



Target Market Statement: AXA XL

The purpose of this document is to explain 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 and optional covers 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.

Product Name: Inherent Defects Insurance - Retail

Product Type.	Inherent defects insurance (IDI) suitable for consumers, micro-enterprises, small and medium businesses.
Who is the product designed for?	<p>This product is designed for:</p> <ul style="list-style-type: none">• Self-builders who are building or project managing the construction of a new private dwelling for their own occupation• Self-builders renovating existing residential property or converting non-residential buildings to become private dwellings for own occupation or sale• Homeowners extending and/or renovating their existing home• Small developers constructing new private dwellings and other commercial and mixed use properties intended for sale or rent to third party occupiers
Who is the product not appropriate for?	This product is not suitable for:

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	<ul style="list-style-type: none"> • Large corporations • Existing residential homeowners not altering their property • Individual flat owners within a block who are carrying out renovation or modernisation of their individual unit within the block.
What customer need is met by this product?	Inherent defects insurance provides cover to the customer against damage to a building caused by faulty design, faulty workmanship and/or faulty materials in the structural works that were not evident at the date of inception of the insurance period. This cover is normally a requirement of Lenders.
Target market – are there any specific characteristics, including, customer vulnerability, that you should be aware of?	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
What are the key value elements/ characteristics of the product that are important for the target market (including notable exclusions)?	<p>Key Covers:</p> <ul style="list-style-type: none"> • Structural damage • Ingress of water • Existing structure (can be requested) • Loss of rent receivable can be requested • Removal of debris • Sum insured and deductible indexation <p>Exclusions:</p> <ul style="list-style-type: none"> • War risks • Fire, lightning, explosion, earthquake, • Storm, tempest, flood, frost, sonic boom



	<ul style="list-style-type: none"> • Alterations • Biological and chemical materials • Personal injury • Defects in existing work • Coastal erosion or subsidence • Asbestos • Wear and tear • Communicable disease • Cyber • Sanctions • Terrorism
Does the product include optional covers?	Yes
How should this product be distributed?	This product is distributed via delegated underwriting authority (DUA) and open market. The distribution chain consists of one retail broker, one wholesale broker, coverholders and the risk carrier.
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, via an on-line system. The product can be sold with or without advice depending on your preference and in line with FCA regulation.
How is value assessed?	<p>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).</p> <p>New product developments and changes to existing products are taken through a formal product approval process which is designed to:</p>



	<ul style="list-style-type: none">• Identify the target market and its needs• Review policy wording and customer facing documentation to ensure it is clear, fair, and not misleading• Consider the needs of any vulnerable customers• Monitor post-sales performance <p>Once a new or amended product is introduced to the market, AXA XL will review the product annually to ensure it continues to offer fair value, using key performance metrics to see if any remedial actions are required and to make sure it remains suitable for customers in the identified target market.</p> <p>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.</p>
Additional Product Literature:	This document is to be read in conjunction with the appropriate policy wording.