



ARAG



Fair Value Assessment

ARAG PLC Family Legal Expenses Insurance High Net Worth

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

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ARAG PLC Family Legal Expenses HNW

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Product Information

Target market

This type of insurance is suitable for homeowners or renters and their family members who live with them in the United Kingdom, Channel Islands and Isle of Man. For contract disputes policyholders are also covered in EU countries, Norway and Switzerland and for personal injury claims can be covered Worldwide. They must also be domiciled within these territories for the period of insurance. For all insured incident claims there are territorial limits which apply to claims under this cover.

Eligibility

- Cover must be sold alongside a home buildings or contents insurance policy.
- Maximum period of insurances bound will be 12 months plus

Types of customers for whom the product would be unsuitable

Standard Family HNW cover is not suitable for:

- Second homes
- Let properties
- Non-UK based properties

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
- 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 Family Legal Expenses Insurance (LEI) High Net Worth (HNW). The intended product value is to enable customers access to legal advice and solicitor services in a convenient and cost-effective way. 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:

- Claims accepted, claims declined and gross claims frequency
- Average cost, percentage of premium paid in claims and commission
- Legal advice, household law 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.

The review concluded that the distribution strategy remains appropriate. 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.

Price & 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.

Low claims complaints rates evidence that generally customers understand our product and are satisfied with the service they receive.

Customer Support Outcome

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

The number of customer complaints saw a decrease, which indicates that we have improved the support which we provide customers in relation to this product.

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 Family LEI HNW product provide fair value? *Yes*

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





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Expenses
Insurance HNW