



## Target Market Statement: AXA XL

The purpose of this document is to explain the identified target market and the expected distribution strategy for each insurance product manufactured by AXA XL. Specifically, it provides information on a product category level about the main features associated with each product and clarifies who our products are designed for and who they are not appropriate for. This target market statement also explains the way our products should be distributed and provides information around the complexity of our products and how to ensure that a product provides fair value to our customers as intended.

### Product Name: Contractors All Risks

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| <b>Product Type:</b>   | Commercial Lines general insurance product suitable for contractors and SME businesses.   |
| <b>Who is the product designed for?</b>  | This product is aimed at contractors and developers in the UK and Ireland, primarily aimed at the construction industry who are looking for Contractors All Risks (CAR) coverage alongside other liability products.  |
| <b>Who is the product not appropriate for?</b>   | This product is not aimed at customers seeking coverage for single projects written in isolation or contractors and developers outside of the UK and Ireland.   |
| <b>What customer need is met by this product?</b>  | The Contractors All Risk (CAR) policy covers physical loss or physical damage to property that is being used or is intended for use in connection with the works on any contract site subject to the policy.  |
| <b>Target market – are there any specific characteristics, including, customer vulnerability, that you should be aware of?</b> | <p>Due to the impact of rising inflation and rising interest rates, customers may be under financial strain and may not be able to afford premiums on an ongoing basis.</p> <p>Customers who may be experiencing characteristics of vulnerability due to either personal circumstances, ill health, financial issues, life events such as bereavement, and/or external factors such as economic instability may</p> |

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|  | <p>require adjustments and flexibility to benefit from the policy. All customers are at risk of becoming vulnerable at any time. AXA XL are committed to supporting additional needs from customers. If additional support is required or a customer has been identified as vulnerable, please contact us by visiting: <a href="#">AXA XL's Vulnerable Customers Guide &amp; Contact Support</a></p>  |
| <p><b>What are the key value elements/ characteristics of the product that are important for the target market (including notable exclusions)?</b></p> | <p><b>Key Covers:</b></p> <ul style="list-style-type: none"> <li>• The works (permanent or temporary)</li> <li>• Materials (including transits)</li> <li>• Personal belongings (limits apply)</li> </ul> <p>Typical contract values are under £2m and written on an annual basis to accompany the customer's other liability insurance products.</p> <p><b>Typical Exclusions and Policy Limitations</b></p> <ul style="list-style-type: none"> <li>• Aircraft and Watercraft</li> <li>• Asbestos</li> <li>• Business Interruption, Penalties and Damages</li> <li>• Communicable Diseases</li> <li>• Contractual Liability</li> <li>• Corrosion and Erosion</li> <li>• Damage to Existing Structures</li> <li>• Defective Workmanship</li> <li>• Disappearance or Shortage</li> <li>• Drilling Operations</li> <li>• Employers Contractual Liability</li> <li>• Excavations</li> <li>• Free Materials</li> <li>• High Radioactive Zones</li> <li>• Maintenance or Repair</li> <li>• Mechanical or Electrical Breakdown</li> <li>• Money</li> <li>• Motor Vehicles</li> <li>• Sonic Bang</li> <li>• Stock and Material in Trade</li> <li>• Tandem Lifting</li> <li>• Terrorism</li> <li>• Tidal Waters, Tunnels and Galleries</li> <li>• Transits</li> <li>• Unattended Vehicles</li> <li>• Wear and Tear</li> <li>• Wilful Acts</li> </ul> |



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|   | Please refer to policy documentation for full details.   |
| <b>How should this product be distributed?</b>  | This product is typically distributed via coverholders and lineslips.  |
| <b>What should distributors do to ensure the product provides fair value to the end customer?</b> | <p>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.</p> <p>Distributors to have clear practices in place to ensure the prevention of any sales outside the intended target market.</p>  |
| <b>How can the product be sold? Can it be sold without advice?</b>                                | <p>We would suggest that this product can be sold face to face or via telephone.</p> <p>This product can be sold with or without advice depending on your preference and in line with FCA regulations.</p>   |
| <b>How is value assessed?</b>   | <p>AXA XL has an established product governance process to oversee the design, approval, and review of all our products in line with the requirements of the FCA's Product Intervention and Product Governance Sourcebook ('PROD').</p> <p>New product developments and changes to existing products are taken through a formal product approval process which is designed to:</p> <ul style="list-style-type: none"> <li>• Identify the target market and its needs.</li> <li>• Consider and review the product's performance metrics, product complexities, sales, and service risks.</li> <li>• Consider and review the policy fees, charges, remuneration in comparison to benefits offered.</li> <li>• Review policy wording and customer facing documentation to ensure it is clear, fair, and not misleading</li> <li>• consider the needs of any vulnerable customers; and</li> <li>• monitor post-sales performance.</li> </ul> <p>Once a new or amended product is introduced to the market, AXA XL will annually review the product on a fair value assessment basis, using key performance metrics to see if any remedial actions are required and to make sure it remains suitable for customers in the identified target market.</p> |



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|                                       | If, as a distributor of AXA XL products, you consider one of our products may be failing to meet customers' needs or is potentially unclear you can help us by providing feedback through your usual point of contact at AXA XL.           |
| <b>Additional Product Literature:</b> | This document is intended to provide an indicative summary of the target market for this product and is not a summary of coverage. Please refer to separate policy documentation for full details of the coverage provided by the product. |