



Fair Value Assessment

ARAG LEI Personal Injury
After the Event Legal Costs Insurance

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

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Product Information

Target market

Personal Injury After the Event (ATE) Legal Costs Insurance is targeted at consumers living in England and Wales who have suffered from personal injury and are looking to protect themselves against certain costs associated with litigation. Claimants must have prospects of winning the legal action of at least 51% at the point a policy is taken out.

Types of customer for whom the product would be unsuitable

- Commercial Customers
- Consumers living in Scotland or Northern Ireland.
- Consumers looking to protect themselves against costs associated with other types of litigation.

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
- ATE 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 reviews *monitor fair value* with oversight and *annual reviews* to assure ourselves 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 Personal Injury After the Event Legal Costs Insurance. The intended product value is to enable customer's access to legal advice and solicitor services in a convenient and cost-effective way, where the customer did not purchase insurance for the situation before it arose. Our Fair Value Assessment and Product Review are then 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
- Performance, costs, and claims
- Pricing, ultimate loss ratio (ULR) and commission
- Servicing including complaints

Outcome 1 - Products & Services

- The review concluded that the distribution strategy remains appropriate when considering target market and customer value.

Outcome 2 - Price & Value

- Our analysis confirmed the product provides fair value for customers
- The Ultimate Loss Ratio was rated as green, indicating good customer value, sustaining a strong balance between customer value and commercial sustainability.

Outcome 3 - Customer Understanding

- Feedback from Solicitor surveys reported that most of our partners were satisfied or extremely satisfied with the overall service they received and ARAG' products.

Outcome 4 - Customer Support

- Operational metrics reflect a strong efficient service.
- Complaints from solicitor partners are very low. The low level of complaints reflects positively on the service delivery and operational efficiency.

The Product Review and Fair Value Assessment confirms that the product provides fair value to customers and will continue to do so for the foreseeable future.

It's important to note that due to the size and scale of our business and product range our FVA's 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
Personal Injury ATE
product provide fair
value? *Yes***

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





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