



This document is not intended for customer use.

It should be used for the management of the product by ARAG and their Business Partner only.

Distributor Product Information

Essential Business Legal

Product information

Essential Business Legal provides legal advice and pays legal costs and expenses such as solicitors and barristers' fees, court costs and your opponent's costs if the court awards costs against the policyholder or insured person. Cover is provided to represent businesses for a range of legal disputes such as employment disputes, employment compensation award cover, tax disputes, legal defence, personal injury and contract & debt recovery.

Insureds must have a 51% chance or greater of winning their case for a claim to be covered.

The policyholder also has access to a range of helplines (including legal advice) and our Business Legal Services website.

The product's approved distribution approach is sold as a standalone or as an optional or bundled add-on to commercial insurances or embedded as a section of a commercial insurance product - either as an optional section or mandatory inclusion or distributed through intermediaries (i.e. insurance brokers, MGAs or insurance companies).

Individual policy documents contain specific policy conditions and terms.

Roles and Responsibilities

Essential Business Legal is provided by ARAG PLC, insured by ARAG Legal Expenses Insurance Company Limited and distributed through brokers and corporate partners.

- The policies are sold to end customers via business partners who are distributors.

- The policy administration is undertaken by distributors.
- Sales complaints are handled by the distributor through which the policy was purchased.
- Claims complaints are handled by ARAG.
- Legal advice and documents are provided by a third party on our behalf.
- Claims handling is undertaken by ARAG or a third party on our behalf.

Target Market

Essential Business Legal is designed for businesses registered in United Kingdom, Channel Islands or the Isle of Man.

Eligibility

- Businesses must be registered in the United Kingdom, Channel Islands or the Isle of Man.
- Maximum period of insurances bound will be 12 months plus odd time not exceeding 18 months in total.

Types of customers for whom the product would be unsuitable

Essential Business Legal cover is not suitable for:

- Non-commercial risks
- Non-UK based risks
- Risks that require landlord and tenant disputes cover as a landlord
- Consumers.



Any notable exclusions or circumstances where the product will not respond

- Claims where the lawyer appointed for the customer does not believe they will be 51% or more likely to win the case.
- Costs incurred before ARAG has agreed to cover the claim.
- Legal problems that started before the date the cover begins.
- Costs which exceed the policy limit for any claim or claims related by time or originating cause.
- Fines, penalties, compensation or damages ordered to be paid by a court or other authority.
- Costs that exceed the amount ARAG would have paid to their preferred lawyer, if the customer chooses to use their own lawyer.
- The use of the customer's own lawyer. ARAG will appoint a preferred lawyer or other professional for the customer. The customer may choose their own lawyer when legal proceedings start or if there is a conflict of interest.

Individual policy documents contain specific policy conditions and terms.

Other information which may be relevant to distributors

Distributor Value Impacts:

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.
- Facilitation of customer marketing communications on legal risk management and legal processes (e.g. prospects of success) is recommended. Legal advice should be featured prominently as an effective tool in this respect.

Intended Product Value Statement:

The intended product value of Essential Business Legal 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.

Product Approval Process Overview

ARAG operates a multi-gate sign-off process for all new products and product changes assessed as significant adaptations.

We have the following areas of accountability:

- The Product Governance Team provide product oversight and are responsible for Product Reviews and Fair Value Assessments
- BTE Product & Portfolio Management 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.

Products will be reviewed at least every 12 months or more frequently if any area of concerns are highlighted.