



AXA Retail Product Strategy Document:

# AXA Motorcycle







# AXA Motorcycle



The AXA Retail Product Strategy Document will be reviewed at least annually or earlier where required following regulatory changes that affect Product Governance, or changes in business structure or roles and responsibilities outlined in the Retail Product Governance Policy

## Target Market and Product Fair Value Statement

The purpose of this document is to explain the identified target market and the expected distribution strategy for the Insurance product manufactured by AXA Insurance. It also outlines our approach to Product Oversight and Governance to demonstrate how we design, monitor, and review our products to ensure they continue to provide fair value and meet the needs, characteristics and objectives of the target market including vulnerable customers.

## Product Oversight and Governance

AXA UK's Product Governance Policy sets out the standards that AXA Retail is required to implement to ensure the achievement of fair value and good customer outcomes by having robust product oversight and governance arrangements, systems, policies, and procedures in place, which encourage a business culture with customers' interests at its core.

- We identify, define, and assess our target markets at an appropriate level, based on the nature and complexity of our products
- We undertake appropriate testing of our new products before launch, to make sure they meet our customers' needs and provide fair value
- The design and performance of all our new, existing, and legacy products are subject to regular assessment and review to ensure products provide fair value and that there is a continuing customer-centric focus, achieving good customer outcomes
- We consider the needs, characteristics, and objectives of customers with characteristics of vulnerability at all stages of the design process to ensure the product meets their needs
- The features, nature and complexity of our products are carefully matched to our intended distribution channels to ensure they reach our identified target market

These requirements are in place to ensure that all AXA UK customers receive fair value and that good customer outcomes are delivered in line with AXA UK's defined customer outcome statements.

## Target Market Statements

Target Market Statements provide information about all the AXA Insurance products distributed. This includes:

- The key features and optional covers associated with our products
- Who our products are designed for and who they are not designed for
- How our products should be distributed
- The complexity of our products
- How to ensure that our product provides fair value to customers as intended
- The controls and testing in place for our products
- Whether the target market is inherently more likely to be vulnerable



Product Overview	Product Type	Personal Lines general insurance product suitable for individuals seeking to insure their private motorcycle
	Product Status	Live (open to new and renewal business)
Target Market Statement	Who is the product designed for?	<p>This product is designed for UK residents who:</p> <ul style="list-style-type: none"> <li>✔ Are aged 17 to 75 at the time of sale</li> <li>✔ Who hold a Full UK/EU or provisional driving license</li> <li>✔ Who have no more than one motoring conviction in the last 5 years depending on severity of driving conviction</li> <li>✔ Have two or less fault claims in the last 3 years</li> <li>✔ Have no upsent criminal convictions</li> </ul> <p>This Product:</p> <ul style="list-style-type: none"> <li>✔ Provides cover up to the specified limits for Loss and Damage</li> <li>✔ Provides settlement that will not exceed the market value of the vehicle in the event of a total loss</li> <li>✔ Provided up to £20,000,000 for liability for others</li> <li>✔ Provides cover for motorcycles up to £15000</li> <li>✔ Provide driving up to 15000 miles annually</li> <li>✔ Own a standard manufactured motorcycle</li> <li>✔ Provides cover for use for social domestic and pleasure (including commuting) and personal business use</li> </ul>
	Who is the product not appropriate for?	<p>This product is not designed for individuals:</p> <ul style="list-style-type: none"> <li>✘ Customers who don't live in the UK</li> <li>✘ Customers who want to insure car, motorhome and commercial vehicles</li> <li>✘ Customers who own a motorcycle worth more that £15000</li> <li>✘ Customers who want to pay more that £500 voluntary excess</li> <li>✘ Customers who want to insure more than one motorcycle</li> <li>✘ Customers who want temporary cover</li> <li>✘ Customers who want to use their motorcycle primarily for business other than personal business use – e.g. couriers, taxi and delivery drivers</li> </ul>





Product features	What are mandatory product features that will meet the needs, characteristics, and goals of the target market?	<p>The product provides the following cover, up to agreed specified limits:</p> <ul style="list-style-type: none"> <li>Loss and Damage to the motorcycle, motorcycle accessories, and spare parts</li> <li>Liability to others</li> <li>Hotel expenses and alternative transport</li> <li>New motorcycle replacement (within 1 year of first registration)</li> </ul>
	Does the product include optional covers?	<p>The following optional cover can be added</p> <ul style="list-style-type: none"> <li>Protected No Claims Discount</li> </ul>
Distribution Strategy	How should this product be distributed?	<p>Broker-Lead.</p> <p>The distribution strategy is considered appropriate for the target market with customers having the option to purchase these products through the distribution channel of their choice. These products are considered suitable for advised and non-advised sales by suitably skilled agents or sub-delegates via telephone, face to face or an appropriately designed on-line journey.</p>
Providing Fair Value	How does AXA ensure the product provides fair value to the end customer?	<p>AXA Retail continually monitors our product performance in line with the Financial Conduct Authority (FCA) Product Intervention and Product Governance Sourcebook (PROD) rules.</p> <p>AXA Retail operates a multi-layered Product Approval Process, a detailed annual Customer Fair Value Assessment (CFVA) programme &amp; monthly Conduct Key Risk Indicator (KRI) reporting covering value measures which is governed through a formal committee structure.</p>
Controls & Testing	What controls are in place?	<ul style="list-style-type: none"> <li>Formal product approval process where all new products or adaptations are presented for approval at one of formal governance committees (Customer &amp; Product Committee, Customer and Trading Risk and Approvals Committee or Conduct Risk Committee) depending on materiality</li> <li>Annual CFVA'S (may be more frequent where required)</li> <li>Quarterly Pricing Ethics Committee</li> <li>Weekly Retail Pricing and Underwriting Committee</li> <li>The product is integrated into a platform using business rules, which ensure we only target customers within the intended target market</li> </ul>
	What testing is in place?	<ul style="list-style-type: none"> <li>Full end to end product lifecycle testing before any new scheme or product is launched to assess whether it will meet the identified needs, characteristics, and objectives of the target market, including customers who have characteristics of vulnerability</li> <li>Ongoing pricing and business rule testing for all products, including regression testing</li> <li>Market benchmarking using industry data</li> <li>Voice of the customer (VOC) insights used to measure customer outcomes &amp; tracked via Claims VOC Committee</li> <li>All General insurance Value Measures (GIVM) are reviewed annually via ongoing Product Testing through Customer Fair Value Assessments governed under PROD, with supplementary monthly Conduct KRI's reporting at product level via the Customer &amp; Product Committee. This includes a quarterly review of any KRI's performing outside of expected parameters site</li> <li>Customer Outcome Testing targeted at key risk areas either proactively or reactively based on findings from the above</li> </ul>



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