



Fair Value Assessment

ARAG PLC
After the Event Recourse Complete

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

After the Event Legal Costs Insurance

ARAG

Product Information

Target Market

Individuals or businesses who have entered into a conditional fee agreement to pursue a contract claim, or other type of claim agreed by us, in England & Wales and Scotland. Our Recourse Complete/Scotland products will pay reasonable disbursements and, where applicable, opponents' legal costs for personal injury, clinical negligence or civil litigation claimants who have entered into a conditional fee, a speculative fee agreement or other funding agreement agreed with us. Claimants must have a 51% chance or greater of winning their case for a policy to remain in force. Where agreed, a funding facility can be provided which allows the appointed lawyer to draw down costs throughout case progression rather than waiting until its conclusion to receive payment

Types of customers for whom the product would be unsuitable:

- Consumers in Scotland should only take out the Recourse Scotland version of the product, otherwise the territorial limits will not meet their demands and needs.
- Consumers who have the benefit of cover under an existing legal expenses insurance policy or through a trade union.

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
- Ensuring accurate product information and promotion will aid customers' understanding of the product benefits and lead to better awareness and in turn more customers utilising the product. This should be considered both through the sales journey and in any marketing literature and "How to claim" online pages and guides. ARAG provides both training and marketing support material to enable distributors to maximise customer understanding.

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
- ATE 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 Civil Litigation After the Event (ATE) Legal Costs Insurance.

The intended product value is to enable customers access to legal advice and solicitor services in a convenient and cost-effective way, where the customer did not purchase insurance for the situation before it arose. 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
- Performance, costs, and claims
- Pricing, ultimate loss ratio (ULR) and commission
- Servicing including 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 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.

- Claims acceptance rates were strong, demonstrating that customers are receiving communications that support effective understanding and enable them to access the product benefits as intended.

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.

- No complaints were received from solicitor partners during the review period; this indicates that overall customers are satisfied with the support they receive. There was no evidence of poor outcomes in relation to vulnerable customers.

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 ATE product provide fair value? *Yes*

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





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