



## 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: Environmental Impairment Liability (EIL)

<b>Product Type:</b>	This is a commercial product for agricultural customers.
<b>Who is the product designed for?</b>	Agricultural customers.
<b>Who is the product not appropriate for?</b>	<ul style="list-style-type: none"> <li>• Non-Agricultural customers.</li> <li>• Customers not located in the UK.</li> <li>• Those that fall within the “excluded Agricultural activities”.</li> </ul>
<b>What customer need is met by this product?</b>	This is designed to plug gaps in the existing farm combined policies. The cover complements the existing farm combined offerings by adding pollution cover for statutory liabilities (that is liabilities arising from governmental bodies in order to comply with statutory law). Cover is also provided for gradual incidents.
<b>Target market – are there any specific characteristics, including, customer vulnerability, that you should be aware of?</b>	There is the possibility of vulnerable customers from time to time, but nothing inherent. Examples could be customers who may have become vulnerable due to health/life events, financial issues etc.
<b>What are the key value elements/ characteristics of the product that are important for the target market (including notable exclusions)?</b>	<b>Key Covers:</b> <ul style="list-style-type: none"> <li>• On-site clean up as well as off-site</li> <li>• Cover for a gradual pollution incident</li> <li>• Statutory Liabilities</li> <li>• Emergency Costs</li> </ul>

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	<ul style="list-style-type: none"> <li>• Legal expenses</li> <li>• Pollution Hotline</li> </ul> <p>Clean up costs at a Premises arising from agriculture, agricultural contracting or transportation.</p> <p><b>Exclusions:</b></p> <ul style="list-style-type: none"> <li>• Pollution condition or Natural Resource Damage arising out of a deliberate act or omission, willful misconduct or gross negligence on the part of the insured</li> <li>• Fines or Penalties</li> <li>• Prior conditions</li> <li>• Genetically Modified Organisms</li> <li>• Aboveground storage tanks were not in compliance with applicable legislation</li> <li>• Underground Storage Tanks</li> <li>• Intensive farming under the Environmental Permitting (England &amp; Wales) Regulations 2010</li> <li>• Sheep dips</li> <li>• Slurry lagoons not designed, constructed, maintained, and used in full compliance with applicable legislation</li> <li>• Human waste spreading</li> <li>• Non-recreational fish farming.</li> <li>• Landfills</li> <li>• Waste storage facilities</li> <li>• Spraying of pesticides, herbicides</li> <li>• Unregistered composting</li> </ul>
<p><b>Does the product include optional covers?</b></p>	<p>Embedded cover does not. Standalone Farm cover will offer:</p> <ul style="list-style-type: none"> <li>• Business interruption</li> <li>• Human waste spreading</li> <li>• High risk crop spraying</li> <li>• Cover for intensive farming</li> </ul>
<p><b>How should this product be distributed?</b></p>	<p>The coverholder has control over the distribution – as per DUA arrangements.</p>
<p><b>What should distributors do to ensure the product provides fair value to the end customer?</b></p>	<p>To ensure the customer receives fair value for the product. Ensure no duplication of cover exists. Commission, fees, or charges passed on to the customer must be proportionate to the service provided and provide fair value.</p>
<p><b>How can the product be sold? Can it be sold without advice?</b></p>	<p>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.</p>
<p><b>How is value assessed?</b></p>	<p>AXA XL has established a product governance process to oversee the design, approval, and</p>



	<p>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"><li>• Identify the target market and its needs.</li><li>• Review policy wording and customer facing documentation to ensure it is clear, fair, and not misleading</li><li>• consider the needs of any vulnerable customers; and</li><li>• monitor post-sales performance.</li></ul> <p>Once a new or amended product is introduced to the market, AXA XL will regularly review the product to see if any changes are needed 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>
<b>Additional Product Literature:</b>	This document is intended to provide an indicative summary of the target market for this product and is not a summary of coverage. Please refer to separate policy documentation for full details of the coverage provided by the product.