



Product Governance Review

Fair Value Assessment – Environmental Impairment Liability

Fair Value Assessment Outcome: Environmental Impairment Liability

Key findings

Product Overview

The product provides pollution cover for statutory liabilities (arising from governmental bodies in order to comply with statutory law), gradual incidents and own land clean up. It can be included as part of a combined policy or as a standalone. Where part of a combined policy, it is designed to fill gaps within existing farm combined policies. For standalone policies, it is designed to cover any gaps in existing Public Liability policy.

See the detailed Target Market Statement for information on the range of customers the product is designed for, as well as the groups of customers for whom the product is not appropriate and will not provide the intended value.

Year Fair Value Assessment Completed	2024
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Fair Value Assessment Outcome:

The outcome of the review shows that the product delivers value. 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. There is no action required from distributors at this time.

A summary of why we concluded this product is delivering value is set out below:

- **Claims Repudiation Rate** - is outside of our acceptable threshold. However, all claim outcomes have been investigated and no value concerns have been identified.
- **Nil Claims Complaints as a % of Total Claims**
- **Low Policy Cancellation Frequency**
- **Gross Loss Ratio (GLR)** - is relatively on the low side but as the product matures value is demonstrated. The GLR also varies year to year as this is a low claims frequency but high severity product. Due to regulatory involvements claims can take time to be settled.
- **Total Acquisition Ratio** - does not present any value concerns

Our approach to this product review has utilised data and MI readily available to AXA XL. 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.

Other factors which may be relevant to distributors

n/a

