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

Employment Practices Liability

Product information

Employment Practices Liability provides legal advice and pays legal costs and expenses such as solicitors and barrister's 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 including employment disputes, employment compensation award cover, legal defence and tax disputes. Insureds must have a 51% chance or greater of winning their case for a claim to be covered, unless it is brought under Insured event 1, Employment, where this requirement does not apply other than where the claimant is pursuing an appeal against the decision of a court or tribunal.

Employment compensation awards cover has an excess of £1,000 for every claim.

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, 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

Employment Practices Liability 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

Employment Practices Liability is designed for businesses located in the 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.
- Businesses must have at least ten employees.
- 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

Employment Practices Liability 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

- Costs incurred before ARAG have 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 Employment Practices Liability 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 adaptions.

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.