



AXA Retail Product Strategy Document:

AXA Car, Car Plus



AXA Car, Car Plus

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 insurance designed for individuals seeking to insure their private motor vehicle	
	Product Status	Live (open to new and renewal business)	
Target Market Statement	Who is the product designed for?	<p>This product is designed for individuals seeking to insure their private motor car to ensure that they have the cover, required by law, in place in the event of causing damage to third parties or third party property and, if they select Comprehensive Cover, are protected in the event of loss or damage to their car. It would therefore appeal to a target market which has:</p> <ul style="list-style-type: none"> ✔ An interest in protecting their vehicle against accidental damage and theft ✔ A need to remain mobile for either pleasure or work purposes; and ✔ The financial resources to pay for such cover <p>This product is designed for UK based individuals aged between 25 and 79 who at the time of sale:</p> <ul style="list-style-type: none"> ✔ Hold a Full UK/EU or provisional UK driving licence and with a low number of motoring convictions and claims in the last 3 years, driving up to 15000 miles annually; and ✔ Own a standard manufactured car which is valued at less than £75000 and is only used for SDP&C and class 1 business use 	
	Who is the product not appropriate for?	<p>This product is not designed for individuals:</p> <ul style="list-style-type: none"> ✘ Who don't live in the UK ✘ Who are not between the ages of 25 and 79 ✘ Who own a vehicle which is worth more than £75000 or is of a non-standard specification or a high-performance vehicle ✘ Who drive more than 15000 miles per year <ul style="list-style-type: none"> ✘ Who have more than 1 motoring convictions in the last 5 years, more than 2 fault motoring claims in the last 3 years or any unspent criminal convictions; or ✘ Who are unable to afford the insurance for the vehicle or the excess chargeable in the event of a fault claim; ✘ Who already have breakdown cover in place (AXA Car Plus only) 	
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"> ▪ Fire and theft damage ▪ Third party liability ▪ Vehicle damage (Comprehensive only) ▪ Glass repair/replacement (Comprehensive only) ▪ Accessory cover (child car seats, EV charging cables, audio visual equipment) (Comprehensive only) ▪ Uninsured driver cover (Comprehensive only) ▪ Replacement car cover 	<ul style="list-style-type: none"> ▪ Personal accident cover (Comprehensive only) ▪ Medical expenses (Comprehensive only) ▪ Personal belongings (Comprehensive only) ▪ Foreign use (up to 90 days) ▪ Courtesy car ▪ Hotel expenses ▪ Misfuelling cover ▪ Loss and theft of keys cover ▪ Breakdown cover (AXA Car Plus only)
	Does the product include optional covers?	<p>The following optional extra covers can be added:</p> <ul style="list-style-type: none"> ▪ Protected No Claims Discount 	<p>The following add-ons can also be selected:</p> <ul style="list-style-type: none"> ▪ Breakdown cover (AXA Car only)



Distribution Strategy	How should this product be distributed?	Broker-led. 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 non-advised sales by suitably skilled agents via telephone, face-to-face or an appropriately designed on-line journey.
Providing Fair Value	How does AXA ensure the product provides fair value to the end customer?	AXA Retail continually monitors our product performance in line with the Financial Conduct Authority (FCA) Product Intervention and Product Governance Sourcebook (PROD) rules. AXA Retail operates a multi-layered Product Approval Process, a detailed annual Customer Fair Value Assessment (CFVA) programme & monthly Conduct Key Risk Indicator (KRI) reporting covering value measures which is governed through a formal committee structure.
Controls & Testing	What controls are in place?	<ul style="list-style-type: none"> ▪ Formal product approval process where all new products or adaptations are presented for approval at one of formal governance committees (Customer & Product Committee, Customer and Trading Risk and Approvals Committee or Conduct Risk Committee) depending on materiality ▪ Annual CFVAs (may be more frequent where required) ▪ Quarterly Pricing Ethics Committee ▪ Weekly Retail Pricing and Underwriting Committee ▪ The product is integrated into a platform(s) using business rules, which ensure we only target customers within the intended target market
	What testing is in place?	<ul style="list-style-type: none"> ▪ 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 ▪ Ongoing pricing and business rule testing for all products, including regression testing ▪ Market benchmarking using industry data ▪ Voice of the customer (VOC) insights used to measure customer outcomes & tracked via Claims VOC Committee ▪ 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 & Product Committee ▪ Customer Outcome Testing targeted at key risk areas either proactively or reactively based on findings from the above



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