



FVA Summary and Target Market Statement

# Contractors All Risk (CAR)

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.

This document is for information purposes only and should not be used for any marketing or promotional use.



## Product type

This insurance product is specifically designed to address the needs of commercial clients operating in the construction sector, including contractors, subcontractors, and related businesses. It provides comprehensive protection for contract works, plant, equipment, and third-party liabilities arising from construction activities.

The policy is ideally suited for organisations undertaking building, renovation, and engineering projects, offering flexibility to cover a wide range of risks encountered on-site. With tailored extensions and robust claims support, this product ensures that construction professionals can manage their exposures confidently throughout the lifecycle of their projects.



## What customer need is met by this product?

The Contractors Combined All Risks Insurance offers broad protection for businesses engaged in construction and engineering projects. It covers physical loss or damage to contract works, including both permanent and temporary structures, as well as materials intended for incorporation into the works.

In addition to property-related cover, the policy includes comprehensive liability protection, encompassing Employers' Liability, Public Liability, Product Liability, and Pollution Liability, safeguarding the insured against legal liabilities for bodily injury, property damage, or pollution arising from construction activities. Legal defence costs and claims handling expenses are covered with the insurer's consent, ensuring robust support in the event of a claim.

The policy is designed with flexibility in mind, allowing for tailoring to suit a variety of project sizes, durations, and specialist requirements, and can be enhanced further through a range of extensions and endorsements.



## Who is the product designed for?

This product is aimed at commercial clients such as building contractors, subcontractors, and construction firms engaged in a wide range of construction, engineering, and renovation projects. It is particularly well-suited for small to medium-sized enterprises operating in the commercial, industrial, and infrastructure sectors, as well as those managing multiple contract sites or complex works.

The policy supports these businesses by providing comprehensive protection for contract works, plant, equipment, and third-party liabilities, helping them manage the diverse risks associated with construction activities. It is also appropriate for organisations requiring flexible coverage to accommodate varying project sizes, durations, and specialist requirements within the construction industry.



## Who is the product not appropriate for?

This product is not suitable for large corporations or major construction firms with complex, high-value, or multinational projects that require bespoke insurance solutions beyond the standard Contractors All Risks offering.

It is also unsuitable for individuals or businesses not actively engaged in construction, renovation, or development works on their own residential or commercial properties. Customers who do not have an insurable interest in a specific project, or who are not exposed to construction-related risks, will not benefit from this cover.

Additionally, the product does not meet the needs of property owners seeking insurance for completed buildings, general property insurance, or liability cover unrelated to construction activities. Those requiring cover for ongoing maintenance, facilities management, or non-construction-related business operations should seek alternative insurance solutions tailored to their requirements.



## Target market specific characteristics, including, customer vulnerability

Due to the impact of rising inflation and rising interest rates, customers 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

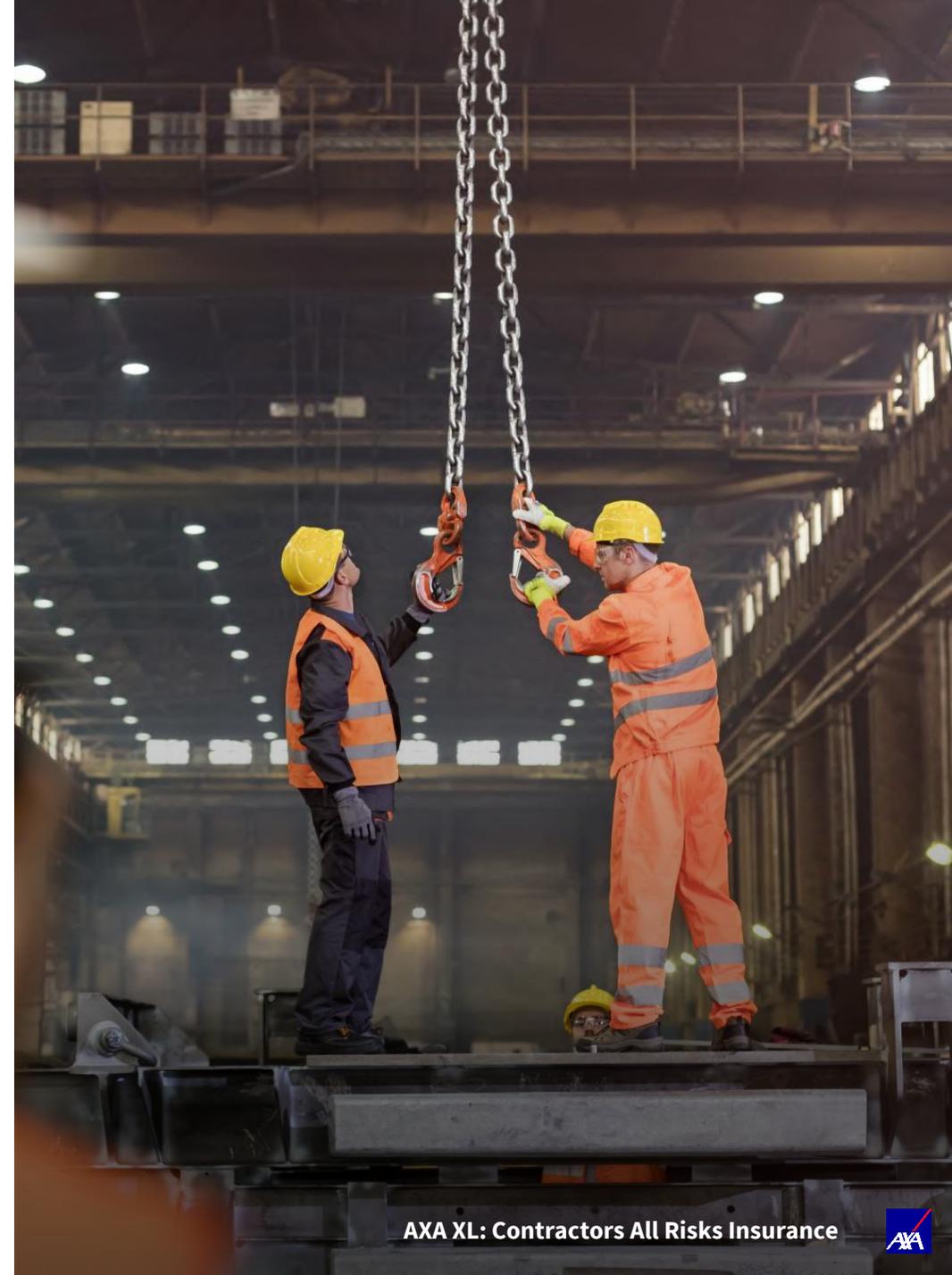
Key Covers:

- The works (permanent or temporary)
- Materials (including transits)
- Personal belongings (limits apply)

Typical contract values are under £2m and written on an annual basis to accompany the customer's other liability insurance products.

Typical Exclusions and Policy Limitations

- Aircraft and Watercraft
- Asbestos
- Business Interruption, Penalties and Damages





## Key value elements and exclusions (continued)

- Communicable Diseases
- Contractual Liability
- Corrosion and Erosion
- Damage to Existing Structures
- Defective Workmanship
- Disappearance or Shortage
- Drilling Operations
- Employers Contractual Liability
- Excavations
- Free Materials
- High Radioactive Zones
- Maintenance or Repair
- Mechanical or Electrical Breakdown
- Money
- Motor Vehicles
- Sonic Bang
- Stock ad Material in Trade
- Tandem Lifting
- Terrorism
- Tidal Waters, Tunnels and Galleries
- Transits
- Unattended Vehicles
- Wear and Tear
- Willful Acts

Please refer to policy documentation for full details.



## How should this product be distributed?

This product is typically distributed via coverholders and lineslips.



## 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. Distributors to have clear practices in place to ensure the prevention of any sales outside the intended target market.



## 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.

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?

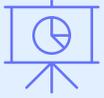
AXA XL has an established product governance process to oversee the design, approval, and review of all our products in line with the requirements of the FCA's Product Intervention and Product Governance Sourcebook ('PROD').

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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