



XL Insurance
Reinsurance

FVA Summary and Target Market Statement

Marine Cargo

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 is a Commercial Lines general insurance product available as a standalone policy designed to insure Small Medium Business clients for the physical loss or damage to goods at sea, on road, rail, air and in the post, whether the owner transports them, or uses a shipper, hauler or courier.



What customer need is met by this product?

This policy provides total and partial losses to goods, including costs of recovery and/or repairing goods. Costs in connection to removing and disposing of the debris of any goods. Loss or damage to goods caused by governmental authorities to prevent or mitigate a pollution, hazard, or threat, where goods have been damaged as a result of the accident or occurrence which gave rise to the threat of pollution.



Who is the product designed for?

This product is targeted towards Small to Medium sized businesses.



Who is the product not appropriate for?

This product is not appropriate for Individuals and EEA based Customers.



Target market specific characteristics, including, customer vulnerability

Customers under financial strain e.g., due to the impact of the economy/ cost of living crisis not 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:

- Total and partial losses to goods, including costs of recovery and/or repairing goods.
- Costs of returning damaged goods to manufacturers and/or suppliers for repair by air freight.
- Costs of air freight and replacement goods from manufacturers and/or suppliers to destination, regardless of whether the goods lost or damaged were originally dispatched by air freight.
- Goods during loading and whilst being packed by professional packers and whilst at professional packer's premises and storage in the ordinary course of transit, containerisation, and transshipping.
- Additional charges incurred in unloading, storing, and forwarding goods to the destination to which the goods are insured following release of goods from a vessel arrested or detained at or diverted to any other port or place where the voyage is terminated due to events set out in the policy.
- Costs in connection to removing and disposing of the debris of any goods.
- Costs in connection to the transfer of goods from one conveyance to another in the event of an accident to the original conveyance.





Key value elements and exclusions (continued)

- Loss or damage to goods whilst being transferred.
- Loss or damage to goods caused by governmental authorities to prevent or mitigate a pollution, hazard, or threat, where goods have been damaged as a result of the accident or occurrence which gave rise to the threat of pollution.
- Additional expense incurred by a customer in discharging, handling, storing, reloading, or transporting sound and/or damaged goods by any means other than the normal methods or other than at normal rates.
- Loss or damage in the event of exercising a right of lien on goods, or interrupting their transit, or suspending the sale contract whilst goods are in transit when it impracticable for the customer to do so to safeguard its interest.

Exclusions (refer to Policy wordings for full list):

- Loss or damage to goods on voyages/transit to or from or via any territory or area not listed in the schedule.
- Loss or damage to goods that comprise of arms and/or ammunition and/or any form of military goods.
- Loss or damage to goods shipped on or above deck unless goods are in fully enclosed metal containers.



Does the product include optional covers?

Optional Cover includes storage outside the normal course of transit, Exhibitions, Engineers Tools, and Representative's Samples. These extensions apply within the UK.



How should this product be distributed?

This product is distributed via the online quote and buy platform to around 1,000 specialist brokers.



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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