



XL Insurance
Reinsurance

FVA Summary and Target Market Statement

GP Locum

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 commercial lines insurance designed for small and medium-sized businesses, specifically for general practitioner (GP) practices.

It provides coverage for the cost of locum doctors hired when permanent staff members are absent due to illness or injury. The policy is made exclusively for NHS and private GP surgeries in England and Wales. It typically lists the insured practices, the occupations covered, the weekly benefit amount, any waiting period before benefits start and how long payments will be made.



What customer need is met by this product?

This product meets the needs of GP practices by providing financial support to cover the cost of hiring locum doctors when their permanent staff are absent due to accident or illness.

It ensures that practices can continue to operate smoothly without financial strain if a staff member is unable to work. The cover also includes protection if a staff member is injured or becomes ill, resulting in them being unable to work, and provides benefits during jury service or compassionate leave. Overall, it helps GP practices manage staffing gaps and maintain patient care during staff absences.



Who is the product designed for?

The product is designed for NHS and Private GP surgeries in England and Wales. It targets individual partnerships operating within local clinical commissioning groups (CCGs), which provide NHS funding, including per-patient payments, drugs, vaccines, IT systems, and specific NHS schemes.

One key scheme is the NHS reimbursement scheme, which covers costs when a practice's staff member, such as a Locum GP, is unable to work due to sickness or injury. However, this scheme is limited and often does not fully cover Locum costs, so most practices need a top-up Locum insurance policy. Each practice or partnership is responsible for purchasing their own insurance and setting their coverage limits.



Who is the product not appropriate for?

This product is not suitable for organisations outside of general practice, such as hospitals, urgent care centres, specialist clinics, pharmacies, or dental practices, which do not employ GPs requiring locum support. It is also not suitable for GP surgeries outside England and Wales, as it is specifically designed for NHS structures. Additionally, it is not intended for individual medical professionals seeking personal income protection, or practices that have alternative funding arrangements covering locum costs, as the product is focused on those with NHS-related locum shortfalls.



Does the product include optional covers?

If selected, cover is also provided for:

- Maternity
- Adoption / Paternity Leave
- Travel Delay



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

General exclusions include:

- claims caused by war; claims after the expiry of the Period of Insurance in which the Insured Person attains the age of seventy (70) years; any acts of terrorism; as a result of or is contributed to by any criminal act committed by the Insured Person; as a result of the Insured Person having ingested any over the counter, prescription, or illegal drugs or substances unless they were taken on instruction by a medical practitioner; criminal acts.

Exclusions for Accident:

- No cover for claims due to illness (not resulting from Bodily Injury following an Accident); any natural occurring conditions or degenerative process; any gradual operating cause.

Exclusions for illness

- No cover for pregnancy or childbirth or the performance of pregnancy termination relating to the insured person, any pre-existing medical condition.





How should this product be distributed?

The product is distributed via open market retail brokers only, (no wholesale, FAC-reinsurance or coverholder agreements are in place). Distribution is managed through a small number of dedicated brokers who specifically look after government contract entities only.



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 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?

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

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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