



FVA Summary and Target Market Statement

# Employers Liability

The purpose of this document is to explain our FVA findings, 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 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.

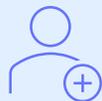
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## Product type

This is a commercial lines general insurance product suitable for businesses seeking Employer's Liability insurance, often alongside other liability cover, and is compulsory for any business with employees in the UK.

The policy covers legal liability for bodily injured caused to employees during their employment. It is aimed at business owners who need protection against workplace injury claims. The product helps businesses meet legal requirements and manage financial risks effectively.



## Who is the product designed for?

This policy is aimed at businesses that employ staff and need to meet their legal obligation to cover liability for bodily injury caused to employees during the course of employment. It is also aimed at business owners seeking protection against workplace injury claims and is typically purchased alongside other liability coverages.



## What customer need is met by this product?

This product covers the legal liability to pay damages in respect of bodily injury caused to an employee during course of employment. This is a compulsory class of insurance in the UK.



## Who is the product not appropriate for?

This product is not aimed at consumers as defined by the FCA. A consumer is classed as any person who is acting for purposes which are outside their trade or profession.



## Target market specific characteristics, including, customer vulnerability

Due to the impact of rising inflation and rising interest rates, businesses may be under financial strain and may not be able to afford premiums on an ongoing basis.

Customers who may be experiencing characteristics of vulnerability due to either personal circumstances, ill health, financial issues, life events such as bereavement, and/or external factors such as economic instability may require adjustments and flexibility to benefit from the policy. All customers are at risk of becoming vulnerable at any time. AXA XL are committed to supporting additional needs from customers. If additional support is required or a customer has been identified as vulnerable, please contact us by visiting [AXA XL's Vulnerable Customers Guide & Contact Support](#)



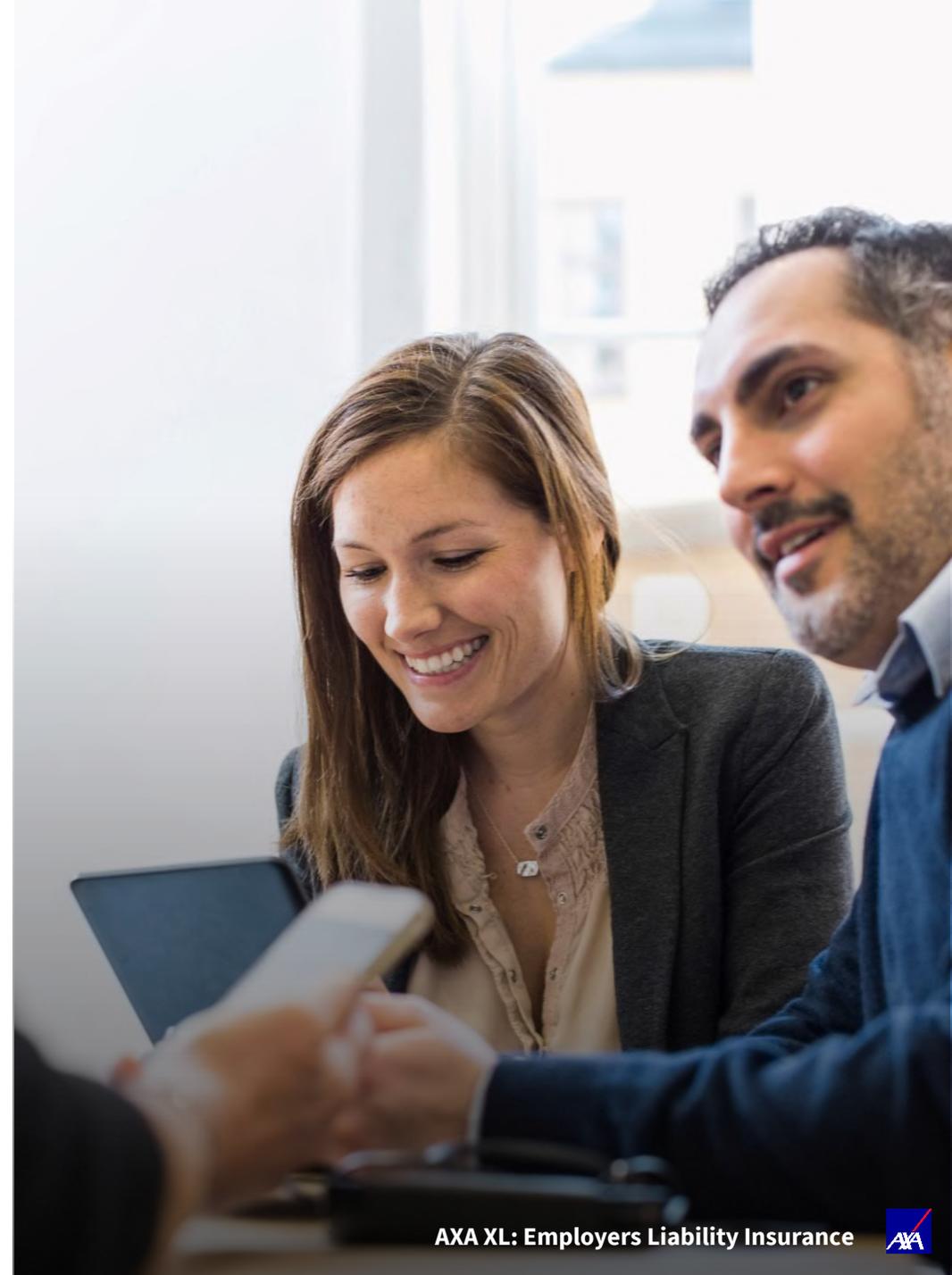
## Key value elements and exclusions

This product covers the legal liability to pay damages in respect of bodily injury caused to an employee during course of employment.

Typical exclusions and policy limitations:

- Manslaughter
- Nuclear and war
- Offshore
- Compulsory Motor Insurance - does not provide any indemnity in respect of liability for which compulsory motor insurance or security is required under the Road Traffic Act 1988

Please refer to policy documentation for full details.





## How should this product be distributed?

The product is typically distributed through delegated arrangements, lineslips and London Wholesale Brokers.



## 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. Commission, fees, or charges passed onto the customer must be proportionate to the service provided and provide fair value.



## How can the product be sold? Can it be sold without advice?

We would suggest that this product can be sold face to face or via telephone or online. This product can be sold with or without advice depending on your preference and in line with FCA's regulations.



## Additional Product Literature

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.



## How is value assessed?

AXA XL has an established product governance process to oversee the design, approval, and review of all our products in line with the requirements of the FCA's Product Intervention and Product Governance Sourcebook ('PROD').

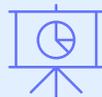
New product developments and changes to existing products are taken through a formal product approval process which is designed to:

- Identify the target market and its needs.
- Consider and review the product's performance metrics, product complexities, sales, and service risks.
- Consider and review the policy fees, charges, remuneration in comparison to benefits offered.
- Review policy wordings and customer facing documentation to ensure it is clear, fair, and not misleading.
- Consider the needs of any vulnerable customers; and
- Monitor post-sales performance.

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.

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.





## Key Findings - 2025 Fair Value Assessment

AXA XL has conducted a comprehensive review of this product against specified metrics, considering whether the insurance product remains consistent with the needs of the identified target market and whether the intended distribution strategy remains appropriate.

The review has determined that this product continues to provide fair value in compliance with the FCA's Product Intervention and Product Governance Sourcebook (PROD). This product will therefore be monitored as per BAU and reviewed again in 12 months as per PROD 4.2.34 requirement to undertake regular product reviews.

In reaching the conclusion that this product continues to provide fair value, AXA XL has assessed various metrics including:

- Claims Repudiation Rate
- Claims Complaints as a % of Total Claims
- Policy Cancellation Frequency
- Gross Loss Ratio
- Total Acquisition Ratio

Our approach to this product review has utilised data and MI readily available to AXA XL to conduct a quantitative analysis. Additionally, we have also performed a qualitative review.

As a distributor, you may wish to consider metrics you hold in conjunction with this assessment. On conducting your own review, where issues are identified that are not identified within this review, please notify us so we can consider the impact on the product in our capacity as carrier.



# Know You Can

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