



XL Insurance
Reinsurance

Consumer Duty “What Good Looks Like”: Good Customer Outcomes Guidelines

The purpose of this document is to outline the requirements we need our Coverholders, Brokers and Third-Party Administrators (TPAs) to comply with to provide good customer outcomes at every stage of the customer and product lifecycle





Sales and Renewal

(1) Products and Services:

- Design of Products (and Services) appropriately considers the intended target market.
- Products (and Services) are suitable for customers, meeting their demands and needs and with due consideration of customer vulnerability.
- The firm has processes in place to regularly review performance of parties involved in the distribution chain from a conduct perspective and assess whether product is being sold to the intended target market.

(2) Price and Value:

- Products and services are sold at a price that reflects fair value to the end-customer, without any excessive fees or charges.
- A firm regularly carries out fair value assessments, at least once a year or required due to factors which may impact product value, to ensure that the product provides fair value.
- The target market is continually considered as part of product price and value assessments.
- The right products are being offered to the right customers, based on their demands, and needs, including to vulnerable customers.
- A firm considers if changes to the products or services benefits have any significant impact on fair value to customers in the target market and either withdraw or amend products or services if they are poor value.
- The firm has processes in place to ensure that distribution arrangements provide value to the end customer.





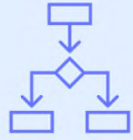
Sales and Renewal (continued)

(3) Customer Understanding:

- The customer is equipped with all the information they need to make an informed purchasing or renewal decision.
- The information customers are being provided is tailor-made (where appropriate) to the target market and takes into consideration any characteristics of potential vulnerability.
- The customer clearly understands any product/policy limitations, exclusions, and eligibility criteria.
- The firm conducts regular review of relevant documentation to identify enhancements to ensure customer understanding.
- Where third parties are involved, the principal firm regularly satisfies itself that third parties adhere to required standards.
- Communications sent to customers are regularly tested and adequately adjusted.
- The firm employs staff that are adequately trained to identify any characteristics of vulnerability at the point of contact with the customer.

(4) Customer Support

- The firm ensures that the sale process is appropriate and flexible to meet the requirements of customers.
- There is appropriate friction in the sales process/journey to support their customers in making a suitably informed decision.
- Suitable and effective mediums of customer contact is available to respond to queries or policy instructions.



Policy Management

(1) Products and Services:

- The firm ensures that mid-term adjustments or cancellation occur due to the customer's change in circumstances.
- Any changes made to product coverage is suitable to meet the customers demand, needs and circumstances.

(2) Price and Value:

- The firm does not apply excessive fees when the customer is looking to cancel or make changes to their policy.

(3) Customer Understanding:

- All changes, and the impact of any policy changes, are clearly communicated to the customer.
- The customer clearly understands any product/policy limitations, exclusions, and eligibility criteria.
- Information around cancellation, auto-renewal and mid-term adjustment processes is given to the customer in a timely manner and in a way that they can easily understand, taking into consideration any characteristics of vulnerability.

(4) Customer Support

- The firm ensures customers do not face unreasonable barriers (including additional charges or fees) when making additional enquiries, looking to amend cover, or cancel their policy.
- The firm makes it easy to the customer to cancel their auto-renewal.
- Suitable and effective mediums of customer contact is available to respond to queries or policy instructions.





Claims

(1) Products and Services:

- The firm ensures that claims are being handled in a timely and fair manner.
- Customers are making valid claims, in line with policy coverage and benefits.
- The firm provides assistance via third party experts to ensure that the handling of the claim is made in an efficient manner.
- Evidence requested from customers to process a claim is reasonable and does not impede the process

(2) Price and Value:

- Customers receive fair settlement following a valid claim, this should consider any characteristics of customer vulnerability and unique circumstances.
- Where appropriate, ex-gratia or goodwill payments are issued to customers.

(3) Customer Understanding:

- The process of making a claim is clearly communicated to customers.
- Adequately trained staff is undertaking the task of registering a claim via a phone conversation or responding to claims related queries.
- Any communications sent to the customer throughout the process are concise and easy to understand with clear signposting to contact details for follow-up queries.
- The firm has been transparent with the customer on any restrictions that might have come to the insurer's attention as early as possible when the claim is made.
- The firm sets out a time scale for the customer and keeps the customer informed of progress throughout key milestones.



Claims (continued)

(4) Customer Support

- The firm ensures that well-resourced teams are in place, allowing for effective management of claims.
- The firm analyses customer feedback on a regular basis, to understand where additional support can be provided.
- Customers are able to easily locate claim-related information as required, within their documentation and on the firm's website.
- The firm is making it easy for the customer to make a claim, ensuring to ask key questions and for relevant documentation at the first stages of the claim.
- The firm keeps the customer updated, as the claim goes through key milestones.
- The firm has processes in place that ensure making a claim is as easy as buying out a policy in the first place.
- Customer feedback and complaints are monitored and addressed through root-cause analysis to drive continual improvement.
- The firm has processes in place to swiftly identify any issues with claims handling and mitigate those in a fast manner.
- Third parties involved in the handling of claims are collaborative, cohesive and focussed on driving good customer outcomes.





Complaints

(1) Products and Services:

- The firm has processes in place to ensure that the customer is able to use their product as anticipated.
- Expressions of dissatisfaction and complaints in connection to a product / service are being identified by all parties involved in the customer journey, and addressed appropriately.

(2) Price and Value:

- Expressions of dissatisfaction and complaints in connection to a price and value are being identified and addressed appropriately.
- Complaints analysis identifies instances where value is not being provided to the customer and learnings are shared in a timely manner with stakeholders to remediate accordingly.

(3) Customer Understanding:

- The firm has ensured that information on how to make a complaint is prominently displayed in documentation and/or their website.
- The firm has provided specialised training and scripts to complaint handlers, including on the identification of vulnerability characteristics.
- Complaints handlers ask the right questions to ensure that they have understood all aspects of the complaint.
- Resolution letters, and any other communications in the interim, are clear, concise, and easy to understand with prominently placed contact details for the insurer, for follow-up queries. Rights for referral of the case to the FOS and/or Lloyd's are also clearly set out within those communications (if applicable).



Complaints (continued)

(4) Customer Support

- The firm's complaint handling processes follows regulatory requirements and effectively addresses/remediates instances where errors have been identified and may have caused poor customer outcomes.
- Root cause analysis effectively captures instances where 1) Support needs of customer are not met, particularly where impacting a specific group i.e. vulnerable, 2) Unreasonable barriers are in place to assessing support or making a complaint
- Complaint handlers are able to communicate in line with preference of customer and where unable to communicate available support effectively and ensure this enables customers to pursue complaint.
- Ensure customers do not face unreasonable barriers (including additional costs) when making a complaint.





Know You Can

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