



FVA Summary and Target Market Statement

# Equine

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 Equine product is a commercial lines general insurance product designed to meet the needs of both individual consumers and small to medium sized enterprises operating within the equestrian sector.

The product provides cover for the death or humane destruction of a horse during the insurance period or within 90 days following expiry, where the cause first occurs and manifests during the contract term. It offers indemnity for the fair market value of the horse, up to the policy limit. The policy also covers theft, as well as death or humane destruction resulting directly from theft.



## What customer need is met by this product?

This product provides protection against financial loss following the death, humane destruction or theft of a horse and in some cases, mitigation of veterinary or breeding related risks relating to racing and breeding sport horses and any western uses.



## Does the product include optional covers?

Optional extensions are available to enhance coverage for specific risks such as

- Infertility cover
- Veterinary Fees
- Unborn Foal



## Who is the product designed for?

The product is designed for consumers and small, medium enterprise businesses involved in equestrian activities. This includes sport horse owners (from recreational riders to 4 star eventing competitors), racehorse owners, breeders, stud farms and syndicates.

Seeking to protect high value assets from death, humane destruction, theft or other insured perils. The product responds to these needs by providing comprehensive cover for death or humane destruction of the horse during the insurance period, including incidents that first occur and manifest within the contract period and are notified in writing..



## Who is the product not appropriate for?

The product is not suitable for customers who do not own or have an insurable interest in horses or related breeding or sporting activities. It would also be inappropriate for individuals seeking cover for non equine animals such as cats or dogs. Additionally, customers with limited financial capacity to maintain premium payments for high value cover or with low risk tolerance for potential exclusions, may find the product unsuitable.



## Target market specific characteristics, including, customer vulnerability

Due to the impact of rising inflation and rising interest rates, customers may be under financial strain and 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

This product covers:

- Death or humane destruction of the horse during the policy period or within 90 days of expiry
- Theft of the horse
- Death or humane destruction directly resulting from theft

Exclusions:

- Death, intentional slaughter or humane destruction due to contagious disease or quarantine
- Surgical operations or medication not performed or prescribed by a qualified veterinarian
- Malicious acts or failure to provide proper care by persons in charge of the horse
- Use of the horse for purposes not specified in the policy schedule
- Nuclear, governmental, war, cyber or confiscation related losses
- Unexplained disappearance or fraudulent transfer of ownership.





## How should this product be distributed?

The product is distributed via Delegated Underwriting Arrangement (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. Distributors should 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?

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 intended to provide an indicative summary of the target market for this product and is not a summary of coverage.

Please refer to separate policy documentation for full details of the coverage provided by the product.



## 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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