



XL Insurance  
Reinsurance

FVA Summary and Target Market Statement

# Property Damage - Homeowner

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 customer is provided with insurance protection for physical damage:

- To their property and/or contents.
- This insurance product is designed for private individuals.



## Who is the product designed for?

Individuals who are domiciled within the United Kingdom including the Channel Islands and the Isle of Man and various destinations including north Americas and Europe.

The product is distributed by Coverholders based in various territories specialising in providing insurance protection or physical damage to their property an or contents.

Owners of residential properties seeking coverage for damages caused by fire, theft, natural disasters, and other risks this includes both primary residences and secondary or vacation homes.



## What customer need is met by this product?

The customer is provided with insurance protection for physical damage to their property and/or contents.



## Who is the product not appropriate for?

The negative target market for this product includes large commercial customers, as defined by the FCA as Large Risk, and those seeking commercial or business insurance solutions. It also excludes high-risk properties such as large industrial or high-value buildings, and properties in flood-prone or high-crime areas. The product is not suitable for risks requiring specialised coverage beyond standard homeowners' policies. Overall, it is designed for residential customers with small to medium-sized properties, not for large, high-risk, or commercial enterprises.





## Target market specific characteristics, including, customer vulnerability

The target market are consumers looking to protect their personal property whether it be homeowners' property or jewelry. The policyholders for the products are usually individuals that are homeowners or consumers looking to protect their valuable timepieces or jewelry.

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

The Homeowners insurance policy provides the following property coverages:

- Dwelling
- Other Structures
- Personal Property
- Loss of Use
- Additional coverages

This product includes the following liability coverages:

- Personal Liability
- Medical Payments to Others





## Key value elements and exclusions (continued)

### Exclusions and Policy Limitations

Property Coverage - This product does not cover loss caused directly or indirectly by (please see policy wordings for full limitation):

- Ordinance or Law
- Earth Movement
- Water
- Power Failure
- Neglect
- War
- Nuclear Hazard
- Intentional Loss
- Government Action Liability Coverage - This product does not cover (please see policy wordings for full limitation):
  - Motor Vehicle Liability
  - Watercraft Liability
  - Aircraft Liability
  - Hovercraft Liability

Please refer to policy documentation for full details.





## How should this product be distributed?

This product is typically distributed via Coverholders, Master Policies and specialised 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 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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