



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

Motor Breakdown Insurance

Product information

Motor Breakdown Insurance can provide policyholders with access to helpline services and breakdown assistance in the UK, 24 hours a day, 365 days a year. Cover can be extended to include breakdowns in Europe.

If the customer's vehicle breaks, we will cover the cost of:

- The call out charge and labour costs for assistance
- Repairs at the roadside or potentially at their home
- Recovering the vehicle or
- Alternative transport to get them to their destination
- Misfuelling incidents

The actual cover differs by product and distributor.

The product's approved distribution approach is; to be sold alongside Motor Insurance on either an optional (where the customer pays a premium for the product) or mandatory basis (where the cost of this cover is already included in the main motor policy premium.)

Motor Breakdown is not recommended to be sold as a standalone product.

Cover applies to the policyholder or any passenger or driver who is in the vehicle with the permission of the policyholder at the time of the breakdown. Cover only applies to the vehicle which was declared at the time of incepting the policy.

Who can buy this product

The policy can only be sold to customers in the United Kingdom of Great Britain and Northern Ireland, the Isle of Man or the Channel Islands. They must also be domiciled within these territories for the period of insurance.

Policyholders must hold a full or provisional licence and not have any unspent criminal convictions.

Individual policy documents contain specific policy conditions and terms.

Roles and Responsibilities

Motor Breakdown is underwritten by ARAG Legal Expenses Insurance Company Limited and distributed through brokers and corporate partners.

- The policy administration is undertaken by distributors.
- Sales complaints are handled by the distributor through which the policy was purchased.
- Claims handling and the scheduling of emergency assistance is managed by our approved supplier.
- Claims complaints are handled by our approved supplier.

Target Market

Motor Breakdown is available for motorists with vehicles up to 5.5 metres in length and weighing no more than 3.5 tonnes, and any trailer or caravan not exceeding 7.6 metres in length (however these dimensions can be exceeded on a bespoke basis). Customers must live and drive in the UK, and some policies cover customers driving in Europe.

The product also targets niche segments such as:

- HNW – Classic cars, Supercars
- Motorhomes
- Agricultural vehicles

The product is designed for personal vehicles but it can be available for commercial and other specialist vehicles (e.g. Military vehicles) on a bespoke basis.



Types of customers for whom the product would be unsuitable

This product is not suitable for motorists who may have access to Motor Breakdown cover through alternative channels including direct membership with a breakdown provider, through a packaged bank account or vehicle warranty.

The standard product is not suitable for vehicles outside the specified measurements; vehicles over 5.5 metres in length and 3.5 tonnes in weight, and any trailer or caravan over 7.6 metres in length. However, adjustments to these dimensions can be made on a bespoke basis.

Any notable exclusions or circumstances where the product will not respond

- ARAG's approved supplier will attempt to repair the vehicle by the roadside, if it can't be repaired it will be recovered to an alternative location in line with policy conditions.
- The policy does not cover any parts or labour following the recovery of the vehicle.
- There is a 48 hour waiting period between purchase and the policyholder being able to use the Motor Breakdown policy.
- In some cases the policy can be used a maximum of 6 times, if the policyholder uses it more than this services will still be provided but the policyholder will be charged. Where this restriction doesn't apply, there is no limit on the number of times the policy can be used but there may be an aggregate sum insured.
- The vehicle covered by the policy must be registered in the UK.
- Vehicles over 10 years old are excluded from European cover.

Individual policy documents contain specific policy conditions and terms.

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 particularly with respect to common exclusions such as the 48-hour initial waiting period, treatment of vehicles with SORN status or requirements to maintain the vehicle in a roadworthy condition and with a valid MOT.
- 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 Motor Breakdown is to enable customers access to breakdown services in the event of a breakdown of their vehicle providing these in a time efficient and cost effective way. Our Fair Value Assessment and Product Review are 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 area of concerns are highlighted.