Fair Value Assessment

Group Legal Expenses Insurance

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

Fair Value Assessment

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Product Information

Target Market

The target market for this product is individuals that are part of the membership or employee benefits scheme. Members of the group tend to have common features or characteristics that connects them (e.g. take part in a specific sport, have a particular profession or work for a specific organisation) but the cover is generic, therefore, designed to cover a wide range of these groups.

Please refer to your Distributor Product Information for your specific target market statement.

Types of customers for whom the product would be unsuitable:

Individuals – this product is designed to support organisations or membership schemes

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

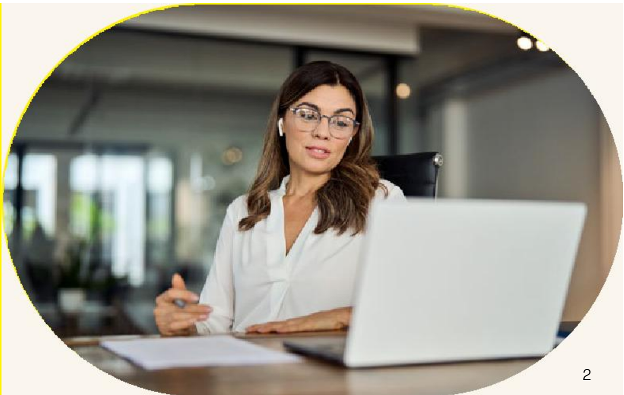
Products will be reviewed at least every 12 months or more frequently if any concerns are highlighted. We have the following areas of accountability:

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

Product and Portfolio 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*.



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Fair Value Assessment and Customer Outcome Monitoring

In accordance with the FCA PROD 4.2 a customer Fair Value Assessment has been undertaken for Group Legal Expenses Insurance (LEI).

The intended product value is to enable customers access to legal advice and solicitor services in a convenient and cost-effective way. Our Fair Value Assessment and Product Review are then 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, % of premium paid out in claims and commission
- Legal advice and helpline utilisation
- Servicing, call quality 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.
- Customers are using the product and legal advice services in line with expectations.

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 and will continue to do so for the foreseeable future.

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.

- Positive claims declinature performance indicates that customers understand the products features and benefits.

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.

- Quality assurance and operational metrics indicate the overall standard of customer service delivered, and the clarity of our customer communications is satisfactory.

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.

Does our Group 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 Group LEI