



# Product Governance Review

Fair Value Assessment – Property Damage – Commercial Auto

# Property Damage – Commercial Auto

## Fair Value Assessment – Product Overview

### Product Overview

This product indemnifies the Assured against direct and accidental loss of or damage to automobiles, during the period of insurance. First party coverage only, no 3rd party coverage provided.

This product covers loss of or damage to an automobile resulting from:

- Fire, Lightning and Transportation;
- Theft, Robbery and Pilferage;
- Collision or Upset;
- Windstorm, Earthquake, Explosion, Hail or Water

See the detailed Target Market Statement for information 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: Property Damage – Commercial Auto

## Key findings

### Year Fair Value Assessment Completed

2024

#### Fair Value Assessment Outcome

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.

- **Claims Repudiation Rate**
- **Claims Complaints as a % of Total Claims**
- **Policy Cancellation Frequency**
- **Gross Loss Ratio**
- **Total Acquisition Ratio**

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.

#### Other factors which may be relevant to distributors

n/a