



FVA Summary and Target Market Statement

Unoccupied Property

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 insurance product suitable for business customers. There are two types of Commercial Property Insurance:

- **Commercial Property Owners**

This unoccupied property insurance product provides coverage for businesses that own properties which are temporarily unoccupied, protecting against risks such as physical damage and liability during the period of vacancy. It aims to mitigate risks associated with unoccupied properties, which often face higher exposure to damage or vandalism.

- **Commercial Combined**

This unoccupied property insurance product offers comprehensive cover for businesses operating from multiple premises, including protection against physical damage and liability for unoccupied properties. It is designed to meet the needs of businesses managing multiple commercial locations that may have periods of vacancy.



What customer need is met by this product?

This product meets the customer's need for financial protection against physical damage to their property. It provides peace of mind by covering the costs associated with repairing or replacing the insured property if it is damaged during the policy period. Specifically, it protects against damages caused by specified perils such as fire, ensuring that the customer is not burdened with significant out-of-pocket expenses in such events. This coverage helps customers manage potential risks and maintain their property's value, giving them confidence that they will be supported in case of unexpected damage.



Who is the product designed for?

■ Commercial Property Owners

The target market includes small to medium-sized property owners or landlords who own properties that are temporarily vacant, such as those awaiting sale or leasing. These customers seek tailored coverage to protect their assets during periods of vacancy, ensuring financial protection without the full coverage of occupied premises.

■ Commercial Combined

The target market includes small to medium-sized businesses with multiple commercial premises, such as retail chains or office operators, that experience temporary unoccupancy. These customers require flexible coverage to protect their assets during periods of vacancy, supporting operational continuity and risk management across their property portfolio.



Who is the product not appropriate for?

This product is not suitable for individuals or businesses that do not own, manage or rent out properties. It is also not aimed at large corporate entities with complex insurance needs. Additionally, it is unsuitable for private homeowners or tenants, as it is designed specifically for commercial customers with unoccupied properties. This product is not suitable for consumers, as defined by the FCA, meaning individuals acting outside the scope of their trade or profession.



Target market specific characteristics, including, customer vulnerability

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

This product covers costs for:

- Physical damage to the insured's property incurred during the period of insurance caused by specified perils such as fire.

Depending on policy wordings, coverage can also include:

- Business interruption
- Liability (property owners)

Typical Exclusions under this product are:

- War
- Terrorism
- Communicable diseases
- Radioactive contamination

Please refer to policy documentation for full details.





How should this product be distributed?

This product is typically distributed via coverholders, and broker lineslips.



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

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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