



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.

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

\*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**

A property led package product aimed at a variety of SMEs including Shops, Salons, and home-based companies. This product offers a core selection of common covers and standard (such as Contents, Business Interruption, Public Liability, Employers' Liability) with the ability to cover additional options sections (such as Buildings and Legal Expenses).

This product can be sold online via Insurance Intermediaries.

**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?**

Commercial customers with businesses based within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man in the retail sector. This product is suitable for:

- Businesses with a maximum turnover of £2,500,000
- Businesses with up to 5 shops
- Businesses with up to £250,000 of stock per location

**Who is the product not appropriate for?**

Non-Commercial customers, businesses not in the retail sector or larger retail chains.

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This product provides cover for:

Damage following events such as fire, flood, escape of water, theft and subsidence up to agreed limits for:

- Contents, stock, high value attractive stock and electronic equipment up to the sums insured selected.
- Business interruption - £500,000, and 24-month indemnity period as standard. Increased sums insured and other indemnity periods are available.

Other covers included as standard:

- Goods in transit
- Loss of money
- Glass breakage and replacement
- Seasonal stock increases
- Exhibitions & trade fairs
- Public & Products liability – covers the amount of damages that the insured is legally liable to pay to third parties for property damage or bodily injury in connection with the business and products sold.
- Treatment risks cover for relevant trades.
- Employers' liability – covers the amount of damages that the insured is legally liable to pay in respect of bodily injury to any employed person arising out of and in the course of their employment by the insured in connection with the business.

Examples of some significant exclusions and conditions include:

- Minimum standard of physical security apply including electronic equipment security– higher standards and alarm requirements may apply.
- Non-forcible theft is excluded
- Fraud, dishonesty and illegal activities are excluded
- Damage which is as a result of a gradual deterioration or change is excluded
- Cyber and data exclusions
- Subsidence is excluded (cover available as an optional extension)

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

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**Does the product include optional covers?**

In addition to the above, the following optional covers are available, up to agreed specified limits:

- Accidental damage
- Buildings
- Legal Expenses
- Specified All Risks
- Terrorism
- Theft (of Money) by Employees
- Loss of licence
- Deterioration of stock

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**How should this product be distributed?**

This product can be sold with the active assistance and guidance of an Insurance Intermediary to select the appropriate level of cover. This product can also be sold by an Insurance Intermediary directly to customers without this assistance.

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

To ensure the customer receives fair value for these products, 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. Commission, fees, or charges passed onto the customer must be proportionate to the service provided and provide fair value. The distributors should ensure that the sums insured are adequate for the risk insured.

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**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.

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Please read this document alongside the product policy wording, available through the AXA Connect broker portal.

## Additional Product Literature

Detail on all limits, conditions and exclusions have not been included, this information can be found within the policy wording.

## 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
<b>Product Performance</b>	<ul style="list-style-type: none"> <li>• Target Market Assessment</li> <li>• Customer vulnerability considerations</li> <li>• Cancellation metrics</li> <li>• Claims metrics</li> <li>• Complaints metrics</li> <li>• Product fees/charges</li> <li>• Consumer Value Measures Data *</li> </ul> <p>*Consumer Value Measures products only</p>	<p>Our assessment of these measures confirmed the ongoing fair value of this product.</p> <p>We have made some updates to the overall Target Market Statement to ensure the information provided is clear.</p>
<b>Price</b>	<ul style="list-style-type: none"> <li>• Pricing metrics</li> <li>• Remuneration</li> <li>• Loss ratios</li> <li>• Expense ratios</li> <li>• Combined Operation ratio (COR)</li> <li>• Customer Tenure</li> <li>• Customer usage</li> <li>• Add on Metrics</li> <li>• Premium Finance metrics</li> </ul>	<p>Our assessment of these measures confirmed the ongoing fair value of this product.</p>
<b>Service Delivery</b>	<ul style="list-style-type: none"> <li>• Claims Service</li> <li>• Complaints Service (including FOS)</li> <li>• Operational Service</li> <li>• Customer Feedback</li> </ul>	<p>Our assessment of these measures and the ongoing actions in place, confirmed the ongoing fair value of this product.</p>
<b>Distribution</b>	<ul style="list-style-type: none"> <li>• Review of Distribution Strategy and oversight</li> <li>• Review of the Distribution Strategy</li> <li>• Review the value provided by the distribution chain</li> </ul>	<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>
<b>Assurance Activity</b>	<ul style="list-style-type: none"> <li>• Previous assessments of this product</li> <li>• Review of any product changes or Significant Adaptations</li> <li>• Review of Incidents associated with this product</li> <li>• Review of other relevant Monitoring and Oversight activity relating to this product</li> </ul>	<p>Our assessment of these measures confirmed the ongoing fair value of this product.</p>

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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