



Product Governance Review

Fair Value Assessment – Inherent Defects Insurance (IDI)- Retail

Inherent Defects Insurance (IDI) - Retail

Fair Value Assessment – Product Overview

Product Overview

Inherent Defects Insurance (IDI) provides cover to customers against damage to a building caused by faulty design, faulty workmanship and/or faulty materials in the structural works that were not evident at the date of inception of the insurance period.

Key covers include:

- Structural damage
- Ingress of water
- Existing structure (can be requested)
- Loss of rent (can be requested)
- Removal of debris
- Sum insured and deductible indexation

See detailed Target Market Statement for detail on the range of customers the product is designed for as well as the groups of customers for whom the product is not appropriate and will not provide the intended value.

Fair Value Assessment Outcome: Inherent Defects Insurance (IDI) - Retail

Key findings

Year Fair Value Assessment Completed	2024
<p>Fair Value Assessment Outcome</p> <p>AXA XL has conducted a comprehensive review of this product against the specified metrics, considering whether the insurance product remains consistent with the needs of the identified target market and whether the intended distribution strategy remains appropriate. The review has determined that this product continues to provide fair value in compliance with the FCA’s Product Intervention and Product Governance Sourcebook (PROD). This product will therefore be monitored as per BAU and reviewed again in 12 months as per PROD 4.2.34 requirement to undertake regular product reviews.</p> <ul style="list-style-type: none">• Claims Repudiation Rate• Claims Complaints as a % of Total Claims• Policy Cancellation Frequency• Gross Loss Ratio• Total Acquisition Ratio <p>Our approach to this product review has utilised data and MI readily available to AXA XL to conduct a quantitative analysis. Additionally, we have also performed a qualitative review. As a distributor, you may wish to consider metrics you hold in conjunction with this assessment. On conducting your own review, where issues are identified that are not identified within this review, please notify us so we can consider the impact on the product in our capacity as carrier.</p>	
<p>Other factors which may be relevant to distributors</p>	
<p>n/a</p>	

