



FVA Summary and Target Market Statement

Professional Liability (Non-Office Package)

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 Professional Liability (Non-Office Package) insurance product is designed for small and medium sized UK businesses that provide professional advice or services, such as construction trades, IT, accounting, marketing, and publishing.

The policy covers a wide range of risks related to professional liability, but the examples mentioned are just a few of the key coverages. For a complete list of what is included, please refer to the full policy document:

- Negligent acts, errors, omissions or breach of duty or other civil liability
- Employee dishonesty
- Unintentional libel and slander
- Coverage for proceedings brought under the Construction (Design and Management) Regulations
- Full civil liability coverage
- Loss of documents or electronic data
- Defense costs for alleged offences under data protection laws



What customer need is met by this product?

Professional Liability product provides cover for customers offering a professional service to their clients and will be triggered in the event of a negligence claim or a civil liability claim resulting from the services provided.

There are versions of this product for slightly different target markets, these versions largely have the similar policy wording:

- Miscellaneous professional Liability insurance
- Construction trades (Contractors Design and Professional Services) Professional Liability insurance
- Information Technology Professional Liability insurance
- Accountants' Professional Liability insurance and Marketing
- Advertising and Publishing Liability insurance



Who is the product designed for?

This product is designed for small and medium size UK businesses that provide professional advice and services including construction trades, IT trades, accountants, marketing or publishing.



Who is the product not appropriate for?

This product is not suitable for:

- Businesses domiciled outside the UK – The cover is designed exclusively for UK-based entities.
- Large commercial enterprises – Intended for small and medium-sized UK domiciled businesses only.
- Non-commercial customers – Individuals or entities without a business purpose or Individual sole traders, limited or unlimited partnerships
- Businesses with non-UK subsidiaries or international operations – The product does not cater to global risk profiles.
- Businesses with complex insurance needs that require bespoke cover.



Target market specific characteristics, including, customer vulnerability

Customers 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

The product features and benefits vary depending on the exact product and target market.

Examples of features/cover include (please see the policy wording for exact offering):

- Negligent acts, errors, omissions or breach of duty or other civil liability
- Employee dishonesty
- Unintentional libel and slander
- Unintentional breach of confidentiality
- Unintentional infringement of copyright, trademark or patent
- Loss of documents or electronic data
- Defence costs for alleged offences under data protection laws
- Criminal prosecutions defence costs
- Indemnity to principal
- Payment of outstanding fees to mitigate a claim





Key value elements and exclusions (continued)

The policy wording and exclusion differ depending on the product and target market (please see policy wording for more information). This is a non-exhaustive summary, full terms, conditions and exclusions are set out in the policy schedule.

- Asbestos
- Death or Bodily Injury
- Directors and Officers
- Documents or data
- Employers Liability
- Fines and Penalties
- Fraud and Dishonesty
- Goods and Services
- Insolvency
- Related Companies
- Terrorism
- Joint Venture
- Know Claim or Circumstance
- Land and Vehicles
- Market Fluctuation
- Nuclear War
- Other Insurance
- Pollution of Contamination
- Property Damage
- Radioactive contamination
- Trading losses



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 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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