

## PRODUCT GOVERNANCE AND FAIR VALUE ASSESSMENT

*This summary document has been created to fulfil our responsibilities under fair value regulations. This document **should not** be used as a sales or marketing tool. The client facing broker must act in the best interests of each customer individually when deciding whether to recommend a particular policy or not.*

**PRODUCT NAME** Axa Property Investors Protection Plan (Real Estate)  
**POLICY WORDING** Axa Property Investors Protection Plan – Lexicon Property Ltd  
**VERSION NUMBER** APRIL 2021 – ACLD0921P-F (04/21) (360401)

|   |  |
|---|--|
| <b>PRODUCT TYPE</b>   | Property Owners Policy containing Sections for Buildings, Rental Income, Public Liability and Employers’ Liability, Terrorism and Legal Expenses.  |
| <b>CO-MANUFACTURERS</b>   | <p>This product is manufactured by Axa Insurance UK plc (“Axa”). (Section 6 – Legal Expenses is administered by Arc Legal Assistance Limited on behalf of Axa.)</p> <p><b><i>The relevant Axa ‘Target Market and Product Fair Value Statements’ are attached at the back of this document.</i></b></p>   |
| <b>MOST RECENT REVIEW</b>   | September 2021   |
| <b>TARGET MARKET</b>  | <ul style="list-style-type: none"> <li>• Commercial product suitable for business customers only.</li> <li>• Owners of commercial property.</li> <li>• Policyholders in the United Kingdom, Isle of Man or Channel Islands.</li> </ul>   |
| <b>OUTSIDE TARGET MARKET</b>  | <ul style="list-style-type: none"> <li>• Non-Commercial customers</li> </ul>   |
| <b>CHARACTERISTICS OF THE PRODUCT AIMED AT MEETING THE NEEDS OF THE TARGET MARKET</b> | <p><b>Cover Sections:</b><br/>         The product provides the following cover, up to agreed specific limits:<br/>         Section 1 Buildings<br/>         Section 2 Rental Income<br/>         Section 3 Public Liability<br/>         Section 4 Employers’ Liability<br/>         Section 5 Terrorism (available if required/requested)</p> <p><b>Optional Covers</b><br/>         The following optional cover can be added:<br/>         Section 6 Legal Expenses</p> <p><b>Add Ons:</b><br/>         An alternative Legal Expenses cover is also available as a separate policy/product:- distributors are able to consider the cost and coverage of this against that applicable to Section 6 of this product.<br/>         The alternative Legal Expenses product is manufactured by Arag plc who is authorised under a binding authority agreement to administer this insurance on behalf of the Insurer, AmTrust Europe Limited.</p> <p><b>Product Literature</b><br/>         The Policy Wording and Summary of Cover are issued with each new and</p> |

|  |   |
|--|---|
|  | <p>renewal quotation; and samples available upon request to <a href="mailto:product.governance@camberford.com">product.governance@camberford.com</a>.</p>   |
| <p><b>DISTRIBUTION STRATEGY</b></p>  | <p>This product is intended for distribution via FCA authorised brokers only. Brokers must be approved by us and enter into our standard format TOBA. Our preferred method of agreeing TOBAs is via REG. Brokers may access this product via our website enquiry forms or by submitting information by email to our relevant team.</p> <p>Sub-broking is not permitted.</p>   |
| <p><b>COMMISSION</b></p>   | <p>We will agree a commission rate with each distributor. All distributors should be able to demonstrate that commission received bears a reasonable relationship to the actual costs of their contribution/level of involvement or benefit added by them to the distribution arrangement. We may ask you to justify your commission rate and if we are not satisfied that it is appropriate we may seek to amend it.</p>   |
| <p><b>OTHER REMUNERATION</b></p>   | <p>We will charge an Underwriting Fee on any new business or renewal policy taken up. Full details regarding our fees are detailed within quotation and schedule documents. We review our fees annually to ensure that they remain appropriate.</p> <p>We may ask you to provide details of remuneration you earn in connection with the sale of our policy. This includes any fees, premium finance earnings, earning from non-insurance products or add-ons sold alongside our policy.</p> <p>You must ensure that your arrangements are consistent with FCA rules on conflicts and incentives. You should review all remuneration arrangements at least annually and share the outcome of that review with us on request.</p>  |
| <p><b>FAIR VALUE REVIEW</b></p>  | <p>Our product governance process requires a full review of all products at least annually to determine if the product offers fair value to the end customer. These reviews consider the target market, distribution strategy, remuneration, marketing, product information, product performance, product design and feedback from distributors and customers.</p> <p>We also monitor conversion rates, renewal retention, cancellations, loss ratios, claims and complaints as part of this review process.</p> <p>We are satisfied that the product offers fair value to its intended Target Market, subject to distributors:</p> <ul style="list-style-type: none"> <li>• not charging customers additional amounts over and above the gross premium plus underwriting fees quoted by us without first determining that they do not have a detrimental effect on the value of the product.</li> <li>• ensuring that no duplicate cover exists or is caused by an add-on where that cover is already provided by the policy.</li> </ul> |
| <p><b>CUSTOMERS FOR WHOM THE PRODUCT IS NOT EXPECTED TO PROVIDE FAIR VALUE</b></p> | <p>This product would not be expected to provide fair value to policyholders / risks that fall outside the Target Market.</p>   |

**RELEVANT  
DOCUMENTS  
AVAILABLE**

- Policy Wording
- Summary Of Cover

Please contact [product.governance@camberford.com](mailto:product.governance@camberford.com) for samples.

We welcome any feedback from our distributors on the performance of our products. All feedback will be considered in our next product review.

If you believe that your staff would benefit from additional training on this product please let us know by making contact by email to [product.governance@camberford.com](mailto:product.governance@camberford.com).



**t: 020 8315 5000 w: [camberford.com](http://camberford.com)**

Camberford Underwriting is a trading name of Camberford Law Limited. Registered Office: 7th Floor, Corn Exchange, 55 Mark Lane, London EC3R 7NE. Registered No. 608819 in England and Wales. Authorised and Regulated by the Financial Conduct Authority. FRN 121476



# 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 each Commercial Lines 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 Insurance 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.

These requirements are in place in order 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

Target Market Statements provide information about all of the AXA Insurance products distributed. This includes:

- The main 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.



**Product Name(s)**      **Real Estate**

|  |  |
|--|--|
| <b>Product Type</b>  | Commercial Lines general insurance product suitable for business customers only  |
| <b>Product Status</b>  | This product is open to new and renewal business   |
| <b>Who is the product designed for?</b>  | Commercial customers with businesses based within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man who own commercial property.  |
| <b>Who is the product not appropriate for?</b>   | Non-Commercial customers.  |
| <b>What are the mandatory product features that will meet the needs, characteristics and goals of the target market?</b> | This product provides the following cover, up to agreed specified limits : <ul style="list-style-type: none"> <li>• Buildings</li> <li>• Rental Income</li> <li>• Public Liability</li> <li>• Employers Liability</li> <li>• Terrorism</li> </ul>  |
| <b>Does the product include optional covers?</b>   | The following optional covers can be added: <ul style="list-style-type: none"> <li>• Legal Expenses</li> </ul>   |
| <b>How should this product be distributed?</b>   | This product should be sold with the active assistance and guidance of an insurance intermediary to select the appropriate level of cover. This product should not be sold directly to customers without this assistance.  |
| <b>What should distributors do to ensure the product provides fair value to the end customer?</b>                        | 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. |
| <b>Additional Product Literature</b>   | This document is to be read in conjunction with the appropriate policy wording which has been provided by AXA.   |