



The

RAG

News bulletin from ARAG UK

ISSUE **17** Feb

2018



Underwriting Service Awards accentuate the positive... but scrutinise the negative

"72% of the ARAG respondents remarked that the insurer was 'excellent',"
Jonathan Swift,
Director of Content, Info Pro Digital

It's nice to win awards, especially when they're the result of a market survey, but the feedback we get from such sources is always much more valuable than the accolades themselves.

We were really chuffed to pick up two Underwriting Service Awards towards the end of last year, for the Legal Expenses Team of the Year and Managing General Agents Team of the Year. You might think we take such gongs for granted, having collected a total of nine different prizes in the seven years that these awards have been running, but the voting process in the legal expenses category offers a rare chance to hear what brokers really think about ARAG.

Awards ceremonies can be fun. Even if you

don't come home with a prize, they offer the opportunity to catch up with friends from around the industry and even let your hair down a little. However, even winners can get some very clear, honest and valuable feedback from the market, if they take the time to look at the data and anonymous comments.

Looking at the survey results, the first thing we note is that perceptions of our service are just as good as they were last year. Our service scores may be significantly clear of the market average, but that is only what we should expect, having worked hard to position and differentiate ARAG as a service leader ever since we launched, more than a decade ago. But any sign of faltering satisfaction is always

the first indicator we look for.

Digging deeper though, the anonymous comments from voting brokers offer some very genuine insight that is not easy to gain elsewhere.

First, it is gratifying that positive comments outnumbered the few negative ones by about 4 to 1, and that words like 'service', 'flexibility' and 'relationship' are cited time and again. But it is the few "weaknesses" to which we pay the most attention. Whether they appear to be minor niggles, requests to fill gaps in our product line-up or pointers about particular service areas, we know these are the things we need to work on, to maintain our reputation and stay at the very front of the market.

Awards surveys can only offer a snapshot, of course, and are far from our only source of feedback about the quality of our service. We have recently started the journey to Service Mark accreditation with the Institute of Customer Service, which will give us a broader, more rigorous and continual measure of service quality, than we have ever had, but feedback in all its forms is vital.

ARAG outperformed the industry average by over 20 points in 2017



David Haynes

Head of Underwriting & Marketing



"We will continue to monitor official tribunal statistics and our own claim volumes."

Claims likely to rise following the abolition of employment tribunal fees

The abolition of employment tribunal fees following UNISON's successful Supreme Court appeal swept away a significant affordability barrier to individuals bringing claims against their employers or ex-employers.

There has been happy anticipation in the legal press that a surge of cases would emerge as access to justice was restored. Employment lawyers have fondly reminisced about a time before fees when individuals could more easily afford to bring claims. Commentators have speculated about the impact that the outcome of the UNISON case might have on the volume of future employment tribunal claims. Will claims volumes increase to 2013 levels?

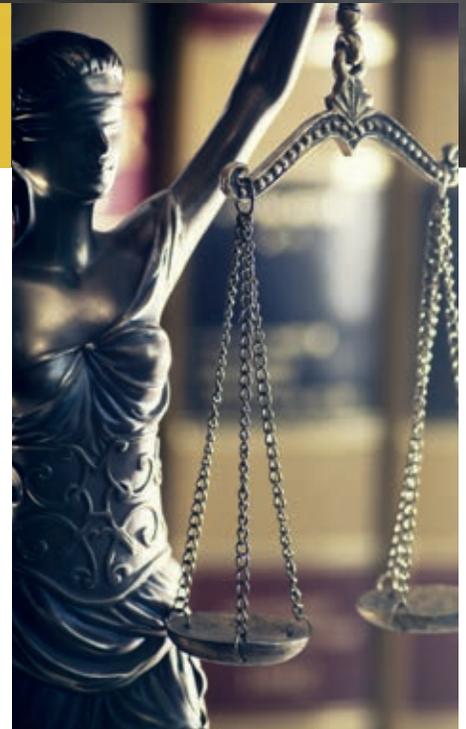
Rates have remained steady since ARAG entered the UK market in 2006 despite legal costs inflation. We should explain that over the last four years, any cost savings that it may have been assumed would have resulted from fewer employment tribunal applications have been tempered by:

- a deflection of costs from tribunal representation to ACAS early conciliation. Early conciliation has been a significant factor in encouraging parties to settle disputes and reducing applications to tribunal. We cover legal costs to represent businesses throughout early conciliation. More than 92,000 complaints were notified for early conciliation in 2015/16 and in 48% of cases tribunal applications were avoided;

- payment of employment tribunal fees either as part of an agreed settlement or as a consequence of losing a claim at tribunal; the Government's undertaking to repay fees does not extend to employers (or their insurers) who were liable to pay them;
- the effect of inflationary influences which have not been passed on to customers over time.

Anecdotally, tribunals have reported an increase in the number of applications being received. We are hearing of long waits for hearings to be listed as applications back-up. The Employment Tribunals National User Group (England & Wales) noted, at its October 2017 meeting, that Regions were reporting a doubling in new claims since the UNISON decision.
<http://bit.ly/2D6RACE>

Significant court closures, mergers and relocations and a shortage of employment tribunal judges, have contributed to the pressure felt by some tribunal centres. Additionally, the judgment in a particular case means that single claims may be brought where a multiple claim may have previously been brought; however the Government's July to September 2017 tribunal statistics (published in December 2017) showed that single claim employment tribunal receipts are up by 64% over the previous quarter.



<http://bit.ly/2BoNo1T> This represents a sharp and immediate increase in risk for legal expenses insurers.

We are not going to mirror such an increase by raising premiums by the same extent (64%) or anything close to that; however, we will continue to monitor official tribunal statistics and our own claim volumes. Our Underwriting Team will carefully consider claims experience in light of previous employment claims and forecast the likely increase in claims to determine the future premium required.

3 legal developments that probably won't happen in 2018

There's any number of articles around at this time of year telling us about legal developments that are coming up in the next 6 to 12 months.

From the annual increases to **tax allowances, minimum wage rates, and statutory pay for sickness, maternity and other family-related absence**, to much more fundamental changes such as the new **gender pay gap reporting** requirements to the much heralded **General Data Protection Rules (GDPR)** there is a lot that UK businesses need to prepare themselves for, by springtime.

But, looking further into 2018, there is also plenty of legislation that has been proposed but is still a long way from the statute books, let alone an implementation date.

The combination of the government's surprisingly weakened position in the House of Commons since last June's election and the inevitable priority that must be given to the legislation necessary to deliver an orderly exit from the European Union, has greatly reduced the political capital and parliamentary time available to other legislation.

The free vote that the Prime Minister had promised on repealing the 2004 Hunting Act was an early casualty in 2018, but there are a few other initiatives unlikely to get before parliament, onto the statute books and into force by the end of the year.

Tribunal fees strike back?

As recently as October, (then) Lord Chancellor David Liddington claimed the government still wanted to replace the employment tribunal fee regime struck down by the Supreme Court last summer.

However, higher priorities for the Ministry of Justice and the reduced income that any fair and workable system could raise, will make quick progress on this unlikely.

LASPOA reform

Formal assessment of the impact that five years of the Legal Aid, Sentencing and Punishment of Offenders Act (2012) has had on access to justice, was finally timetabled by David Liddington last year, and is due to report by the end of April. Given the time it has taken even to get the assessment underway, the prospect of any major reform of the legislation being implemented in 2018 seems remote.

Civil Liability Act

Another piece of MoJ business that we seem to have been talking about forever, is the Civil Liability Bill mentioned in last year's

"GDPR, should be enough to keep us all busy, at least until the summer."

Queen's Speech. The proposed increases to small claims court limits of £5,000 for road traffic injury claims and £2,000 for other injuries appear to be set in stone, but the faltering progress these reforms have seen since George Osborne first announced them in 2015, makes a September implementation seem less likely than April 2019.

Unlikely as these three developments may be to see legislative action this year, there is more than enough reform taking place in 2018 to keep us all busy. The uncertainty surrounding the implications of Brexit, especially what it means for employment law, should become clearer as the year progresses. But one piece of EU reform that seems certain to survive, GDPR, should be enough to keep us all busy, at least until the summer.



Video guide to the ARAG Legal Services website

We've created a new video to provide a short overview of the commercial section of the ARAG Legal Services website, to help business customers understand the ease and benefits of this valuable addition to the Commercial LEI policy.

Our short, animated video provides a step-by-step guide to the website showing the simplicity and use of the website.

Our comprehensive, jargon free law guide, will help policyholders get to grips with



business laws and regulations. The extensive range of easy to customise documents will help them comply with the law and protect their business.

The top services include:

- **employment agreements**
- **employee handbook**
- **debt collection letters**
- **Health & Safety compliance review**
- **job offer letter**
- **and more...**

With ARAG Legal Services, your customers will have access to a host of useful and legally binding documents at their fingertips and provide value to the policy ...even if they never make a claim.

View the video here: <http://bit.ly/2DYA5kU>

Where you can find us in 2018

27 April

CII Annual Dinner, Bristol

16-17 May

BIBA, Manchester

14 September

UK Broker Awards, London

18 October

High Net Worth Forum, London

1 November

Broker Expo, Coventry



Cycling to success

In 2017, we had the challenge of raising £5,000 for our charity of the year, FOCUS: the charitable fund of the Gloucestershire NHS oncology centre, and we are pleased to say that we achieved this target, and more! Our enthusiastic staff have cycled to Dusseldorf, run around Bristol in Santa Claus costumes and baked to their hearts content, raising an incredible £12,000 for a range of charities.

We are delighted with this achievement and would like to say a huge **THANK YOU** to all who donated and supported us along the way.

The Bristol to Düsseldorf charity bike ride was a great team effort, with 37 members of

staff taking part and cycling 820 kilometres in 8 1/2 hours. "It was fantastic to see so many people contributing so much time and raising so much money. What was really incredible is that besides the generous online donations, we received £300 from morning commuters just passing by – we must have looked rather amusing," says Ian Screen, HR & Facilities Manager.

We were also delighted to receive the Payroll Giving Platinum award which recognises our commitment in fostering a culture of philanthropy and committed giving in the workplace, with over 20% of our staff regularly donating to charity through Payroll Giving. "Our CSR policy expresses our commitment to being a socially responsible employer and enterprise," declares Tony Buss, Managing Director. "We're proud that so many of our employees support the various charity actions."

Keep updated with our 2018 fundraising activities on our social media and visit our fundraising page here:

<https://uk.virginmoneygiving.com/araglei>



Over £12,000 raised for charity in 2017!



General Enquiries:
generalenquiries@arag.co.uk

Press Office:
pressoffice@arag.co.uk



@ARAG_UK



arag legal services uk



9am-5pm, Monday-Friday

After-the-Event (New business): 0117 917 1692
After-the-Event (Underwriting): 0117 917 1564
Before-the-Event (New business): 0117 917 1685
Before-the-Event (Underwriting): 0117 917 1693
General Enquiries: 0117 917 1680



ARAG plc
9 Whiteladies Road
Clifton
Bristol BS8 1NN

ARAG