AXA Commercial Fair Value Assessment Outcome and Target Market Statement

Product: Commercial Direct Landlord

Date of Fair Value Assessment and Target Market Statement	September 2026
Date of next Fair Value Assessment and Target Market Statement 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.*

Product Oversight and Governance

AXA UK's Product Governance Policy sets out the standards that AXA Insurance 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.
- 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 in order 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.

Fair Value Assessment Outcome

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

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

- The product meets the needs of the identified target market
- The product provides fair value to the target market for both now and for the forseeable future
- The distribution strategy remains appropriate

Target Market Statement: Commercial Direct Landlord

The purpose of this Target Market Statement is to explain the identified target market, intended value, expected distribution strategy for this insurance product manufactured by AXA Insurance.

Product Description	This product provides cover for small portfolios of buildings let for investment purposes. It offers a range of cover options, including loss of rental income following a claim and public liability protection. The product caters to individual landlords, partnerships, and corporate entities, with tenants that can be either commercial businesses or private individuals.
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?

This product is designed and suitable for:

• Commercial or residential landlords with businesses based within Great Britain, Northern Ireland, the Channel Islands, and the Isle of Man who own and let out residential, commercial, or mixed property portfolios.
• Landlords with up to 10 property locations.
• Landlords requiring cover for rental properties against damage caused by events such as fire, flood, escape of water and storm, up to specified limits for buildings, including outbuildings, tenant improvements, electric vehicle charge points, and the cost of providing alternative accommodation for residential tenants.
• Landlords requiring cover for property owner's liability, which protects against damages the insured is legally liable to pay to third parties for property damage or bodily/personal injury in connection with the business of letting out properties.

Who is the product not appropriate for?

This product is not suitable for:

• "Accidental" landlords—individuals who rent out their property due to circumstances rather than by choice, such as those unable to sell their primary residence or who have inherited a property they do not wish to sell.
• Non-commercial or non-residential landlords, or those with property portfolios located outside Great Britain, Northern Ireland, the Channel Islands, and the Isle of Man.
• Landlords with a portfolio of 11 or more properties.
• Customers with a large property portfolio 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 has been designed to meet the needs of commercial and residential landlords requiring cover for:

• Damage caused by events such as fire, flood, escape of water, storm, and similar perils, up to specified limits, including buildings, outbuildings, tenant's improvements, electric vehicle charge points, and the costs of providing alternative accommodation for residential tenants.
• Property owner's liability covers the amount of damages the insured is legally liable to pay to third parties for property damage or bodily/personal injury arising in connection with the business of letting out properties.

Examples of some significant exclusions and conditions.

Examples of some significant exclusions and conditions include:

• Risk improvement requirements must be completed within the timeframe advised. All such risk improvements must remain in place throughout the policy period.
• Property at the premises must be maintained in a good state of repair.
• Damage resulting from gradual deterioration or change is excluded.
• Cover excludes losses due to communicable diseases and fungal pathogens.
• Cyber and data-related risks are not covered.

Does the product include optional covers?

The following optional covers are available on this product:

• Employers' Liability provides cover for damages the insured is legally liable to pay in respect of bodily injury to any employee arising out of and in the course of their employment in connection with the business of letting properties
• Terrorism extends the cover provided under the Buildings and Rental Income sections, where shown as covered in the schedule, to include damage caused by acts of terrorism
• Landlord's Contents provides cover for fixtures and fittings not forming a permanent part of the structure, including furniture, furnishings, utensils, and domestic appliances belonging to, or the responsibility of, the insured as landlord
• Loss of Rental Income provides cover for loss of rental income following an insured event, including reasonable additional costs incurred in reletting the property

How should this product be distributed?

This product is sold and distributed to customers directly by AXA.

Residential Multi-Occupancy Requirements:
In relation to residential multi-occupancy risks, distributors should provide the required information and disclosures to policyholders in a timely manner to share with long leaseholders, and efficiently deal with any queries received from leaseholders directly.

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. 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.
Vulnerable Customers	This product and services are designed for a broad customer base, but we recognise that any customer could become vulnerable at any time. We ensure that: • Products remain accessible and understandable for all customers • Communications are clear, jargon-free, and available in alternative formats • Where reasonable, processes are flexible to accommodate individual needs. • Staff are trained to identify and respond to signs of vulnerability sensitively and empathetically Support Measures • Offering multiple communication channels to ensure accessibility • Allowing extra time for decision-making and supporting customer understanding, including but not limited to their comprehension of the product in question. • Providing tailored repayment or service arrangements, where appropriate, to meet individual needs • Signposting to specialist support services when needed
Additional Product Literature	Please read this document alongside the product policy wording, available through the AXA.co.uk website. Detail on all limits, conditions and exclusions have not been included, this information can be found within the policy wording and schedule.

Further information about the Fair Value Assessment

When completing our 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 Insurance'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	• Target Market Assessment • Customer vulnerability considerations • Cancellation metrics • Claims metrics • Complaints metrics • Product fees/charges • Consumer Value Measures Data * *Consumer Value Measures products only	Our assessment of these measures confirmed the ongoing fair value of this product. We have made some updates to the overall Target Market Statement to ensure the information provided is clear.
Price	• 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	• 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	• Review of Distribution Strategy and oversight • Review of the Distribution Strategy • Review the value provided by the distribution chain	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. 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.
Assurance Activity	• 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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