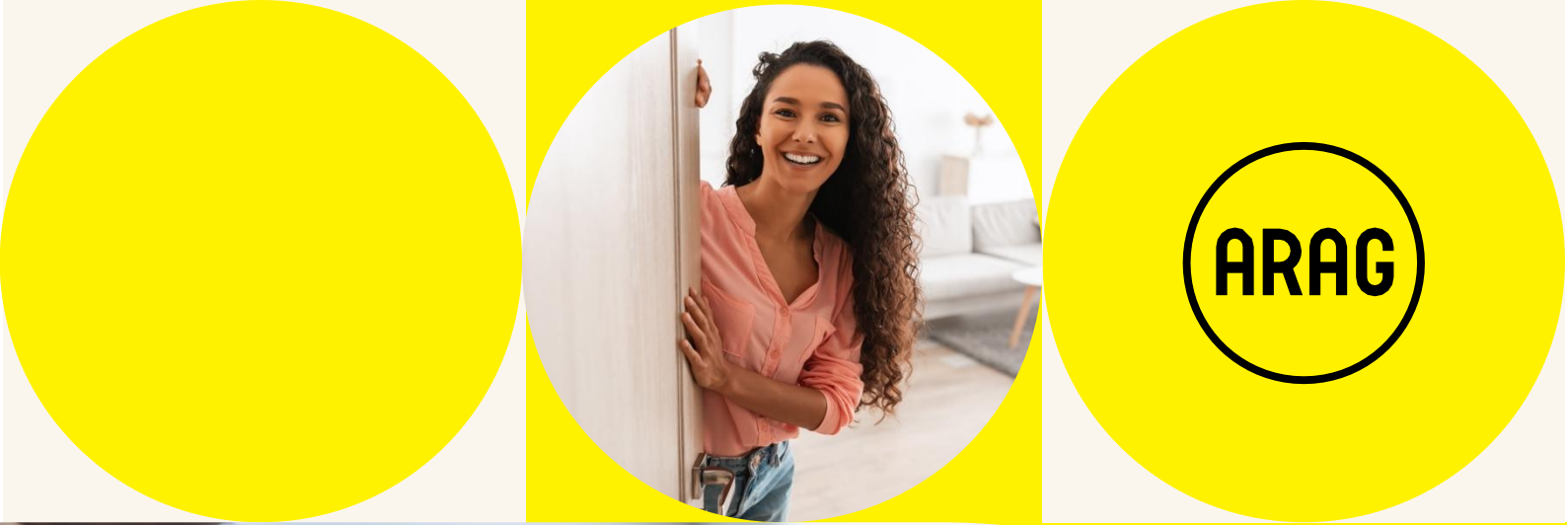




Fair Value Assessment

ARAG LEI Home Emergency

Product Manufacturer	'ARAG Legal Expenses Insurance Company Ltd ('ARAG')'
Date of assessment	September 2025
Due date of next assessment	September 2026
Is the product providing Fair Value?	Yes

Fair Value Assessment

ARAG LEI Home Emergency

ARAG

Product Information

Target market

Home Emergency is targeted at customers who own and occupy a residential property in the UK, Isle of Man or Channel Islands, and are looking to protect themselves against the costs of having to deal with the immediate impact of a sudden, unexpected event that:

- Might cause damage to their property
- Create a risk to the health or safety of them or their family, or
- Might make their home insecure.

Types of customers for whom the product would be unsuitable:

The product is not suitable for landlords, tenants or customers looking to cover a second home. Commercial premises would not be covered.

Distributor Product Information

ARAG provides Distributor Product Information on:

- Target market
- Roles and Responsibilities
- 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.

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 (FVA).

Technical 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.

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 Home Emergency. The intended product value is to enable customer's access to a tradesperson in a convenient and cost-effective way when an emergency event occurs in the insured property. Our Fair Value Assessment and Product Review are 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
- Claims accepted, claims declined and gross claims frequency
- Average cost, combined operating ratio (COR) and commission
- Legal advice, business law and helpline usage
- Servicing, satisfaction and complaints

Outcome 1 - Products & Services

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, and acceptance rates are stable.

Outcome 2 - Price & Value

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.

Outcome 3 - Customer Understanding

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.

- Supplier operational metrics indicate the overall standard of customer service delivered is satisfactory.

Outcome 4 - Customer Support

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.

- Complaints levels remained within tolerance, demonstrating that customers are satisfied with the support they receive.

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, which is bound by our Target Market definition.

Does our Home Emergency product provide fair value? *Yes*

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





Fair Value Assessment

ARAG LEI

Home Emergency