



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 Legal Expenses Insurance

Product information

Motor Legal Expenses Insurance provides policyholders with access to telephone legal advice and insurance cover for legal costs and expenses should they experience one of the listed legal problems covered by the policy. This includes losses that are not usually covered by their comprehensive vehicle insurance, following a motor accident that wasn't their fault. For example, uninsured loss recovery and personal injury. The product can also be constructed to include cover elements such as motor contract disputes, motor prosecution defence and hire.

Individual policy documents contain specific policy covers.

The product's approved distribution approach is: as a personal product or a commercial product to be sold alongside a personal or a commercial motor insurance policy. Motor Legal Expenses Insurance is to be sold 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 Legal Expenses Insurance cannot be sold as a standalone product.

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.

Customers must also:

- Hold a full or provisional licence
- Not have any unspent criminal convictions

For all insured incident claims there are territorial limits which apply to claims under this cover.

Individual policy documents contain specific policy conditions and terms.

Roles and Responsibilities

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

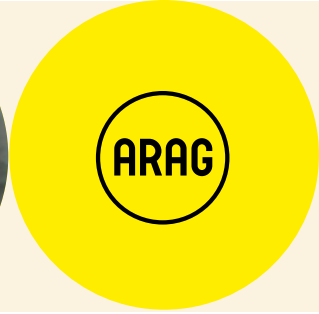
- The policy is sold to customers via business partners who are distributors.
- The policy administration is undertaken by distributors.
- Sales complaints are handled by the distributor through which the policy was purchased.
- Claims complaints are handled by ARAG.
- Legal advice is provided by ARAG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

Target Market

Motor Legal Expenses Insurance is designed for both private and commercial motorists living in the UK. It targets a range of vehicle types including cars, motorcycles, vans and commercial vehicles. It also targets a range of niche segments such as agricultural vehicles, supercars and classic cars.

Types of customers for whom the product would be unsuitable

The product is not suitable for those who do not hold a full or provisional licence.



Any notable exclusions or circumstances where the product will not respond

The policy will not pay in the following circumstances:

- Civil cases where the lawyer appointed for the customer does not believe they will be more than 51% likely to win the case
- A claim where the insured person has failed to notify us of the insured incident within a reasonable time of it happening and where this failure adversely affects the reasonable prospects of a claim or we consider our position has been prejudiced.
- Costs and expenses or vehicle hire costs incurred before ARAG have agreed to cover the claim
- If ARAG agree the customer can choose their own choice of lawyer, any costs above what we would have paid our preferred lawyers (this amount may vary from time to time)

Additionally, cover would not be provided for:

- Fines, penalties, compensation or damages that a court or other authority orders an insured person to pay.
- Any legal action an insured person takes that we or the appointed representative have not agreed to, or where an insured person does anything that hinders us or the appointed representative.
- The insured vehicle being used by anyone, with your permission, who does not have valid motor insurance or a valid driver's license.
- Costs and expenses arising from or relating to judicial review, coroner's inquest or fatal accident inquiry.
- Any claim where an insured person is not represented by a law firm or barrister.

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 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.
- Facilitation of customer marketing communications on additional product benefits beyond uninsured loss recovery (ULR) is advised. Legal advice should be featured prominently as an effective tool in this respect. ARAG provides both training and marketing support material on topics such as motor contract disputes to enable distributors to maximise customer understanding.

Intended Product Value Statement:

The intended product value of Motor Legal Expenses Insurance is to enable customers to have 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.