



Commercial Direct Business

Target Market Statement

AXA Commercial has undertaken a Product Review and Fair Value Assessment as the manufacturer of this product, in accordance with our obligations under PROD 4.2.

Date of most recent Product Review and Fair Value Assessment	September 2024
Date of next Product Review and Fair Value Assessment to be completed by	Within the next 12 months*

*We continuously monitor our products and apply a risk-based approach to our product governance; the next review and assessment may take place before this date and this document updated accordingly.

Outcome of the Product Review and Fair Value Assessment

As a result of the product governance activities undertaken across this product we can confirm:

- 1. The product meets the needs of the identified target market**
- 2. The product provides fair value to the target market, including policy stakeholders if applicable**
- 3. The distribution strategy remains appropriate**

Product Description

This product provides insurance for small business and offers a range of covers including Public and Employers' liability, Professional indemnity, and Contents insurance. This product serves a range of customers who are microSMES and SMES from sole traders, partnerships to small limited companies.

Product Type

This is a Commercial Lines general insurance product which is suitable for commercial customers only.

Product Status

This product is open to new and renewal business.

Who is the product designed for?

Micro SME and SME Commercial customers within Great Britain and Northern Ireland who operate and run a small business.

Who is the product not appropriate for?

Non-Commercial customers, customers with larger business or more complex needs who would benefit from the guidance of a broker.

What are the mandatory product features that will meet the needs, characteristics, and goals of the target market?

This product can provide cover for:

Public Liability – covers the amount of damages which you are legally liable to pay to third parties for property damage or bodily/personal injury in connection with the business.

Employers' Liability - covers the amount of damages which you are legally liable to pay in respect of bodily injury to any employed person arising out of and in the course of their employment by you in connection with the business. Damage following events such as fire, flood, escape of water, and Subsidence, up to agreed specified limits for your contents of your business premises.

Professional indemnity – covers your claim and costs of any civil liability that arises from a breach of duty of your professional business.

Examples of some significant exclusions and limitations include:

- Claims made condition – we will only accept claims made in the period of insurance for professional indemnity.
 - Cyber, data, asbestos and pollution exclusions.
 - Rectification of defects.
 - Damage which is as a result of a gradual deterioration or change is excluded.
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In addition to the above, the following optional covers are available (depending on the customer's profession and core above selected), up to agreed specified limits:

- Buildings- can covers the premises where your business is located.
- Business Interruption – covers the consequential loss of interruption to your business following loss or damage at your premises.
- Money – extends the Contents cover to cover money at your business premises, in transit, in a safe or at your home address.
- Goods in Transit- covers your goods whilst they are being transported to your customers premises in your own vehicle or by a carrier.
- Terrorism extends the cover provided under Buildings, contents, and business interruption, where your schedule shows these as covered, to include damage caused by terrorism.
- Personal Accident provides you with a capital or a weekly sum of money following an injury sustained by you or any partner director of the business following an accident.
- Business Equipment provides all risk cover for your portable equipment including communication equipment owned by the business.
- Legal Expenses.
- Own Plant, Tools & Equipment provides all risk cover for your tools and plant owned by the business
- Hired in Plant provides all risk cover for the plant and equipment hired in for use by the business
- Contract Works.

Does the product include optional covers?

How should this product be distributed?

This product is sold to customers directly by AXA.

What should distributors do to ensure the product provides fair value to the end customer?

To ensure the customer receives fair value for this product, care must be taken to ensure no duplicate cover exists or is caused by an add-on where that cover is already provided by the policy. Fees or charges passed onto the customer must be proportionate to the service provided and provide fair value.

Vulnerable Customers

Customers with characteristics of vulnerability are within the target market. Vulnerable customer objectives are consistent with those of non-vulnerable customers and can benefit from the product in the same way. Vulnerable customers have different characteristics to non-vulnerable customers and may require additional support.

Our colleagues are trained and equipped to identify and support vulnerable customers. We closely monitor vulnerable customer outcomes to ensure our products and services continue to meet their needs and deliver good outcomes.

Additional Product Literature

This document is to be read in conjunction with the appropriate policy wording and policy summary which has been provided by AXA.

Further information about the Product Review and Fair Value Assessment

When completing our Product Reviews and Fair Value Assessments we used all available information relevant to the product, and information provided by our distribution partners.

Where indicators and measures were outside AXA Commercial's tolerance, we investigated these to ensure that the product continues to remain suitable for the target market, delivers value for customers and operates in line with customer expectations. Details of any key actions taken can be found below.

Review / Assessment Area	Key Indicators and Measures	Summary outputs and actions
Product Performance	<ul style="list-style-type: none"> • Target Market Assessment • Customer vulnerability considerations • Cancellation metrics • Claims metrics • Complaints metrics • Product fees/charges • Consumer Value Measures Data * <p>*Consumer Value Measures products only</p>	Our assessment of these measures and actions we have taken confirmed the ongoing fair value of this product.
Price	<ul style="list-style-type: none"> • Pricing metrics • Remuneration • Loss ratios • Expense ratios • Combined Operation ratio (COR) • Customer Tenure • Customer usage • Add on Metrics • Premium Finance metrics 	Our assessment of these measures confirmed the ongoing fair value of this product.

Service Delivery	<ul style="list-style-type: none"> • Claims Service • Complaints Service (including FOS) • Operational Service • Customer Feedback 	Our assessment of these measures and the ongoing actions in place, confirmed the ongoing fair value of this product.
Distribution	<ul style="list-style-type: none"> • Review of Distribution Strategy and oversight • Review of the Distribution Strategy • Review the value provided by the distribution chain 	<p>Where distribution partners responded to our information request, our assessment of these measures confirmed that the distribution strategy for this product remains appropriate. This is subject to all distributors ensuring that the costs they pass on to customers and any add-ons sold do not adversely impact the value of this product.</p> <p>We continue to work with our partners to obtain and assess information, and agree actions as required, to ensure the ongoing value of this product.</p>
Assurance Activity	<ul style="list-style-type: none"> • Previous assessments of this product • Review of any product changes or Significant Adaptations • Review of Incidents associated with this product • Review of other relevant Monitoring and Oversight activity relating to this product 	Our assessment of these measures confirmed the ongoing fair value of this product.

Commercially sensitive data, such as remuneration details, cannot be shared here. Information will continue to be shared with you as part of our relationship.

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