



AXA Retail Product Strategy Document:

# AXA Goods Carrying Vehicle



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The AXA Retail Product Strategy Document will be reviewed at least annually or earlier where required following regulatory changes that affect Product Governance, or changes in business structure or roles and responsibilities outlined in the Retail Product Governance Policy

## Target Market and Product Fair Value Statement

The purpose of this document is to explain the identified target market and the expected distribution strategy for the Insurance product manufactured by AXA Insurance. It also outlines our approach to Product Oversight and Governance to demonstrate how we design, monitor, and review our products to ensure they continue to provide fair value and meet the needs, characteristics and objectives of the target market including vulnerable customers.

## Product Oversight and Governance

AXA UK's Product Governance Policy sets out the standards that AXA Retail is required to implement to ensure the achievement of fair value and good customer outcomes by having robust product oversight and governance arrangements, systems, policies, and procedures in place, which encourage a business culture with customers' interests at its core.

- We identify, define, and assess our target markets at an appropriate level, based on the nature and complexity of our products
- We undertake appropriate testing of our new products before launch, to make sure they meet our customers' needs and provide fair value
- The design and performance of all our new, existing, and legacy products are subject to regular assessment and review to ensure products provide fair value and that there is a continuing customer-centric focus, achieving good customer outcomes
- We consider the needs, characteristics, and objectives of customers with characteristics of vulnerability at all stages of the design process to ensure the product meets their needs.
- The features, nature and complexity of our products are carefully matched to our intended distribution channels to ensure they reach our identified target market

These requirements are in place to ensure that all AXA UK customers receive fair value and that good customer outcomes are delivered in line with AXA UK's defined customer outcome statements.

## Target Market Statements

Target Market Statements provide information about all the AXA Insurance products distributed.

This includes:

- The key features and optional covers associated with our products
- Who our products are designed for and who they are not designed for
- How our products should be distributed
- The complexity of our products
- How to ensure that our product provides fair value to customers as intended
- The controls and testing in place for our products
- Whether the target market is inherently more likely to be vulnerable



Product Overview	Product Type	Personal Lines general insurance product suitable for individuals/companies seeking to insure their van
	Product Status	Live (open to new and renewal business)
Target Market	Who is the product designed for?	<p><b>This product is designed for UK residents who:</b></p> <ul style="list-style-type: none"> <li>✓ Are aged 25 to 75 at the time of sale and renewal</li> <li>✓ Who hold a Full UK/EU driving licence for 4 or more years</li> <li>✓ Who have no major driving convictions within the last 5 years</li> <li>✓ Who have no more than 2 minor convictions in the last 5 years</li> <li>✓ Have two or less fault claims in the last 3 years</li> <li>✓ Have no unspent criminal convictions</li> </ul> <p><b>This product:</b></p> <ul style="list-style-type: none"> <li>✓ Provides cover up to the specified limits for Loss and Damages</li> <li>✓ Provides settlements that will not exceed the market value of the vehicle in the event of total loss</li> <li>✓ Provides up to £5,000,000 for liability for others</li> <li>✓ Provides up to £250 for personal belongings</li> <li>✓ Provides cover for vehicles up to £50000</li> <li>✓ Provides driving up to 12000 or 50000 miles annually depending on use required</li> <li>✓ Owns a standard manufactured van</li> <li>✓ Provides covers for use for SDP&amp;C and carriage of own goods</li> </ul>
	Who is the product not designed for?	<p><b>This product is not designed for:</b></p> <ul style="list-style-type: none"> <li>▪ Customers who require cover for haulage (carriage of goods for hire and reward) or general hire and reward purposes;</li> <li>▪ Who do not live in the UK</li> <li>▪ Customers who want to insure car, motorbikes, and motorhomes</li> <li>▪ Customers who own a vehicle which is worth more than £50000</li> <li>▪ Customers who want to pay more than £500 voluntary excess</li> <li>▪ Customers who want to insure more than one vehicle on the policy</li> <li>▪ Customers who want temporary cover only</li> </ul>
Product Features	What are mandatory product features that will meet the needs, characteristics, and goals of the target market?	<p><b>The product provides the following cover, up to agreed specified limits:</b></p> <ul style="list-style-type: none"> <li>▪ Loss of, or damage to, the vehicle</li> <li>▪ Trailers and towing</li> <li>▪ AXA UK Assistance Accident Recovery</li> <li>▪ Audio visual communication and guidance equipment</li> <li>▪ Replacement of locks due to the loss or theft of keys</li> <li>▪ New replacement vehicle (if within first 6 months of vehicle registration and is under 3.5t)</li> <li>▪ Driver personal injury</li> <li>▪ Broken windows and windscreens</li> <li>▪ Personal Belongings</li> <li>▪ Medical expenses</li> </ul>
	Does the product include optional covers?	<p><b>The following optional cover can be added:</b></p> <ul style="list-style-type: none"> <li>▪ Protected No Claims Discount</li> </ul>



<b>Distribution Strategy</b>	How should this product be distributed?	Broker-Lead The distribution strategy is considered appropriate for the target market with customers having the option to purchase these products through the distribution channel of their choice. These products are considered suitable for advised and non-advised sales by suitably skilled agents or sub-delegates via telephone, face to face or an appropriately designed on-line journey
<b>Providing Fair Value</b>	How does AXA ensure the product provides fair value to the end customer (PROD) rules.	AXA Retail continually monitors our product performance in line with the Financial Conduct Authority (FCA) Product Intervention and Product Governance Sourcebook (PROD) rules. AXA Retail operates a multi-layered Product Approval Process, a detailed annual Customer Fair Value Assessment (CFVA) programme & monthly Conduct Key Risk Indicator (KRI) reporting covering value measures which is governed through a formal committee structure.
<b>Controls and Testing</b>	What controls are in place?	<ul style="list-style-type: none"> <li>▪ Formal product approval process where all new products or adaptations are presented for approval at one of formal governance committees (Customer &amp; Product Committee, Customer and Trading Risk and Approvals Committee or Conduct Risk Committee) depending on materiality</li> <li>▪ Annual CFVA'S (may be more frequent where required)</li> <li>▪ Quarterly Pricing Ethics Committee ; Weekly Retail Pricing and Underwriting Committee</li> <li>▪ The product is integrated into a platform using business rules, which ensure we only target customers within the intended target market</li> </ul>
	What testing is in place?	<ul style="list-style-type: none"> <li>▪ Full end to end product lifecycle testing before any new scheme or product is launched to assess whether it will meet the identified needs, characteristics, and objectives of the target market, including customers who have characteristics of vulnerability</li> <li>▪ Ongoing pricing and business rule testing for all products, including regression testing</li> <li>▪ Market benchmarking using industry data</li> <li>▪ Voice of the customer (VOC) insights used to measure customer outcomes &amp; tracked via Claims VOC Committee</li> <li>▪ All General insurance Value Measures (GIVM) are reviewed annually via ongoing Product Testing through Customer Fair Value Assessments governed under PROD, with supplementary monthly Conduct KRI's reporting at product level via the Customer &amp; Product Committee. This includes a quarterly review of any KRI's performing outside of expected parameters (data is available within the AXA Retail Product Governance SharePoint site – Customer &amp; Product Committee)</li> <li>▪ Customer Outcome Testing targeted at key risk areas either proactively or reactively based on findings from the above</li> </ul>

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