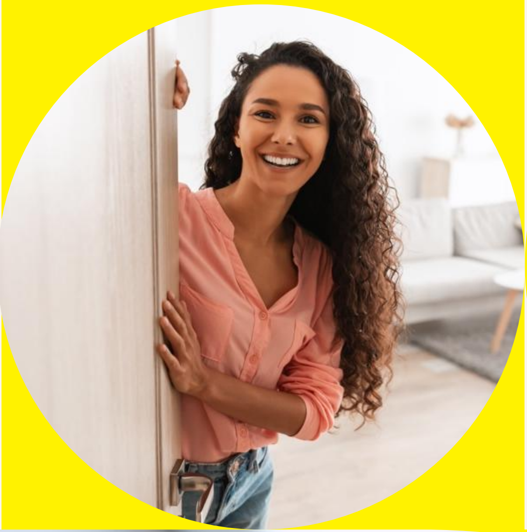

Fair Value Assessment

ARAG LEI Landlord Property Let
Legal Expenses Insurance

Product Manufacturer	'ARAG Legal Expenses Insurance Company Ltd ('ARAG')'
Date of assessment	June 2026
Due date of next assessment	June 2027
Is the product providing Fair Value?	Yes

Fair Value Assessment

ARAG LEI Property Let Legal Expenses Insurance

Product Information

Target market

Property Let Legal Expenses Insurance is suitable for residential property owners who let one or more residential properties to tenants in the UK, and wish to have access to legal advice and protection for themselves from the cost of unforeseen legal issues related to legal problems of a specific type covered by the policy. Landlords currently fall outside of the definition of 'consumer'.

The customer may be a private individual or a limited company. The product is designed to be sold on a "per lettable unit" basis and is therefore best suited to smaller portfolio landlords.

Types of customer for whom the product would be unsuitable

- Personal customers – this product is designed only for customers who rent out properties in addition to their own home. It does not provide cover for the customer's own home or family.
- Large portfolios and businesses – this product is designed only for accidental landlords and individuals with a small number of let properties.
- Letting Agents – this product is not designed for a letting agent to cover their liability to their client.

Distributor Product Information

ARAG provides Distributor Product Information on:

- Who can buy this product
- Roles and Responsibilities
- Target market
- Types of customers for whom the product would be unsuitable
- Any notable exclusions where the product will not respond
- Other information which may be relevant to distributors

As a distributor we remind you of your responsibility in relation to the Fair Value of the ARAG products that you distribute. Examples of distributor influences on Fair Value include but are not limited to;

- Remuneration – high commission levels or fees may reduce the value of this product for the customer.
- Duplicate product sales – sales where the customer may have cover elsewhere and are therefore unable to fully utilise the ARAG product would negatively impact value.
- Sales to ineligible customers and sales to customers outside of the product target market would lead to poor value for those customers.

Product Approval Process

Products will be reviewed at least every 12 months or more frequently if any concerns are highlighted. We have the following areas of accountability:

The Product Governance Team provide product oversight and are responsible for Product Reviews and Fair Value Assessments (FVA).

Technical and Trading Underwriting conduct technical performance reviews which form part of the ARAG Product level review.

The Product Governance Forum provides approval and oversight for new products, product development and ongoing approval of existing products via the Product Review Process.

Product *oversight* and *annual reviews* assure us of *good customer outcomes*.

Fair Value Assessment

ARAG LEI Property Let Legal Expenses Insurance

Fair Value Assessment and Customer Outcome Monitoring

In accordance with the FCA PROD 4.2 a customer Fair Value Assessment has been undertaken for Property Let Legal Expenses Insurance. The intended product value is to enable the landlord to offset the risk of the legal costs they would incur should they enter into a dispute with their tenant or a supplier they have used for the let residential property they have insured. The product can be extended to include the rent arrears that arise during this dispute. Our Fair Value Assessment and Product review are designed to ensure that this value statement remains true.

The FVA and Product Review ensure both qualitative and quantitative analysis form part of our value assessment with data thresholds reviewed annually.

The following data items were assessed:

- Sales outside of eligibility
- Claims accepted, claims declined and gross claims frequency
- Average cost, percentage of premium paid out in claims and commission
- Legal advice, business law and helpline usage
- Servicing, satisfaction and complaints

Products & Services Outcome

We checked that the product is designed to meet the demands and needs of the target market in accordance with our target market statements.

- The review concluded that the distribution strategy remains appropriate.
- Acceptance rates, utilisation levels, and legal advice usage are strong, indicating good alignment with the target market's needs.

Price & Value Outcome

We checked that the price the customer pays is proportionate to the value they receive.

- Our analysis confirmed the product provides fair value for customers

Customer Understanding Outcome

We checked that we communicate with customers in a way that allows them to understand their product, next steps and make informed decisions at suitable points throughout the lifecycle of the product.

- High acceptance rates suggest that customers understand the product.

Customer Support Outcome

We checked that we provide accessible and timely support appropriate to individual needs (including customers with characteristics of vulnerability) enabling them to achieve closure or resolution of their dispute and meet their financial objectives

- Complaints remain a key operational focus, with ongoing actions to drive improvement and reduce complaint volumes.

In response to the Renters' Rights Act, ARAG released a series of marketing communications to business partners informing them of the impact of the reforms and how our existing Property Let products will continue to respond to customer demands and needs.

It's important to note that due to the size and scale of our business and product range our FVAs have been completed at a product level; this has involved a review of the performance of all distribution within the product class, which is bound by our Target Market definition.

Does our Landlord Property Let LEI product provide fair value? *Yes*

Ensuring fair value and customer satisfaction through *reviews, data analysis, and continuous improvement efforts.*

Fair Value Assessment

ARAG LEI Property Let
Legal Expenses Insurance