

Fair Value Assessment

ARAG Marine Legal Expenses Insurance

Product Manufacturer	'ARAG Legal Expenses Insurance Company Ltd ('ARAG')
Date of assessment	March 2026
Due date of next assessment	March 2027
Is the product providing Fair Value?	Yes

Fair Value Assessment

ARAG LEI Marine Legal Expenses Insurance

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Product Information

Target market

This type of insurance is suitable for individual UK consumers who have a marine incident which is not their fault and will help the customer to recover uninsured losses from the at fault party.

Types of customer for whom the product would be unsuitable

Business customers – this product is designed only for individuals that own a vessel for personal use.

Distributor Product Information

ARAG provides Distributor Product Information on:

- Who can buy this product
- Roles and Responsibilities
- Target market
- 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.
- 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.

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
- 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 Marine Legal Expenses Insurance (LEI). The intended product value of Marine is to enable customers access to legal advice and solicitor services in a convenient and cost-effective way where the customer experiences uninsured losses as a result of marine incidents. Our Fair Value Assessment and Product Review are then designed to ensure that this 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:

- Claims accepted, claims declined and gross claims frequency
- Average cost, combined operating ratio and commission
- Legal advice and helpline utilisation
- Sales outside of eligibility, servicing, call quality, customer satisfaction and complaints

Products & Services Outcome

We checked that the product is designed to meet the demands and needs of the target market in accordance with our target market statements.

Gross claims frequency and claims acceptance rates are within tolerance, showing that customers are utilising the product, and when they do it meets their demands and needs.

Legal advice helpline usage is satisfactory and aligned with previous years usage demonstrating that customers utilise the product benefits.

Price and Value Outcome

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.

Customer Understanding Outcome

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.

Claims declinatures are within tolerance, evidencing that customers understand the features and benefits of the product.

Customer Support Outcome

We checked that we provide accessible and timely support appropriate to individual needs (including customers with characteristics of vulnerability).

Operational performance demonstrates that customers receive a satisfactory level of service.

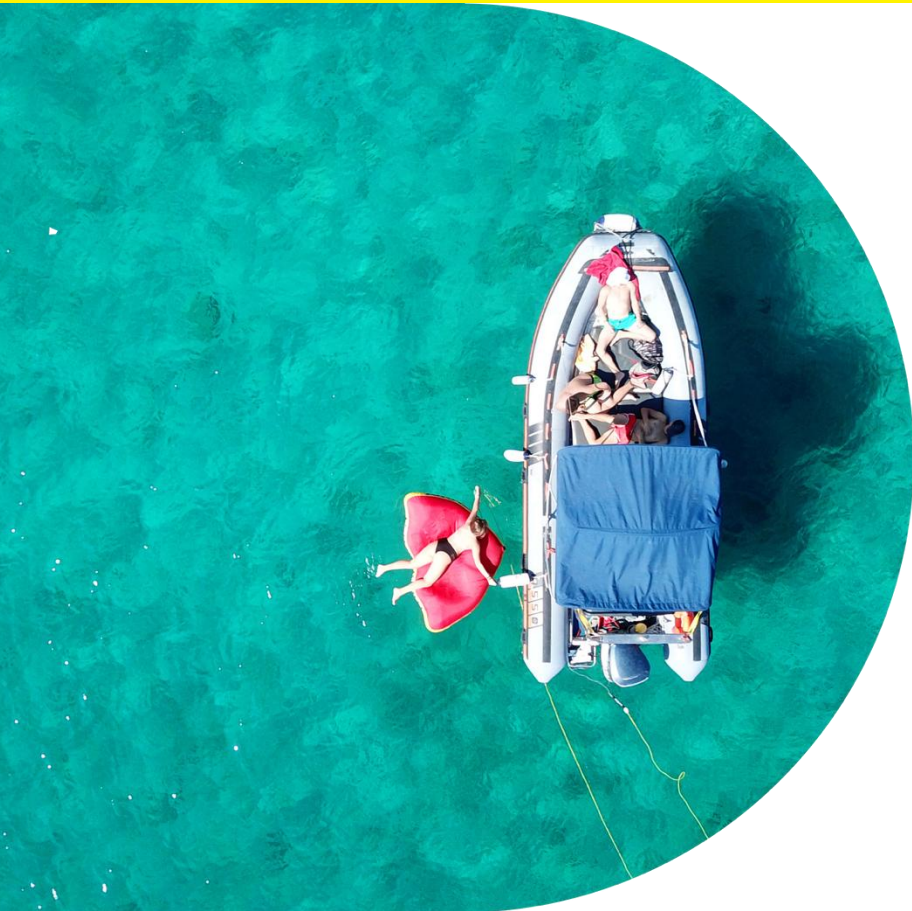
There was no evidence of poor outcomes in relation to vulnerable customers.

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.

Does our Marine LEI product provide fair value? *Yes*

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





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ARAG LEI Marine
Legal Expenses
Insurance