



FVA Summary and Target Market Statement

Temporary Total Disablement (TTD)/ Permanent Total Disablement (PTD) Loss of Income Insurance

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 policy is bespoke personal accident insurance tailored for each insured individual seeking financial protection against the economic impact of serious injuries or illnesses. It provides coverage if the insured becomes temporarily or permanently unable to work due to an accident or sickness. The policy offers two primary types of protection:

- **Temporary Total Disablement (TTD):** This benefit is payable if the insured is unable to work due to injury or illness for a specified period. It provides a monthly income to support the insured during the period of disablement, starting after an initial waiting period. TTD is intended to cover temporary interruptions in the insured's ability to work.
- **Permanent Total Disablement (PTD):** This benefit is payable if the insured is deemed permanently unable to work following a disabling injury or illness, after the maximum period of TTD benefit has been exhausted. PTD typically results in a lump sum payment, providing financial security for a permanent disability.

This insurance product is suitable for individuals who want to safeguard their income and financial stability in the event of health-related work incapacity.



What customer need is met by this product?

This product meets the customer's need for financial protection and income security in case of serious injury or illness that prevents them from working. As the product is bespoke, it is tailored to each individual insured and their specific protection needs.

Specifically:

- It provides **income replacement** during periods when the customer cannot work temporarily (TTD).
- It offers **long-term financial support** if the injury or illness causes permanent disability (PTD), ensuring the customer can still receive some financial assistance even if they can no longer earn an income.

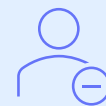
Overall, it helps customers manage their financial stability and cover living expenses during and after serious health issues that impact their ability to work.



Who is the product designed for?

Temporary Total Disablement (TTD): This insurance is for individuals who want a bespoke product to protect their income if they are temporarily unable to work due to injury or illness. It is targeted at professionals, key employees, high earners, and sports stars whose income depends on their ability to work. The policy provides a monthly benefit after a waiting period if the insured cannot perform their job temporarily.

Permanent Total Disablement (PTD): This insurance is for individuals who want a bespoke product to provide financial security if they become permanently unable to work because of injury or illness. It is suitable for professionals, key employees, high earners, and sports stars who need long-term income support in case of a life-changing disability. The policy pays a lump sum if the insured is medically confirmed to be permanently unable to perform their job after the TTD benefit period ends.



Who is the product not appropriate for?

This insurance is not suitable for the general public or those who don't need bespoke, tailored income protection. It is mainly designed for high earners or individuals with specific needs that require customized coverage, tailored through the assistance of a specialized broker. It is not suitable for people with serious pre-existing health conditions, retirees, or those with alternative income sources. Additionally, it is not ideal for those seeking only long-term or permanent disability cover, or for individuals in high-risk jobs or activities excluded by the policy. Applicants who cannot meet underwriting requirements or prefer a standard, off-the-shelf solution may find this product less suitable for their needs.



Target market specific characteristics, including, customer vulnerability

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

TTD: This insurance offers a monthly payment if the insured is temporarily unable to work due to injury or illness during the policy period. Payments start after a waiting period and continue for as long as the disablement lasts, up to the maximum period outlined in the policy schedule. The coverage also includes provisions for new or recurring disablements and may pay a partial benefit if the insured returns to work in a lower-paying job. Payments will stop upon death, retirement, turning 65, or recovery.

PTD: This insurance pays a lump sum if the insured becomes permanently unable to work in their own occupation for at least 12 months due to an accident or illness, with a medical opinion confirming that there is no reasonable chance of recovery or return to work.

Exclusions:

- Claims arising from undeclared pre-existing conditions, high-risk activities, or occupations not covered by the policy.
- Disablement resulting from criminal acts, self-inflicted injuries, or certain mental health conditions.





Key value elements and exclusions (continued)

- Claims where the insured person does not meet the underwriting requirements or policy prerequisites.
- Coverage does not extend beyond the terms stated in the policy schedule, including age limits and occupation definitions.

This insurance excludes losses related to war, civil unrest, terrorism, and use of mass destruction weapons, including:

- War, hostilities, invasion, civil war, riot, rebellion, insurrection, revolution, overthrow of government, military or usurped power.
- Explosions of war weapons.
- Use of nuclear, chemical, or biological weapons of mass destruction.
- Acts of agents of a foreign state, including murder or assault.
- Terrorist activities, defined as acts for political, religious, or ideological purposes intended to influence governments or cause public fear. It also excludes any expenses incurred in controlling, preventing, or suppressing these events. If any part of this exclusion is invalid, the rest remains effective.



How should this product be distributed?

The product is bespoke so is only sold to an insured once they approach AXA XL via a specialist broker. The product is therefore not marketed or more generally distributed.



What should distributors do to ensure the product provides fair value to the end customer?

To ensure the product provides fair value, distributors should maintain transparent, tailored advice based on thorough needs assessments, especially for vulnerable customers. They must clearly communicate policy features, limitations, and potential benefits, allowing customers to make informed decisions. Continual monitoring of customer feedback, claims experience, and product performance is essential to identify any gaps in value. 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?

This product is bespoke and involves complex coverage requiring personalised guidance and advice from a specialist broker. The product is not marketed as it is bespoke, so should only be sold to an insured if they approach AXA XL via a specialist broker.



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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