



XL Insurance
Reinsurance

FVA Summary and Target Market Statement

Environmental Impairment Liability - Farm

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

The product provides pollution cover for statutory liabilities (arising from governmental bodies in order to comply with statutory law), gradual incidents and own land clean up. It can be included as part of a combined policy or as a standalone. Where part of a combined policy, it is designed to fill gaps within existing farm combined policies. For standalone policies, it is designed to cover any gaps in existing Public Liability policy.



Who is the product designed for?

The target market is businesses involved in agricultural activities or agricultural farming and is not suitable for any business that is not involved in these activities.

The product is sold in the UK to UK domiciled agricultural businesses only.



What customer need is met by this product?

This is designed to plug gaps in cover that would exist in customers' Public Liability policy. The cover provides pollution cover for statutory liabilities that is liabilities arising from governmental bodies in order to comply with statutory law. Cover is also provided for gradual incidents and own land clean up.



Who is the product not appropriate for?

This product is not suitable for commercial customers which are not involved in agricultural activities.



Target market specific characteristics, including, customer 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

Subject to the environmental excess amounts and the limit of indemnity specified in this section or the schedule, the insurer agrees to indemnify the insured against environmental loss and clean-up costs for which they are legally liable.

This coverage applies in cases where pollution conditions or natural resource damage occur in, on, at, under, or emanate from a covered location, and are connected to activities such as agriculture conducted by the insured at that location, any agricultural contracting performed by the insured, or pollution or damage that occurs during transportation.

The policy also covers environmental defence costs related to these environmental losses or clean-up costs. However, these benefits are only available if certain conditions are met.

1. The pollution condition or natural resource damage must have begun on or after the environmental retroactive date and must result in an environmental claim.
2. The environmental claim must be first made against the insured during the period of insurance.
3. The insured must notify the insurer in writing of the claim during the period of insurance or within thirty days after the policy's expiry.





Key value elements and exclusions (continued)

Exclusions:

Policies within this product segment generally exclude any activities falling outside of the definition of Agriculture or Agricultural Contracting; any activity including but not limited to intensive farming that requires a permit or an exemption under the Environmental Permitting (England and Wales) Regulations 2016.

- Collection, storage, transportation, spreading or spraying of human waste is excluded.
- Crop spraying undertaken by any person not holding the appropriate certification; non-recreational fish farming; for Agricultural Contracting only, the spraying of pesticides, herbicides, insecticides, and fungicides; any waste collection, storage, transfer, treatment, incineration, landfilling and/or disposal that is not associated with Agriculture and/or is unlawful.
- Illegal waste or any pollutants or any drums, tanks or similar containers holding, or that have held, pollutants that have been abandoned in, on or at the insured's or covered location by anyone other than the insured, and without the insured's knowledge or consent.
- The policy does not cover the removal of debris and/or in respect of any removal of lead-based paint, asbestos or asbestos containing materials.
- The cost of replacement, repair, restoration, improvement or adding to, any equipment or facility, whose defectiveness or inefficiency gave rise to the pollution condition or natural resource damage, or breach of any law, permit, notice, order or other written instruction from any public authority or representative is not covered.
- Any pollution condition or natural resource damage arising out of a deliberate act or omission, wilful misconduct or gross negligence is not covered.
- Any injury to an employee, director or partner or liability based upon or arising out of any genetically modified organism.



How should this product be distributed?

This product is distributed via delegated underwriting authority (DUA) and open market.



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?

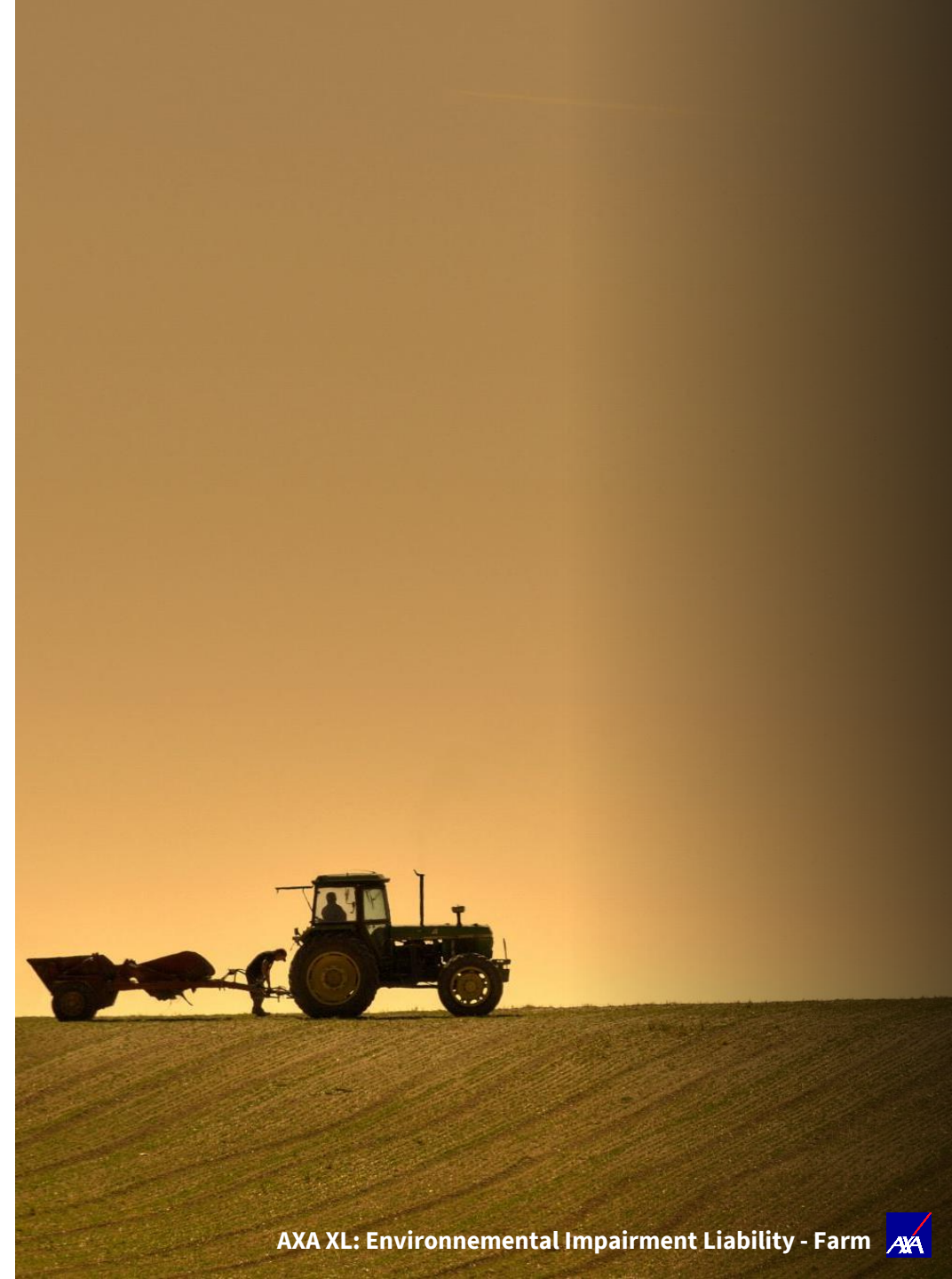
We would suggest that this product can be sold face to face, via an on-line system.

The 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

AXA XL Insurance Company UK Limited
20 Gracechurch Street, London, EC3V 0BG, United Kingdom
Telephone: +44 (0)20 7626 0486 Fax: +44 (0)20 7623 9101 axaxl.com

Registered office: 20 Gracechurch Street, London, EC3V 0BG Registered in England No 5328622

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