



# Residentsline Flats Insurance

Includes AXA Commercial Product Target Market Statement

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

<b>Date of most recent Product Review and Fair Value Assessment</b>	<b>August 2023</b>
<b>Date of next Product Review and Fair Value Assessment to be completed by</b>	<b>Within the next 12 months*</b>

*\*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 remains consistent with the needs of the identified target market**
- 2.The product remains consistent with the fair value assessment**
- 3.The intended distribution strategy remains appropriate**

## Product Description

This product provides insurance for buildings let for investment purposes and offers several covers including that for consequential loss such as Loss of Rental Income and/or Alternative Residential Accommodation.

This product serves a range of customers from large corporate entities, through middle-market to SME. Our insured may be a corporate entity, a managing agent, a trust, an estate, a resident's association or right to manage company, or an individual landlord. Tenants may be either commercial entities or individual private residents.

This product is sold via the AXA scheme insurance intermediary.

## Product Type

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

<b>Product Status</b>	This product is open to new and renewal business.
<b>Who is the product designed for?</b>	Commercial or residential landlords with businesses based within Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.
<b>Who is the product <u>not</u> appropriate for?</b>	Non-commercial customers.
<b>What are the mandatory product features that will meet the needs, characteristics, and goals of the target market?</b>	<ul style="list-style-type: none"> <li>Options can be chosen from the list below</li> </ul>
<b>Does the product include optional covers?</b>	<ul style="list-style-type: none"> <li>Property</li> <li>Machinery Breakdown</li> <li>Terrorism</li> <li>Employers' Liability</li> <li>Public Liability</li> <li>Legal Expenses</li> </ul>
<b>How should this product be distributed?</b>	This product can be sold with the active assistance and guidance of an Insurance Intermediary. This product can also be sold by an Insurance Intermediary directly to customers without this assistance.
<b>What should distributors do to ensure the product provides fair value to the end customer?</b>	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. The distributors should ensure that the levels of cover selected are adequate for the risk insured.
<b>Additional Product Literature</b>	This document is to be read in conjunction with the appropriate policy wording and policy summary which is available via your AXA scheme referral contact.

### **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
<b>Product Performance</b>	<ul style="list-style-type: none"> <li>• Target Market review</li> <li>• Customer vulnerability considerations</li> <li>• Product fees/charges</li> <li>• Claims performance.</li> <li>• Complaints performance</li> <li>• Product Cancellations</li> <li>• Value Measures (where the product is a value measures product)</li> </ul>	<ul style="list-style-type: none"> <li>• Target Market Review – our review has confirmed that the product is being provided to the intended target market</li> <li>• This product has been reviewed in relation to Customer vulnerability considerations, with no findings.</li> <li>• Claims ratio (and other measures relating to claims) are operating within expected tolerances, and we have no concerns.</li> <li>• Complaints and product cancellations at standard AXA product level, are within overall tolerances.</li> </ul> <p>Our assessment of these measures in relation to product performance has confirmed the ongoing fair value of this product.</p>
<b>Price</b>	<ul style="list-style-type: none"> <li>• Pricing approach</li> <li>• Commission/remuneration arrangements</li> <li>• Loss Ratio performance</li> <li>• COR performance</li> <li>• Cost and Impact of any Add-Ons</li> <li>• Cost and Impact of Premium Finance</li> </ul>	<ul style="list-style-type: none"> <li>• The pricing approach for this product has been reviewed and no issues identified.</li> <li>• The commission levels in relation to this co manufacturer relationship are within tolerance and are being managed effectively.</li> <li>• The Loss Ratio information for this product has been reviewed and is within expected tolerances.</li> <li>• The COR is performing within expected tolerance levels, and we have no concerns from a customer value perspective.</li> <li>• We acknowledge receipt of the co manufacturer Fair Value information previously provided in relation to Add-ons. We have included any add-on information (if applicable), into this review and we have no concerns.</li> </ul> <p>Our assessment of these measures in relation to pricing performance has confirmed the ongoing fair value of this product.</p>
<b>Service Delivery</b>	<ul style="list-style-type: none"> <li>• Claims Service Metrics</li> <li>• Complaints Service Metrics</li> <li>• Operational Service Metrics</li> <li>• Customer Feedback</li> </ul>	<ul style="list-style-type: none"> <li>• When looking at the claims, complaints, and operational service metrics we have found no issues in relation to this product.</li> <li>• We have also reviewed customer feedback mechanisms at an AXA Commercial level (which does also include complaints). This has been undertaken with a view to looking at any improvements that can be made. We have not identified anything specifically in relation to Residents line in this exercise, and overall have found no issues.</li> </ul> <p>Our assessment of these measures in relation to service delivery has confirmed the ongoing fair value of this product.</p>

Review / Assessment Area	Key Indicators and Measures	Summary outputs and actions
<b>Distribution</b>	<ul style="list-style-type: none"> <li>Review of Distribution Strategy and oversight in place specific to this product</li> <li>A review of the extended distribution chain.</li> </ul>	<ul style="list-style-type: none"> <li>Based on information provided, our assessment of these measures confirmed that the distribution strategy for this product remains appropriate.</li> </ul>
<b>Assurance Activity (Previous &amp; current)</b>	<ul style="list-style-type: none"> <li>Results of previous assessments of this product</li> <li>Review of any product changes and Significant Adaptations</li> <li>Review of any Risks or Incidents associated with this product</li> <li>Review of other relevant</li> <li>Monitoring and Oversight activity relating to this product</li> </ul>	<ul style="list-style-type: none"> <li>Previous assurance/governance activity has been reviewed, (including any actions relating to this activity, if applicable). There were no issues identified and no open or delayed/late actions.</li> <li>There have been no significant adaptations to this product from 1st Oct 2022 to the date of Fair Value Assessment, that relate specifically to this relationship.</li> <li>There have been no risks or incidents raised in relation to this product.</li> <li>There have been no issues raised by any other monitoring or oversight across this product.</li> </ul> <p>Our assessment of these measures in relation to assurance delivery has confirmed the ongoing fair value of this product.</p>