

Fair Value Assessment Outcome

This Fair value Assessment relates to	Legal Expenses
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Date of latest Assessment	24/07/2025
Date of next Assessment	31/07/2027

Product Name: Legal Expenses

Insurer: ARAG

Product Information

In accordance with the FCA PROD Product Intervention and Products Governance Sourcebook PROD 4 Product governance rules, a product review and fair value assessment has been completed for this product.

The product has been subject to Touchstone Underwriting's review process and signed off by our authorised approvers as representing fair value to customers and may continue to be marketed and distributed.

In conducting our assessment, we have looked at a variety of different factors including:

- The claims acceptance rate
- Claims frequency
- The average premium
- The claims ratio
- The total claims costs
- Complaints – The number of complaints received and how many were upheld
- Any fee's chargeable by us for arranging the policy
- How our documentation is presented to our brokers and if this is clear and understood
- Commissions – are these in fair and consistent
- Service delivery

Whilst conducting our review, we have looked at all available management information available to us. This includes a wide selection of reports including quotes and conversions, renewal retentions, cancellations including cancellation reasons, claims, complaints, insurer audits, our own file audits and our own broker survey results.

After a full assessment of this product, our outcome is that we are satisfied:

1. The product remains consistent with the needs of the identified target market
2. The product remains consistent with the fair value assessment
3. The intended distribution strategy remains appropriate

Review / Assessment Area	Key indicators and Measures	Summary outputs and actions
Product Performance	Quotation and Conversion reports Renewal acceptance rate Cancellation reports Customer Vulnerability considerations Review of claims declination rates	Our Assessment of these measures confirmed the ongoing fair value of this product.
Price	Quotations and Conversion reports Cancellations reports Review of claims frequency Commission levels	Our Assessment of these measures confirmed the ongoing fair value of this product.
Service Delivery	Complaints reports Broker Survey summaries Feedback from Brokers	Our Assessment of these measures confirmed the ongoing fair value of this product.
Distribution	Broker agency reports Development managers feedback	We work with brokers that have an active Terms of Business agreement in place. Continuous due diligence is conducted on our brokers to ensure our products are suitable for our brokers.
Complaints	Complaints reports	Complaints received for this product are less than 2%
Claims	Claims reports including declined/repudiated claims	Claims made under this scheme represent under 2% of the policy count.

Target Market
Who is this product designed for: Commercial Property Owners' Legal Solutions is designed for property which is located in the United Kingdom and for residential or commercial let property owners located in the United Kingdom, Channel Islands or the Isle of Man. Eligibility • The insured property must be situated in the United Kingdom. • Businesses must be registered in the United Kingdom, Channel Islands or the Isle of Man. • 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 customers for whom the product would be unsuitable ARAG Legal Expenses cover is <u>not suitable</u> for: • Non-UK based properties • Houses of multiple occupation • Social housing and/or Housing Association landlords • Agricultural letting or licensed premises

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