



XL Insurance  
Reinsurance

FVA Summary and Target Market Statement

# Cyber

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

Cyber insurance is a specialised commercial policy designed to protect businesses from financial losses and reputational damage resulting from cyber risks such as hacking, ransomware, data breaches, and social engineering fraud.

It provides comprehensive coverage, including liability, business interruption, data loss, crisis management, and optional cyber crime protection. The product is tailored for small to medium-sized enterprises handling sensitive data, with a focus on delivering fair value and accessible coverage.



## What customer need is met by this product?

This product meets customers' needs by providing financial protection against cyber risks such as hacking, ransomware, social engineering, fraud, denial of service attacks and reputational damage. It also offers access to expert support including IT, Legal, Forensic and Media Assistance, to help minimise business disruption and protect the company reputation if an incident occurs.



## Does the product include optional covers?

The primary extension available for this cyber insurance product is:

Cyber Crime coverage (available for an additional premium)



## Who is the product designed for?

This cyber insurance product is designed for small to medium-sized businesses that operate digital technologies, manage sensitive data, and have an online presence.

It caters to companies seeking protection against cyber threats such as hacking, data breaches, and fraud, helping them ensure business continuity and regulatory compliance.

The product is suitable for organizations looking for comprehensive risk coverage with expert support



## Who is the product not appropriate for?

This product is not suitable for customers who do not use computers or mobile devices for daily work or do not handle sensitive data such as employee, customer or payment card information on a network or cloud.

This product is not suitable for consumers, as defined by the FCA, meaning individuals acting outside the scope of their trade or profession.





## Target market specific characteristics, including, customer vulnerability

Individuals or companies under financial strain may not be able to afford premiums on an ongoing basis.

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](#)

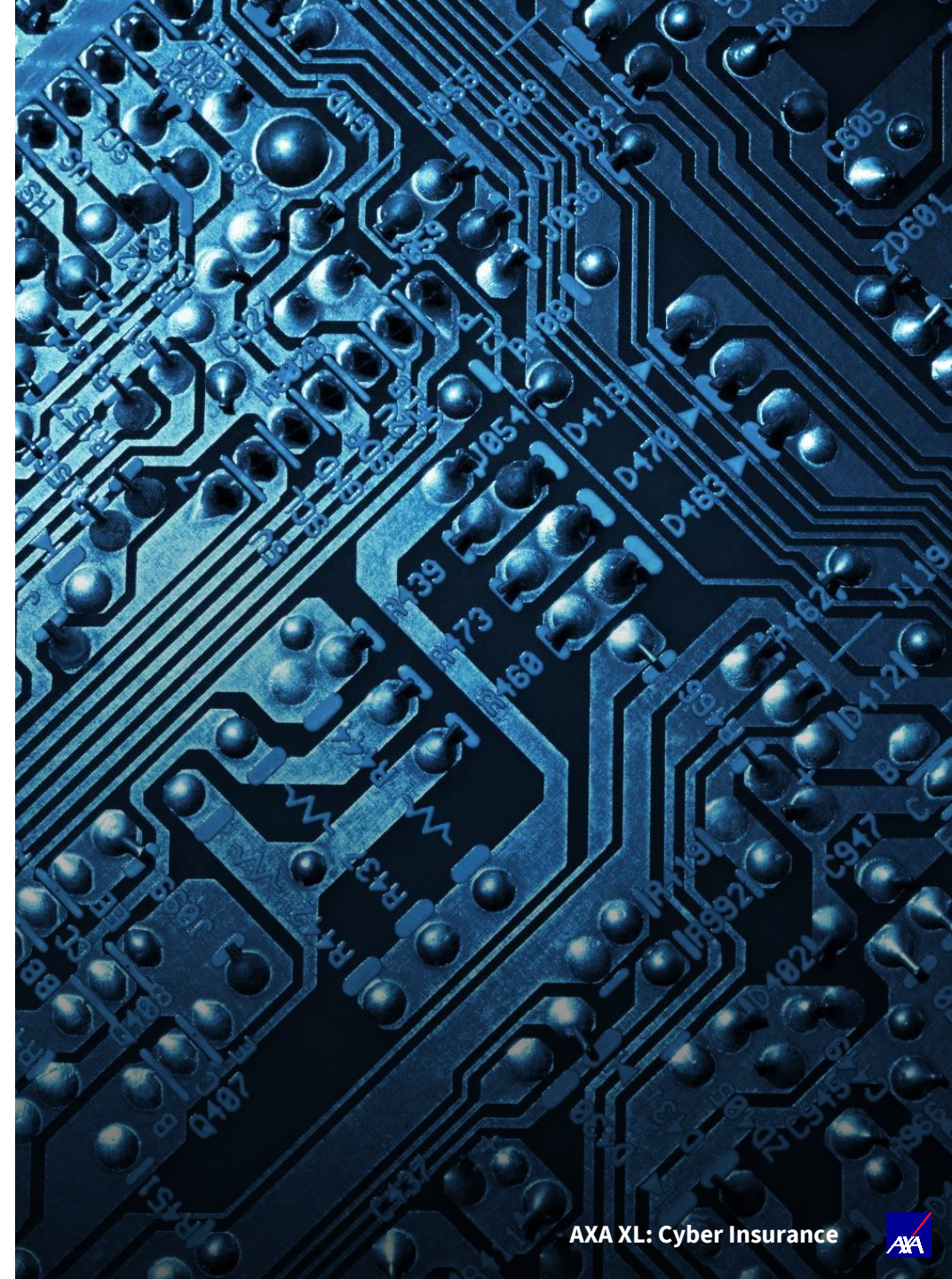


## Key value elements and exclusions

### Key characteristics:

This provides customers access to expert assistance during cyber incidents. This product provides broad coverage for a range of cyber risks, including liability for data breaches, business interruption, data loss, social engineering fraud, and crisis management costs. It also offers optional cyber crime coverage for additional protection.

This insurance offers worldwide cover excluding the USA and Canada.







## Key value elements and exclusions (continued)

### Exclusions:

- Claims or circumstances known prior to the period of insurance.
- Acquisitions and Sales.
- Actual or alleged bodily injury but will not exclude mental anguish or emotional distress caused as a result of a publication breach or data breach.
- Liability assumed by you under any contract or agreement, including any guarantees or warranties.
- ERISA/Securities.
- Fraud and dishonest.
- Payment Card Industry (PCI) Fines and Assessments.
- Any failure to install and maintain automatically provided updates from the software provider for business critical software.
- Wear and tear or failure of any electrical equipment in normal use.
- A claim made by you or on your behalf against you.



## How should this product be distributed?

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.



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

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.



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

We would suggest that this product can be sold face to face or via telephone. This product can be sold with or without advice depending on your preference and in line with FCA's regulations.



## 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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