



Fair Value Assessment

ARAG PLC Landlord Property Let
Legal Expenses 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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ARAG PLC Property Let Legal Expenses Insurance

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Product Information

Target market

Property Let Legal Expenses Insurance is suitable for landlords of residential dwellings used for domestic purposes situated in the United Kingdom.

- Cover must be sold alongside a landlords' insurance policy.
- Customers must be domiciled in the United Kingdom, Channel Islands or the Isle of Man.
- The insured property must be situated in the United Kingdom.
- The insured property must provide self-contained accommodation for let to tenants for residential purposes. Any property which is or should have been registered as a House of Multiple Occupation is not eligible.
- Maximum period of insurances bound will be 12 months plus odd time not exceeding 18 months in total.

Types of customer for whom the product would be unsuitable:

Landlords Legal Solutions cover is not suitable for:

- Holiday homes
- Non-UK based properties
- Houses of multiple occupation
- Social housing and/or Housing Association landlords
- Agricultural letting or licensed premises
- Commercial Landlords (must be Residential Landlords)

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 Property Let Legal Expenses Insurance. The intended product value is to enable the landlord to offset the risk of the legal costs they would incur should they enter into a dispute with their tenant or a supplier they have used for the let residential property they have insured. The product can be extended to include the rent arrears that arise during this dispute.

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, percentage of premiums paid out in claims and commission
- Legal advice
- 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 within tolerance.

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.

Our Propositions team has carried out research to gain a deeper understanding into the needs and expectations of the target market. Insights from this will directly inform how we can improve the product and support good customer outcomes, with a focus on clarity, accessibility, and enabling landlords to make informed decisions with confidence.

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 Landlord Property Let LEI product provide fair value? *Yes*

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





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