



# **Product Governance Review**

## Fair Value Assessment – Specialty – Contingency

# Specialty – Contingency

## Fair Value Assessment – Product Overview

### Product Overview

#### Products within Product Group

- Lloyd's prize indemnity/Miscellaneous Contingency
- Lloyd's Contingency Non-Appearance
- Lloyd's Contingency Cancellation and Abandonment

#### Product Overview and key cover

- These products indemnify the Insured for their ascertained net loss should the Insured event(s) be necessarily cancelled, abandoned, postponed, interrupted, curtailed or relocated.
- This is conditional on the cancellation, abandonment, postponement, interruption, curtailment or relocation being the sole and direct result of a cause not otherwise excluded; occurs during the period of insurance and is beyond the control of both the Insured and each and every participant.
- All products are distributed via brokers or coverholders and all business is classified as commercial rather than retail. There is not any direct negotiation with any policyholder by AXA XL.
- The product offering is essentially the same for both open market and delegated authority risks. However, coverholders have capacity to write high volume/low premium business that the minimum premium criteria for open market business precludes.

Please note that the above provides an overview of the common cover across the products within this product group. The additional components per product is taken into consideration for this review.

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: Specialty – Contingency

## Key findings

Year Fair Value Assessment Completed	2024
<p><b>Fair Value Assessment Outcome</b></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"><li>• <b>Claims Repudiation Rate</b></li><li>• <b>Claims Complaints as a % of Total Claims</b></li><li>• <b>Policy Cancellation Frequency</b></li><li>• <b>Gross Loss Ratio</b></li><li>• <b>Total Acquisition Ratio</b></li></ul> <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.</p> <p>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><b>Other factors which may be relevant to distributors</b></p> <p>n/a</p>	

