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

Motor Breakdown Solutions

Product information

Motor Breakdown Solutions provides 24/7 access to an emergency assistance helpline which can arrange for a quality-assured recovery operator to provide assistance if your customer's vehicle breaks down unexpectedly because of:

- An electrical or mechanical failure
- A flat battery
- A puncture
- Damage caused by a collision or vandalism (if your customer's motor insurance policy will not cover them for assistance) which immobilises their vehicle or makes it unsafe to drive
- Lack of fuel or misfuelling.

The policy pays (This list is not a comprehensive list of the services provided under the policy):

- The recovery operator's call-out and emergency repair costs up to the sum stated in the policy.
- Up to one hour's labour at the scene of the breakdown.
- Recovery of your customer's vehicle to a local garage if it cannot be repaired at the roadside.
- If the repair cannot be carried out the same day, the cost of transporting your customer's vehicle and their passengers home, or if they would prefer and it is closer, your customer's original destination.
- Alternative transport costs and overnight accommodation.
- Alternative transport following the theft of your customer's vehicle can also be arranged.

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

Individual policy documents contain specific policy conditions and terms.

Roles and Responsibilities

Motor Breakdown Solutions is provided by ARAG PLC, insured by ARAG Legal Expenses Insurance Company Limited and distributed through brokers and corporate partners.

- The policy administration is undertaken by distributors.
- Sales complaints are handled by the distributor through which the policy was purchased.
- Claims handling and the scheduling of assistance is managed by our approved suppliers.
- Claims complaints are handled by our approved supplier.

Target Market

Motor Breakdown Solutions is designed for car and van drivers who are based in the United Kingdom, Channel Islands or the Isle of Man.

Eligibility

- Cover must be sold alongside a motor liability insurance policy.
- Customers must be a resident for tax purposes 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.

- Customers must hold a valid provisional or full driver's licence and be driving in accordance with their licence conditions.
- The insured vehicle must be:
  - legally taxed and insured for the customer to drive
  - maintained in a roadworthy condition
  - of standard construction and suitable to be loaded onto a recovery truck
  - not exceeding 7 metres (23 feet) in length.

Types of customers for whom the product would be unsuitable

Standard Motor Breakdown cover is not suitable for:

- Risks not domiciled in the United Kingdom, Channel Islands or the Isle of Man.
- The vehicle being used for business, commercial or motor sport purposes.

Any notable exclusions or circumstances where the product will not respond

- ARAG's approved supplier will attempt to repair the vehicle by the roadside, if it can't be repaired it will be recovered to an alternative location in line with policy conditions.
- Subsequent call-outs for any symptoms related to a claim which has been made within the last 28 days.
- For Home assist, the scene of the vehicle breakdown must be at least one mile from your home.

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.

Intended Product Value Statement:

The intended product value of Motor Breakdown Solutions is to enable customers' access to breakdown services in the event of a breakdown of their vehicle providing these in a time-efficient and cost-effective way. Our Fair Value Assessment and Product Review are 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.