



This document is not intended for customer use.

It should be used for the management of the product by ARAG and their Business Partner only.

Distributor Product Information

Commercial Legal Expenses Insurance (Standalone)

Product information

Commercial Legal Expenses Insurance provides policyholders with access to telephone legal advice along with insurance cover for legal costs and expenses following specified legal problems affecting their business.

Cover for specified legal problems is detailed individually within the policy's terms and conditions. Products could include cover for the following legal problems dependent upon design for example, Employment Disputes and Compensation Awards, Legal Defence and Contract Disputes.

Each insured incident is optional so cover may be tailored to the policyholder's requirements. Distributor policy documents contain specific policy conditions and terms.

Helpline services are also available for a variety of specialisms.

Online law guide and document drafting gives policyholders access to legal guidance for dealing with a range of issues.

Commercial Legal Expenses Insurance approved distribution approach is as a commercial product sold on a standalone basis. However, it is usually sold alongside a Commercial combined policy.

It can also be purchased at a policyholder's renewal or added mid-term.

Commercial Legal Expenses Insurance can be sold on an optional basis.

Who can buy this product

The policy can only be sold to policyholders in the United Kingdom of Great Britain and Northern Ireland, the Isle of Man and the Channel Islands.

For all insured incidents the territorial limits shown in the policy documents will apply to claims under this cover.

Individual policy documents contain specific policy conditions and terms.

Roles and Responsibilities

A proposal for this type of Commercial LEI can only be made via a business partner completing a proposal form. An ARAG underwriter will then review the form contents before making an offer to provide a Commercial LEI product.

- The policy is sold to commercial customers via Business Partners.
- The policy administration is undertaken by distributors.
- Sales complaints are handled by the distributor through which the policy was purchased.
- Claims complaints are handled by ARAG.
- The policy is underwritten by ARAG.
- Legal advice is provided by ARAG or a third party on our behalf.
- Claims handling is undertaken by ARAG or a third party on our behalf.

Target Market

This type of insurance is suitable for large commercial businesses who wish to have access to legal advice and protection for themselves from the cost of unforeseen legal issues related to legal problems of a specific type covered by the policy.

Types of customers for whom the product would be unsuitable

Personal customers – this product is designed only for customers purchasing on behalf of a business.

Small business – this product is designed primarily for larger businesses with more bespoke scheme cover requirements.



Any notable exclusions or circumstances where the product will not respond

- Claims which do not arise directly in connection with the insured business
- Any claim which is not reported within a reasonable time of it happening, and where this adversely affects prospects of success or prejudices our position
- Civil cases where the lawyer we appoint for you does not believe you will be more likely than not to win your case (this does not apply to Crisis Containment, Legal Defence or Employment Disputes and Compensation Awards, other than Employment Restrictive Covenants claims)
- Costs incurred before ARAG have agreed to cover the claim
- Legal problems that started before the date the cover begins
- Costs and compensation awards which exceed the policy limits, as stated in the policy wording, for any one claim
- Fines, penalties, compensation or damages the policyholder is ordered to pay by a court or other authority other than compensation awards covered under Employment Disputes and Compensation Awards and Legal Defence
- The use of the policyholder's own lawyer. ARAG will appoint a preferred lawyer or other professional for the policyholder. The policyholder may choose their own lawyer when legal proceedings start or if there is a conflict of interest unless ARAG are liable for a compensation award under the policy
- If ARAG agrees the policyholder can choose their own lawyer, any costs above what ARAG would have paid our preferred lawyers (this amount may vary from time to time)

The Business Partner must ensure the proposal form is completed fully and accurately and the decision on acceptability will then be made by ARAG.

Other information which may be relevant to distributors

Distributor Value Impacts:

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 is 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.
- Facilitation of customer marketing communications on legal risk management and legal processes (e.g. prospects of success) is recommended. Legal Advice should be featured prominently as an effective tool in this respect.
- Providing customer data to ARAG to facilitate cover validation can enhance the service provision and ensure customers are receiving maximum value from the product as soon as possible.

Intended Product Value Statement:

The intended product value of Commercial Legal Expenses Insurance is to enable policyholder's 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.

Product Approval Process Overview

ARAG operates a multi gate sign off process for all new products and product changes assessed as significant adaptations.

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.

Products will be reviewed at least every 12 months or more frequently if any areas of concern are highlighted.