



Transferring to *ARAG Allgemeine Versicherungs-AG*

Your questions about the
transfer of policies answered



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Your Questions Answered

Section 1

General Overview

1.1 What are the proposed changes?

DAS Legal Expenses Insurance Company Limited (**DAS**) has agreed to sell all of the business and assets of its branch in Ireland (other than business in respect of Northern Ireland) to the Irish branch of ARAG Allgemeine Versicherungs-AG (**ARAG**). The final step of this transaction will be the transfer of all insurance policies written by or on behalf of the Irish branch of DAS (other than business in respect of Northern Ireland) (the **Transfer**).

This process will be effected by means of a **Scheme** pursuant to Part VII of the Financial Services and Markets Act 2000 (**FSMA**).

1.2 When will the Transfer happen?

If approved by the High Court of Justice of England and Wales (the **Court**), the Transfer is scheduled to take effect on the **Effective Date**. It is expected that this will be 31 July 2020.

Any change to the expected Effective Date will be announced on the DAS dedicated Transfer website (www.das.co.uk/arag-transfer) and the ARAG dedicated Transfer website (www.arag.ie/DASIrelandSale).

1.3 Which policies are transferring?

The Transferor provides legal expenses insurance in the UK and through its branch in Ireland. The Transferor will continue writing legal expenses business in the UK (including Northern Ireland) following the Transfer.

As part of strategic restructuring of its business DAS has decided to cease writing business in Ireland and has agreed to transfer all of the business and assets of its Irish branch (other than business in respect of Northern Ireland) to the ARAG Irish Branch. Northern Irish business will continue to be managed from DAS' head office in Bristol following 31 July 2020.

The Transfer includes all of the general insurance business (being "after the event" and "before the event" legal expenses insurance and breakdown insurance business) written by or on behalf of DAS in the Republic of Ireland and carried on by DAS' Irish branch (the **Transferring Policies**).

1.4 Why is DAS doing this?

As part of a strategic reassessment of its business in light of the UK's decision to exit the European Union (**Brexit**), DAS has decided to focus on its UK operations and entered into an agreement with ARAG on 26 February 2019 to transfer the Transferring



Policies to the ARAG Irish Branch. Accordingly, with effect from 1 December 2019 DAS ceased writing new insurance policies in Ireland.

You will be offered the opportunity to renew your policy with ARAG when it expires, however you are not required to purchase a new policy with ARAG.

1.5 Why have I received two (or more) copies of this letter?

If you have purchased a policy from more than one of our partner organisations, you may receive a letter from each partner organisation. In addition, you may also receive an additional letter if you have an outstanding claim.

Please refer to the glossary at the back of this document for a list of defined terms.



Section 2 More about ARAG

2.1 Who is ARAG?

ARAG was incorporated in Düsseldorf, Germany on 5 January 1962 and holds multiple insurances licence issued by the German supervisory authority for insurance companies called Bundesanstalt für Finanzdienstleistungsaufsicht (**BaFin**). ARAG belongs to the ARAG Group which is a family held group conducting insurance business through various group companies and branches in 19 countries worldwide and being specialised in legal expense insurance.

ARAG has recently established a branch in Ireland with offices in Dublin which will continue the business previously carried on by DAS' Irish branch going forward.

You can find more about ARAG by visiting www.arag.com.

2.2 How will ARAG administer my policy?

Pursuant to the terms of an agreement between DAS and ARAG, with effect from 1 December 2019, ARAG assumed the responsibility for claims handling and the day to day management and administration of the Transferring Policies.

ARAG will continue to administer the Transferring Policies after the Effective Date in the same way as they are currently administered, in line with the systems, policies and procedures previously used by DAS for its Irish operations (as the same may be updated from time to time). In particular, there will be continuity in terms of personnel as, subject to the completion of appropriate employee consultation procedures in relation to any transfer of their employment, the same employees who were previously employed by DAS will be joining ARAG in Ireland and will continue to administer the Transferring Policies after the Effective Date.

If your policy or policies are due to expire before 31 July 2020, you will be offered the opportunity to renew your policy with the ARAG Irish Branch, however, you are not required to purchase a new policy with the ARAG Irish Branch.



Section 3

More about the Transfer Process

3.1 What is the Transfer?

The Transfer is governed by a process under Part VII of FSMA that enables groups of insurance policies to be moved between two insurers. The insurers involved can either be in the same insurance group or from different corporate groups. An application must be approved by the Court before the Transfer can go ahead. The applicable regulations require DAS and ARAG to appoint an Independent Expert, approved by the Regulators, who looks at the impact of the Transfer on the various groups of affected policyholders, and submits a report to the Court. Policyholders must be notified and given time to consider the proposals, and they have a right to object or raise concerns if they feel they would be adversely affected.

3.2 Where and when will the Court Hearing take place?

The Court Hearing will be at the **High Court of Justice, 7 Rolls Building, Fetter Lane, London EC4A 1NL, UK** on 28 July 2020.

You will be able to find information about the outcome of the hearing on the DAS dedicated Transfer website at www.das.co.uk/arag-transfer or the ARAG dedicated Transfer website at www.arag.ie/DASIrelandSale or by calling the helpline, on +353(0)1 8818080 (Ireland) or +44(0)117 934 2000 (UK) available between 9am to 5pm Monday to Friday (excluding public holidays). Callers outside of these hours will be able to leave a message and request that their call is returned.

Please note that the details above are to be used for enquires about the Transfer only. If you have any general questions about your policy, please call your usual contact.

3.3 What will happen at the Court Hearing?

The Court will consider whether the Transfer adversely affects policyholders and other interested parties such as reinsurers whether it is appropriate to allow the Transfer. The judge will review the witness statements and evidence presented by DAS and ARAG, and consider the reports of the Independent Expert and the Regulators. Time will be allocated to hear any objections or concerns put forward (whether in writing, by telephone, or in person) by affected policyholders or any other person who believes that they would be adversely affected by the proposals. The judge must decide whether or not it is appropriate to approve the Transfer, taking all of the evidence into account. If the judge does approve the Transfer, then a Court Order is made which means the Scheme will come into effect at a time specified in the Order.

3.4 What can you do if you believe you may be adversely affected?

If you believe you may be adversely affected as a result of the Transfer, then you are entitled to object or raise your concerns either in writing or by telephone in advance, or in person at the Court Hearing. You may choose to appoint legal counsel to attend the Court Hearing on your behalf.



You can:

- call the helpline, on +353(0)1 8818080 (Ireland) or +44(0)117 934 2000 (UK) available between 9am to 5pm Monday to Friday (excluding public holidays). Callers outside of these hours will be able to leave a message and request that their call is returned;
- write to us at:
 - Ireland: ARAG Legal Protection, Europa House, Harcourt Centre, Harcourt Street, Dublin D02 WR20, Ireland; or
 - UK: DAS Legal Expenses Insurance Company Limited, DAS House, Quay Side, Temple Back, Bristol BS1 6NH, United Kingdom; or
- e-mail us at: customerrelations@das.co.uk or DASirelandSale@arag.ie.

Any objections or concerns relating to the Transfer notified to us by telephone or in writing will also be included in the information supplied to the Court. Should you need any further information or if you have any questions or concerns about the Transfer or consider that you may be adversely affected, then please contact us as soon as possible and preferably no later than 21 July 2020.

In light of current government guidelines regarding Covid-19, please note that it is possible that the hearing may take place remotely via Skype or another teleconferencing service. It is requested if you intend on attending the hearing (whether in person or via their representative), you inform DAS and ARAG in writing (using the contact details set out above) as soon as possible and preferably before 21 July 2020 to set out the nature of your objection. This will enable us to provide notification of any changes to the hearing (including any details necessary to attend the hearing if it is to be held remotely) and, where possible, to address any concerns raised in advance of the hearing.

Please note that the details above are to be used for enquires about the Transfer only. If you have any general questions about your policy, please call your usual contact.

3.5 What do you mean by 'adversely affected'?

Any types of effect on policyholders may be considered by the Court. This includes changes to the financial security of the companies involved, or changes to the administration of the Transferring Policies. If there are some changes for the worse, this does not necessarily mean that the Transfer is unfair or unreasonable, as they might be outweighed by other benefits, or they might be extremely small, or they may only occur infrequently. The Independent Expert has considered the materiality of any adverse changes based on their size or likelihood of occurring and provides her conclusions in her Report.

Please refer to the enclosed summary of the Independent Expert's Report and paragraph 5.4 below for an assessment of the adverse effects of the Transfer.



FIRST FOR JUSTICE

3.6 What will happen if the Court does not approve the Transfer?

If the Transfer is rejected, your policy will remain with DAS but ARAG will continue to administer your policy or any claim you have made until the expiry of the policy or (if applicable) the conclusion of your claim.

If the Transfer is delayed for any reason then we will inform policyholders of this via our dedicated Transfer website at www.das.co.uk/arag-transfer or the ARAG dedicated Transfer website at www.arag.ie/DASIrelandSale. If there is expected to be a protracted delay, or the Transfer is rejected, we will also write to affected policyholders to let them know.

3.7 Will I be charged extra for any of this?

No, you will not be asked to bear the costs of the Transfer. DAS and ARAG will meet all of the costs and fees of carrying out the Transfer.



Section 4

More about the Independent Expert

4.1 Who is the Independent Expert?

The Independent Expert is Kate Angell of Willis Towers Watson.

4.2 What's her role?

The Independent Expert has been appointed to give her opinion on the likely effect of the proposals on policyholders. Her appointment has been approved by the PRA, following consultation with the FCA. Her Report is impartial, based on thorough scrutiny of the proposals and the businesses of DAS and ARAG. DAS and ARAG have provided her with access to key staff and information she has requested, both private and public.

4.3 How do I know she is independent?

The Independent Expert's appointment has been approved by the PRA, following consultation with the FCA, and independence is one of the criteria that they use to assess her suitability. Neither the Independent Expert nor any of her immediate family hold any policies, shareholdings or have any other financial interests with DAS, ARAG or any company within the ERGO Group. The Independent Expert's overriding duty of responsibility is to the Court, and not DAS or ARAG. Her Report must be impartial. We have included a summary of her Report with this pack, but you can download a full copy of the Independent Expert's Report at our dedicated Transfer website www.das.co.uk/arag-transfer or the ARAG dedicated Transfer website at www.arag.ie/DASIrelandSale. If you would like a paper copy sent to you then please contact us on the details set out at section 3.4 above.



Section 5

Will there be any changes to my policy?

5.1 Who do I contact after the Transfer for a query on my policy or to make changes?

As set out in section 2.2 above, the administration of your policy will not change as a result of the Transfer and after the Transfer you should continue to contact your normal claims handler or contacts.

5.2 Will there be any changes to the premiums I pay?

No changes will be made to your premium as a result of the Transfer.

5.3 Are there any changes to the terms and conditions of my policy?

The Transfer won't change the terms and conditions of your policy or the payments that you receive, if you have a claim.

5.4 Are there any other changes I should be aware of as a result of the Transfer?

Financial Services Compensation Scheme

In the event of the insolvency of DAS, if you meet the relevant eligibility criteria, you currently have recourse to the UK Financial Services Compensation Scheme (the **FSCS**) or the Irish Compensation Fund (the **ICF**) to have any claim you bring under your policy paid. If your policy is transferred to ARAG, you will continue to have recourse to the FSCS in the event of ARAG's insolvency up to the date that your policy expires, provided that ARAG remains authorised in the UK. This does not impact DAS policyholders who are not transferring to ARAG.

If your policy was issued before 31 January 2020 and if your policy is transferred to ARAG, you will continue to have recourse to the FSCS in the event of ARAG's insolvency up to the date that your policy expires provided that ARAG remains authorised in the UK. This does not impact DAS policyholders who are not transferring to ARAG.

Recourse under the ICF will not be impacted by Brexit on the grounds that the Transferring Policies are Irish insurance policies issued in Ireland.

The Independent Expert has considered this issue in her Report at paragraph 15.39 and has concluded that there is no impact on any policyholder ability to claim under the FSCS as a result of the Transfer and accordingly it will not materially adversely affect the transferring policyholders, for the reasons set out in her Report.



Section 6

Final Comments

6.1 I can't find the answer to my question in this booklet. Where can I find out more?

We hope that the information we have provided has helped you to understand the proposals. DAS and ARAG have published further information at www.das.co.uk/arag-transfer and www.arag.ie/DASIrelandSale. There you can download a full version of the Scheme which sets out the legal terms of the Transfer, the full Report of the Independent Expert, and the policyholder communications pack. Alternatively call us on the helpline below and we will send you this information.

DAS and ARAG have set up a helpline for policyholders who have questions or wish to raise concerns or objections related to the Transfer on +353(0)1 8818080 (Ireland) or +44(0)117 934 2000 (UK) available between 9am to 5pm Monday to Friday (excluding public holidays). Callers outside of these hours will be able to leave a message and request that their call is returned.

Alternatively you can:

- write to us at:
 - Ireland: ARAG Legal Protection, Europa House, Harcourt Centre, Harcourt Street, Dublin D02 WR20, Ireland; or
 - UK: DAS Legal Expenses Insurance Company Limited, DAS House, Quay Side, Temple Back, Bristol BS1 6NH, United Kingdom; or
- email us at: customerrelations@das.co.uk and DASIrelandSale@arag.ie.

We will also publish on www.das.co.uk/arag-transfer and www.arag.ie/DASIrelandSale copies of any Supplementary Reports that the Independent Expert writes before the Court Hearing date.

However, if you do think you may be worse off as a result of the Transfer please see sections 3.4 to 3.6 above or turn to the Legal Notice within this pack for information about how to make your objection or concern known to us.

Please note that the details above are to be used for enquires about the Transfer only. If you have any general questions about your policy, please call your usual contact.

6.2 How will I know if the Transfer has been approved?

We will announce the outcome of the Court application at www.das.co.uk/arag-transfer and www.arag.ie/DASIrelandSale following the Court Hearing due on 28 July 2020. Any changes or information on the progress of the Transfer will also be announced on this website.



You will be able to find information about the outcome of the hearing on our website at www.das.co.uk/arag-transfer and www.arag.ie/DASIrelandSale or by calling the helpline, at +353(0)1 8818080 available between 9am to 5pm Monday to Friday (excluding public holidays). Callers outside of these hours will be able to leave a message and request that their call is returned.

You should check this website for any changes or updates or otherwise call our helpline as set out at section 6.1 above.

If the application is successful then the Transfer should take place on the Effective Date (being 0:01 BST on 31 July 2020).



Glossary

ARAG means ARAG Allgemeine Versicherungs-AG.

ARAG Irish Branch means the Irish branch of ARAG with offices in Dublin.

Court means the High Court of Justice in England and Wales.

Court Hearing means the Hearing at the High Court of Justice in England and Wales at which the final decision to approve or disapprove the Scheme is made.

EEA means the European Economic Area.

Effective Date means 00:01 BST on 31 July 2020, the date on which the Scheme is expected to become effective (subject to the approval of the Court). Any change to the date of the Transfer will be announced on www.das.co.uk/arag-transfer and www.arag.ie/DASIrelandSale.

FCA means the Financial Conduct Authority which has an objective to protect consumers of financial services, protect and enhance the integrity of the UK financial system and promote effective competition in the interests of consumers.

FSMA means the UK Financial Services and Markets Act 2000.

Independent Expert means Kate Angell of Willis Towers Watson whose appointment, which has been approved by the PRA in consultation with the FCA, involves producing the Report.

PRA means the Prudential Regulation Authority which is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms in the UK.

Regulator(s) means the applicable regulator(s) of the UK insurance industry. This refers to, as the context requires, the PRA, the FCA or both.

Report means the Scheme report produced by the Independent Expert under the requirements of FSMA, reflecting the guidance provided by SUP 18.2 of the FCA's Handbook, FG18/4: The FCA's Approach to the review of Part VII insurance business transfers and the PRA's Statement of Policy on insurance business transfers.

Scheme means the legal document giving effect to the Transfer which will be considered for approval by the Court at the Court Hearing.

Supplementary Report means a report, produced in advance of the Court Hearing, to consider the impact on the Independent Expert's conclusions of events that have happened subsequent to the issue of her initial Report.

Transfer means the legal transfer of the Transferring Policies from DAS to ARAG.



Transferring Policies means the DAS policies transferring to ARAG under the Scheme.