



FVA Summary and Target Market Statement

Aircrew Loss of Licence

The purpose of this document is to explain our FVA findings, 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.

This document is for information purposes only and should not be used for any marketing or promotional use.



Product type

This product is a specialist insurance policy designed for commercial airlines to protect against the financial impact of a pilot losing their license. It reimburses the airline for benefits paid to affected pilots and operates under a master policy structure. The product is distributed exclusively through licensed brokers with full advice, ensuring it meets the specific needs of each insured.



Who is the product designed for?

The target market for this product is commercial airlines seeking financial protection against costs arising from a pilot's loss of license due to disability. It is designed for airline employers not individual pilots and provides long-term cover through a broker-advised master policy to ensure suitability and fair outcomes.



What customer need is met by this product?

Reimbursement of benefits paid by an airline following loss of licence.



Who is the product not appropriate for?

The product is intended solely for airlines to use for their own financial protection and not for individual pilots or voluntary upselling. It should not be used in jurisdictions where pilots have direct claims against the insurer. Airlines must ensure eligibility aligns with crew qualifications, legal requirements, and tax laws. It is not designed as an income protection policy.



Target market specific characteristics, including, customer vulnerability

AXA XL has a Vulnerable Customer Guide and Contact support that provides guidance on the options available if any person insured under the product needs additional support during a period of vulnerability.

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 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: [AXA XL's Vulnerable Customers Guide & Contact Support](#)



Key value elements and exclusions

Key Product Information:

If during the Period of Insurance, the pilot becomes disabled, the Insurer will pay the agreed benefits specified in the policy to the airline.

Principle Exclusions:

- War
- Terrorism
- Nuclear radiation
- Criminal acts
- Self-inflicted injury
- Active service with an armed force



How should this product be distributed?

The product may only be distributed via an appropriately licensed broker to commercial airlines. Brokers competent in the employee benefit field of aircrew insurance risk who are authorised in the risk location of the airline purchasing the product.

The broker must ensure that the product is suitable for the airline purchasing it taking into account the guidance provided.



What should distributors do to ensure the product provides fair value to the end customer?

The end customer is the airline insured under this product. No benefits are payable to any third party. To ensure the customer receives fair value for this product, care must be taken to ensure no unintentional 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.

Distributors to have clear practices in place to ensure the prevention of any sales outside the intended target market.



How can the product be sold? Can it be sold without advice?

This product cannot be sold in a non-advised manner.



Additional Product Literature

This document is to be read in conjunction with the appropriate policy wording.





How is value assessed?

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').

New product developments and changes to existing products are taken through a formal product approval process which is designed to:

- Identify the target market and its needs.
- Consider and review the product's performance metrics, product complexities, sales, and service risks.
- Consider and review the policy fees, charges, remuneration in comparison to benefits offered.
- Review policy wordings and customer facing documentation to ensure it is clear, fair, and not misleading.
- Consider the needs of any vulnerable customers; and
- Monitor post-sales performance.

Once a new or amended product is introduced to the market, AXA XL will regularly review the product to see if any changes are needed and to make sure it remains suitable for customers in the identified target market.

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.



Key Findings – 2025 Fair Value Assessment

AXA XL has conducted a comprehensive review of this product against 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.

In reaching the conclusion that this product continues to provide fair value, AXA XL has assessed various metrics including:

- 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.





Know You Can

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