: BMJ on business development at courts, special survey by GDV (until 2018) and reports on premium adjustments (from 2018)



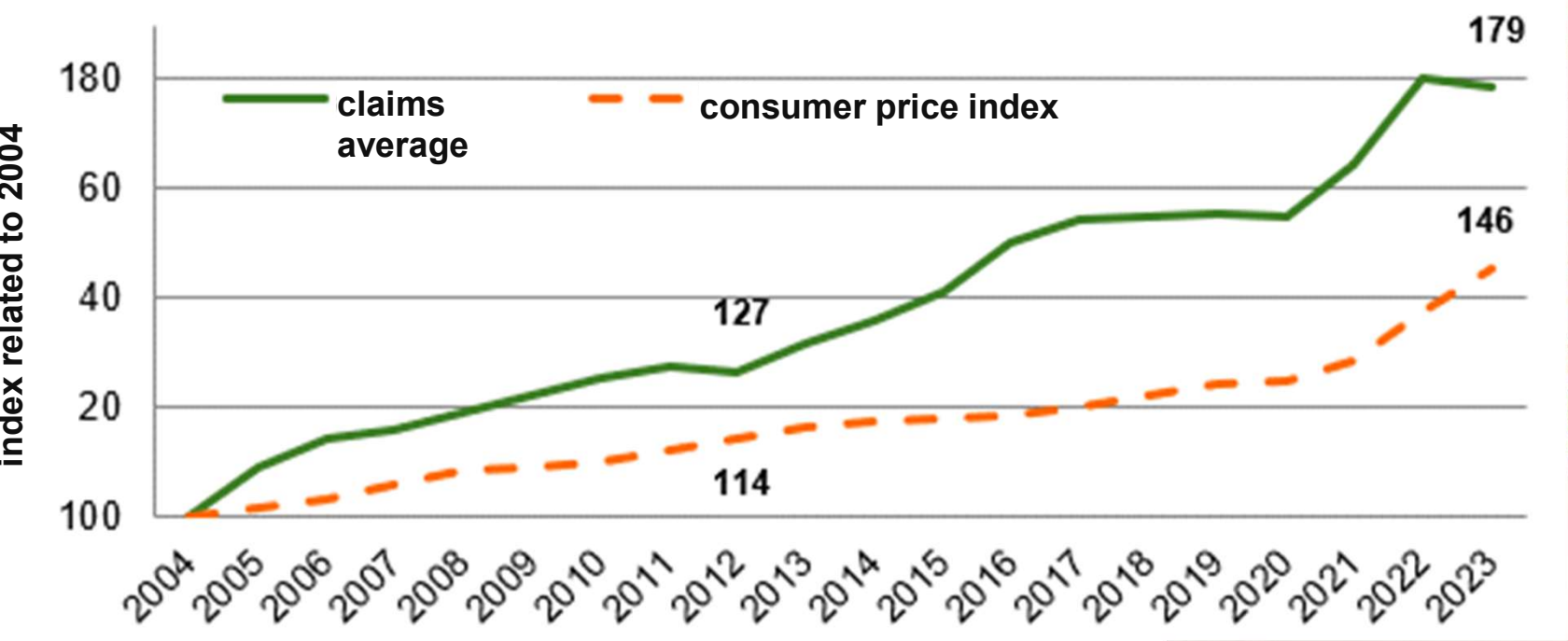
4. Challenges



Rising costs

Costs rise continuously and faster than inflation

Claims average and consumer price index (inflation)



GDV/Destatis



Changes in the legal market

Digitalisation, AI, Legal Tech, industrial legal services, mass claims and new phenomena such as "The lawyer chooses the client"

[...] "... It is not the legal seeker who chooses their lawyer, who presents the advantages and disadvantages of asserting the alleged claim and, if necessary, deals with their legal expenses insurance on a case-by-case basis, but a profit-oriented company constructs a possible claim and collects potential claimants using the latest advertising techniques. The legal dispute thus becomes a product that seeks its buyer on the market, who, however, lets their insurance pay the purchase price..." [...]

Prof. Dr. Jens M. Schmittmann, Editorial, ZfPC 5/2023

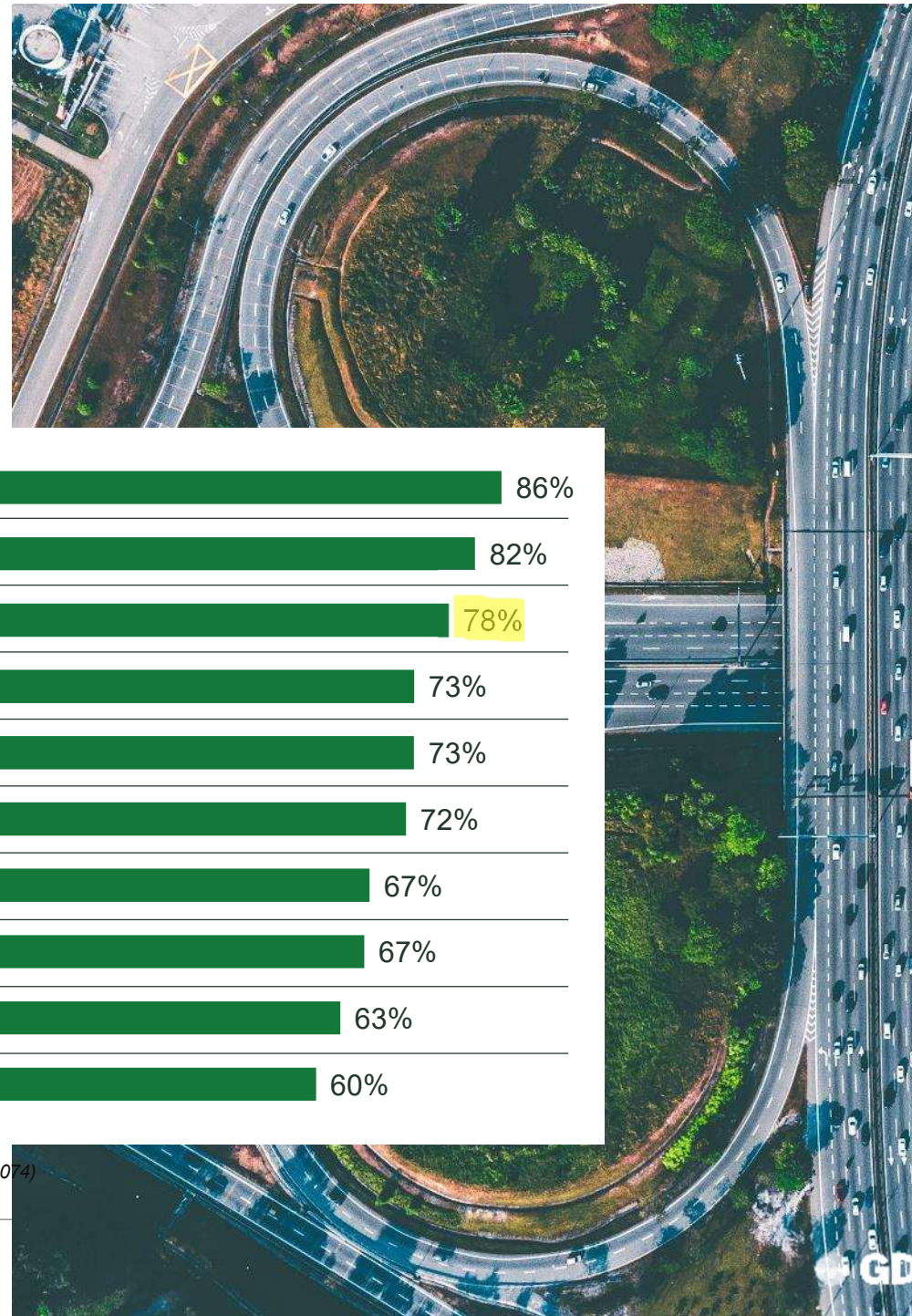
Evolving expectations

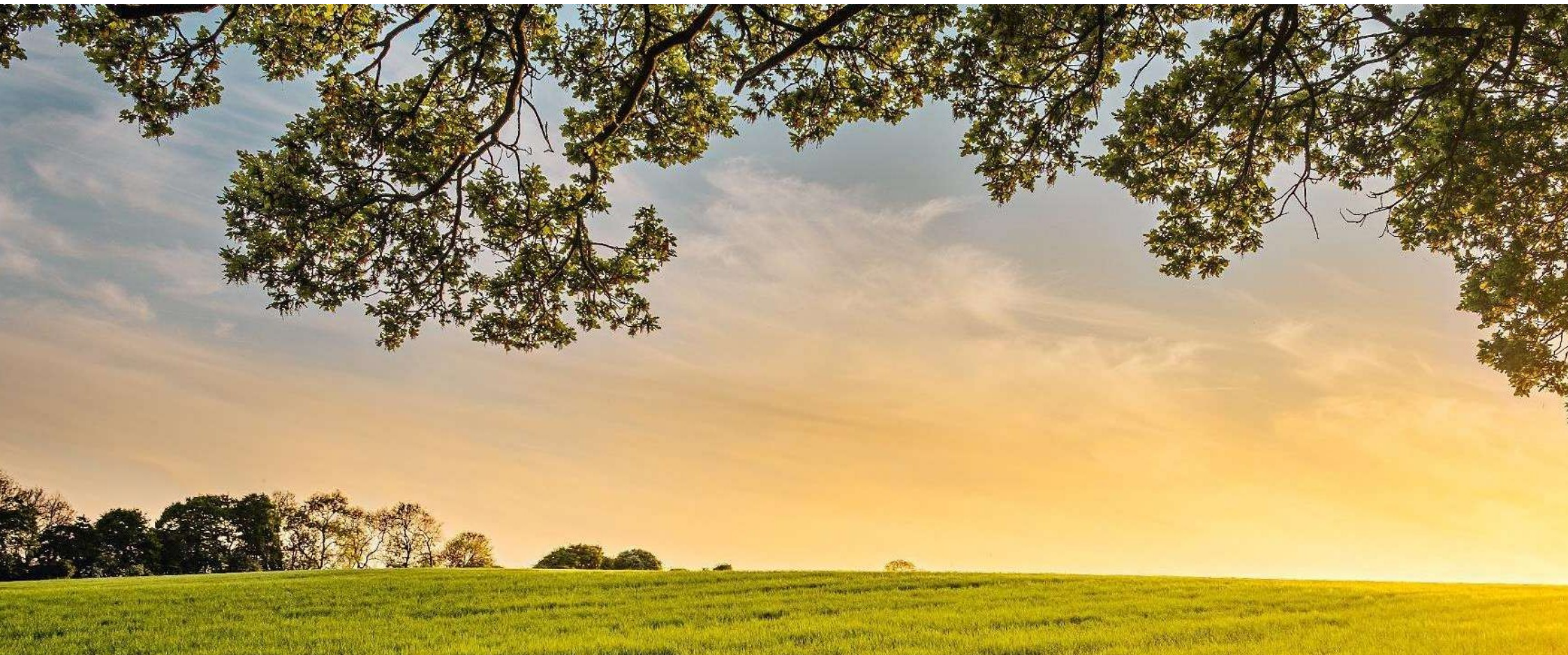
(Pro-) Active problem solvers in the legal matters of the insured, i.e far more than cost reimbursers

Expectations of LE insurers



DV/Yougov 2022: How important, if at all, are the following services to you personally in a legal expenses insurance? All respondents (n=2,014)





Access to justice is the “raison d’être” of legal expenses insurance - regardless of which country-specific regulation they are subject to. Degrading legal expenses insurers to mere cost reimbursers unnecessarily restricts their ability to provide their customers with effective access to justice and thus also prevents the implementation of innovative, new concepts.

Arnet, Ioannis, Rethinking Law 2019, 64



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