



Commercial Direct Landlord

Target Market Statement

AXA Commercial has undertaken a Product Review and Fair Value Assessment as the manufacturer of this product, in accordance with our obligations under PROD 4.2.

Date of most recent Product Review and Fair Value Assessment	September 2024
Date of next Product Review and Fair Value Assessment to be completed by	Within the next 12 months*

*We continuously monitor our products and apply a risk-based approach to our product governance; the next review and assessment may take place before this date and this document updated accordingly.

Outcome of the Product Review and Fair Value Assessment

As a result of the product governance activities undertaken across this product we can confirm:

- 1. The product meets the needs of the identified target market**
- 2. The product provides fair value to the target market, including policy stakeholders if applicable**
- 3. The distribution strategy remains appropriate**

Product Description

This product provides insurance for small portfolios of buildings let for investment purposes and offers several covers including loss of rental income following a loss and public liability. The product serves a range of customers including individual landlords, partnerships, and corporate entities. The tenants of the premises can be either commercial entities or private individuals.

Product Type

This is a Commercial Lines general insurance product which is suitable for commercial customers only.

Product Status

This product is open to new and renewal business.

Who is the product designed for?

Commercial or residential landlords with businesses based within Great Britain and Northern Ireland who own and let out small portfolios of commercial or residential properties.

Who is the product not appropriate for?

This product is not suitable for "accidental" landlords – i.e. an individual renting out their property due to circumstance rather than by choice (this typically arises when a homeowner cannot sell the property they currently live in or have inherited). This product is also unsuitable for customers with a large portfolio who would benefit from the guidance of a broker.

What are the mandatory product features that will meet the needs, characteristics, and goals of the target market?

This product provides cover for:

Damage following events such as fire, flood, escape of water, and Subsidence, up to agreed specified limits for:

- Buildings - including, Contents of communal parts within a residential premises, Electric vehicle charging points, Costs of providing alternative accommodation for residential tenants
- Public Liability – covers the amount of damages which you are legally liable to pay to third parties for property damage or bodily/personal injury in connection with the business of letting out properties.

Examples of some significant exclusions and conditions include:

- Risk improvement requirements must be completed within the period of time advised. All such risk improvements remain in place throughout the duration of the policy.
- Property at the premises must be maintained in a good state of repair.
- Damage which is as a result of a gradual deterioration or change is excluded.
- Communicable disease and fungal pathogens exclusions.
- Cyber and data exclusions.

Subsidence is excluded (cover available as an optional extension).

Does the product include optional covers?	<p>In addition to the above, the following optional covers can be added:</p> <ul style="list-style-type: none"> • Employers' Liability - covers the amount of damages which you are legally liable to pay in respect of bodily injury to any employed person arising out of and in the course of their employment by you in connection with the business of letting out properties. • Terrorism - extends the cover provided under Buildings and Rental Income sections, where your schedule shows these as covered, to include damage caused by terrorism. • Landlord Contents – extends the cover to include contents of the buildings. • Loss of Rental Income - including additional expenditure incurred for the cost of re-letting the property.
How should this product be distributed?	This product is sold and distributed to customers directly by AXA.
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. Fees or charges passed onto the customer must be proportionate to the service provided and provide fair value.
Residential Multi-Occupancy requirements	In relation to residential multi-occupancy risks, distributors should provide the required information and disclosures to policyholders in a timely manner to share with long leaseholders, and efficiently deal with any queries received from leaseholders directly.
Vulnerable Customers	<p>Customers with characteristics of vulnerability are within the target market. Vulnerable customer objectives are consistent with those of non-vulnerable customers and can benefit from the product in the same way. Vulnerable customers have different characteristics to non-vulnerable customers and may require additional support.</p> <p>Our colleagues are trained and equipped to identify and support vulnerable customers. We closely monitor vulnerable customer outcomes to ensure our products and services continue to meet their needs and deliver good outcomes.</p>
Additional Product Literature	This document is to be read in conjunction with the appropriate policy wording and policy summary which has been provided by AXA.

Further information about the Product Review and Fair Value Assessment

When completing our Product Reviews and Fair Value Assessments we used all available information relevant to the product, and information provided by our distribution partners.

Where indicators and measures were outside AXA Commercial's tolerance, we investigated these to ensure that the product continues to remain suitable for the target market, delivers value for customers and operates in line with customer expectations. Details of any key actions taken can be found below.

Review / Assessment Area	Key Indicators and Measures	Summary outputs and actions
Product Performance	<ul style="list-style-type: none"> • Target Market Assessment • Customer vulnerability considerations • Cancellation metrics • Claims metrics • Complaints metrics • Product fees/charges • Consumer Value Measures Data * <p>*Consumer Value Measures products only</p>	<p>Our assessment of these measures confirmed the ongoing fair value of this product.</p> <p>We have made some updates to the overall Target Market Statement to ensure the information provided is clear.</p>
Price	<ul style="list-style-type: none"> • Pricing metrics • Remuneration • Loss ratios • Expense ratios • Combined Operation ratio (COR) • Customer Tenure • Customer usage • Add on Metrics • Premium Finance metrics 	<p>Our assessment of these measures confirmed the ongoing fair value of this product.</p>

Service Delivery	<ul style="list-style-type: none"> • Claims Service • Complaints Service (including FOS) • Operational Service • Customer Feedback 	Our assessment of these measures and the ongoing actions in place, confirmed the ongoing fair value of this product.
Distribution	<ul style="list-style-type: none"> • Review of Distribution Strategy and oversight • Review of the Distribution Strategy • Review the value provided by the distribution chain 	<p>Where distribution partners responded to our information request, our assessment of these measures confirmed that the distribution strategy for this product remains appropriate. This is subject to all distributors ensuring that the costs they pass on to customers and any add-ons sold do not adversely impact the value of this product.</p> <p>We continue to work with our partners to obtain and assess information, and agree actions as required, to ensure the ongoing value of this product.</p>
Assurance Activity	<ul style="list-style-type: none"> • Previous assessments of this product • Review of any product changes or Significant Adaptations • Review of Incidents associated with this product • Review of other relevant Monitoring and Oversight activity relating to this product 	Our assessment of these measures confirmed the ongoing fair value of this product.

Commercially sensitive data, such as remuneration details, cannot be shared here. Information will continue to be shared with you as part of our relationship.

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