



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	<p>This product provides insurance for buildings let for investment purposes including consequential loss such as loss of rental income. Our insured may be a corporate entity, a managing agent, a trust, or an individual landlord. Tenants may be either commercial entities or individual private residents.</p> <p>This is a digitally traded product which is exclusively available online via an insurance broker or intermediary.</p>
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, Northern Ireland, the Channel Islands and the Isle of Man who own and let out residential, commercial or mixed portfolios of property. This product is suitable for up to 10 locations.
Who is the product <u>not</u> appropriate for?	This product is unsuitable for: Customers who do not let out properties; landlords with a portfolio of 11 or more properties; owner-occupied properties; Houses in Multiple Occupation; blocks of flats, student occupation and properties where the landlord does not have control over tenant placement.
What are the mandatory product features that will meet the needs, characteristics, and goals of the target market?	<p>This product provides cover for:</p> <p>Damage following events such as fire, flood, escape of water and storm etc, up to agreed specified limits for:</p> <p>Buildings – including outbuildings, tenant’s improvements, electric vehicle charge points, costs of providing alternative accommodation for residential tenants.</p> <p>Property Owner’s 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.</p> <p>Examples of some significant exclusions and conditions include:</p> <ul style="list-style-type: none"> • 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. <p>Cyber and data exclusions.</p>

Does the product include optional covers?

The following optional covers are available on this product:

- 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.
 - Landlord's Contents – including fixtures and fittings at the property (not forming a permanent part of the structure), furniture, furnishings, utensils and domestic appliances belonging to you or for which you are responsible as landlord.
 - Legal Expenses – covers you for advisors' costs up to the limit of indemnity for contract and debt recovery, criminal prosecution, property infringement and recovery of rent arrears.
 - Terrorism - extends the cover provided under Buildings and Rental Income sections, where your schedule shows these as covered, to include damage caused by terrorism.
 - Rental Income – covers you up to the rent sum insured for loss of rental income if the property insured under the buildings section is damaged and as a result your business is interrupted.
 - Subsidence - extends the cover provided under the Buildings section for damage to the buildings and loss of rental income caused by subsidence, ground heave or landslip.
- Accidental Damage - extends the cover provided under the Buildings section and Landlord's contents section for damage to the buildings, landlord's contents and loss of rental income caused by accidental damage.

How should this product be distributed?

This product can be sold with the active assistance and guidance of an Insurance Intermediary to select the appropriate level of cover. This product can also be sold by an Insurance Intermediary directly to customers without this assistance.

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

To ensure the customer receives fair value for these products, 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. The distributors should ensure that the sums insured are adequate for the risk insured.

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. This product however is not suitable for Blocks of flats or Houses in Multiple Occupation (HMO's).

Vulnerable Customers

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.

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.

Additional Product Literature

Please read this document alongside the product policy wording, available through the AXA Connect broker portal.

Detail on all limits, conditions and exclusions have not been included, this information can be found within the policy wording.

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 	<p>Our assessment of these measures and the ongoing actions in place, confirmed the ongoing fair value of this product.</p>
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 	<p>Our assessment of these measures confirmed the ongoing fair value of this product.</p>

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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