

AXA Retail Product Strategy Document:

# AXA Extra

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 Statements

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
- The features, nature and complexity of our products are carefully matched to our intended distribution channels to ensure they reach our identified target market.

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
- 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
- Providing tailored repayment or service arrangements, where appropriate, to meet individual needs
- Flexing our processes to support vulnerable customers and remove barriers to access
- Signposting to specialist support services when needed

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** 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

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| **Product Overview** | **Product Type** | Private buildings and contents |
| | **Product Status** | Live (open to new and renewal business) |
| **Target Market Statement** | **Who is the product designed for?** | This product is designed for UK based individuals aged 18 or over at the time of sale who:<br>✓ Have no unspent (non-motoring) criminal convictions, or prosecutions pending<br>✓ Have not been declared bankrupt, subject to County Court Judgements (CCJs) or Individual Voluntary Arrangement (IVAs)<br>✓ Have never had insurance refused, cancelled or special terms imposed<br>✓ Live in a property of standard construction with no more than 4 bedrooms, which is not listed and was built no earlier than 1850 |
| | **Who is the product not appropriate for?** | This product is not designed for individuals:<br>× Who do not live in the UK;<br>× Who are not aged 18 or over;<br>× Who work as a professional entertainer; professional sportsperson; gambler; market, money, motor or online trader; moneylender; dealer of any kind (such as antiques, art or scrap); or is a student (under 25);<br>× Who have unspent criminal convictions, have been declared bankrupt, or subject to CCJs or IVAs;<br>× With more than £1,000,000 buildings sum insured;<br>× With more than £100,000 contents sum insured;<br>× Who use the property for non-clerical business purposes (without referral);<br>× Who let the property to more than one Lodger or Tenant;<br>× Who wish to insure Buildings where they are the Freeholder, intending to arrange Buildings cover on behalf of multi-occupancy Leaseholders<br>× Whose property is unoccupied;<br>× Who live in a property which either has more than 4 bedrooms; is of non-standard construction; is listed; was built before 1850;<br>× Who have suffered one or more claim(s) of any value, in the last 5 years (prior to inception);<br>× Who live in a property which has flooded or is at high risk of flooding, where the risk can't be ceded to Flood Re;<br>× Who wish to insure Buildings where the property has suffered damage from subsidence, heave or landslip. |
| **Product Features** | **What are mandatory product features that will meet the needs, characteristics, and goals of the target market?** | This product provides the following cover, up to agreed specified limits:<br>▪ Fire, Storm, Flood, Theft, Escape of Water to Buildings and/or Contents<br>▪ Occupiers and Public Liability (Contents)<br>▪ Property Owners Liability (Buildings) |
| | **Does the product include optional covers?** | The following optional covers can be added:<br>▪ Accidental Damage<br>▪ Personal Possessions<br>The following add-ons can also be selected:<br>▪ Home Emergency<br>▪ Family Legal Expenses |

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| **Distribution Strategy** | **How should this product be distributed?** | This product is intended to be distributed by Intermediary Brokers within the UK.<br>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.<br>We also distribute the product directly to a small segment of customers where the customers wish to continue with the product, but the Broker no longer exists or no longer distributes the product. |
| **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.<br>AXA Retail operates a multi-layered Product Approval Process, a detailed annual Customer Fair Value Assessments (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?** | ▪ Formal product approval process where all new products or adaptions are presented for approval at one of formal governance committees (Customer Board Committee or Intermediary Board)<br>▪ Annual CFVA'S (may be more frequent where required)<br>▪ Quarterly Pricing Ethics Committee<br>▪ Weekly Retail Pricing and Underwriting Committee<br>▪ The product is integrated into a platform using business rules, which ensure we only target customers within the intended target market |
| | **What testing is in place?** | ▪ 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<br>▪ Ongoing pricing and business rule testing for all products, including regression testing<br>▪ Market benchmarking using industry data<br>▪ Voice of the customer (VOC) insights used to measure customer outcomes & tracked via Claims VOC Committee<br>▪ 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 Board Committee and Intermediary Board<br>▪ Customer Outcome Testing targeted at key risk areas either proactively or reactively based on findings from the above |

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