AXA Commercial Fair Value Assessment Outcome and Target Market Statement

Product: Retailers

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: Retailers

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 small to medium-sized shops and salons with cover for contents, business interruption, public liability, and employers' liability. It also offers the option to add additional cover for buildings, and legal expenses.
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 customers in the retail sector with businesses based within Great Britain, Northern Ireland, the Channel Islands, and the Isle of Man.
- Commercial retail businesses with a maximum turnover of £2,500,000, operating up to five shops.
- Commercial retail businesses with stock valued at up to £250,000 per location.
- Commercial retail businesses requiring cover for damage caused by events such as fire, flood, escape of water, theft, and subsidence, covering contents, stock, high-value attractive stock, and electronic equipment up to the sums insured. It also provides business interruption cover up to £500,000, with a 24-month indemnity period provided as standard (additional sums insured and longer indemnity periods are available).

Who is the product not appropriate for?

This product is not suitable for:

- Non-Commercial customers, businesses not in the retail sector or larger retail chains.
- Businesses located outside Great Britain, Northern Ireland, the Channel Islands, and the Isle of Man.
- Retail businesses with a annual turnover exceeding £2,500,000 or operating more than five shops.
- Retail businesses with stock valued at more than £250,000 per location.
- Retailers that do not require coverage for damage caused by fire, flood, escape of water, theft, or subsidence.

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 small to medium-sized retailers requiring cover for:
- Damage caused by events such as fire, flood, escape of water, theft, and subsidence, up to agreed limits, including contents, stock, high-value attractive stock, and electronic equipment at the sums insured selected.
- Business interruption cover up to £500,000 with a standard 24-month indemnity period. Increased sums insured and other indemnity periods are available.

Other covers included as standard are:
- Goods in transit, providing cover against loss or damage to property while being transported.
- Loss of money, offering protection against theft, burglary, or accidental loss of cash, cheques, or other monetary assets held on the premises or in transit. Money in transit conditions apply.
- Glass breakage and replacement, covering damage to glazing, windows, and glass fixtures, including costs for repair or replacement following accidental damage.
- Seasonal stock increases, offering additional protection for stock valued above usual cover limits during seasonal peaks in the business.
- Exhibitions and trade fairs, providing cover for equipment, displays, and materials against damage, theft, or loss while being transported to, during, or from an exhibition or trade event.
- Public and product liability, covering the damages 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 certain trades, offering cover against damages the insured is legally liable to pay for bodily injury caused by or arising from treatment provided. Not all treatments are covered.
- Employers' liability, covering damages the insured is legally liable to pay for bodily injury to any employed person arising out of and in the course of their employment in connection with the business.

Examples of some significant exclusions and conditions.

Examples of some significant exclusions and conditions include:

- A minimum standard of physical security is required; higher standards and alarm requirements may apply. The average condition applies, and accurate property values at risk must be declared.
- Non-forcible theft is not covered.
- Fraud, dishonesty, and illegal activities are excluded.
- Damage caused by gradual deterioration or change is excluded.
- Cyber and data-related risks are not covered.
- Subsidence is excluded but can be added as an optional extension.

Does the product include optional covers?	The following optional covers are available on this product: • Accidental Damage provides protection against unintentional damage to contents, buildings (where covered), stock, fixtures, or fittings caused by unexpected events • Buildings provides cover for buildings, including outbuildings, tenant's improvements, electric vehicle charge points, and solar panels fixed to or forming part of the buildings • Legal Expenses provides cover for advisory costs up to the limit of indemnity in respect of contract disputes, tax disputes, social media defamation, and employment disputes, including compensation awards • Specified All Risks provides cover for specified items anywhere in the UK and, optionally, worldwide • Terrorism extends the cover provided under Contents, Business Interruption, and Buildings sections, where shown as covered in the schedule, to include damage caused by acts of terrorism • Theft of Money by Employees provides cover for loss of money arising from employee dishonesty or fraud • Loss of Licence provides protection where the insured's licence is revoked or suspended due to circumstances beyond their control, resulting in loss of trading rights • Deterioration of Stock provides protection against spoilage, contamination, or damage to frozen or chilled stock caused by events such as accidental power failure, refrigeration breakdown, or environmental conditions, excluding loss resulting from neglect, misuse, or interruption of the electricity supply due to termination, disconnection, restriction, or withholding
How should this product be distributed?	This product should be distributed via an authorised or fully regulated insurance broker or intermediary. • Only within Great Britain, Northern Ireland, the Channel Islands, and the Isle of Man. • With active support and guidance from an Insurance Intermediary to help customers choose the appropriate level of cover or; • by Insurance Intermediaries directly to customers without additional assistance. Support options must be available at all stages of the customers interaction, ensuring that additional assistance is readily available whenever needed.
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 Connect broker portal. 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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