



# Product Governance Review

## Fair Value Assessment – Angel Risk Management – – Cargo

# Angel Risk Management – Cargo

## Fair Value Assessment – Product Overview

### Product Overview

This is a cargo insurance policy that provides insurance for loss or damage to goods during the Voyage/Transit and on the Conveyances set out in the schedule by or for the customer's account.

### Key product information

This product covers:

- Total and partial losses to goods, including costs of recovery and/or repairing goods.
- Costs of returning damaged goods to manufacturers and/or suppliers for repair by air freight.
- Costs of air freight and replacement goods from manufacturers and/or suppliers to destination, regardless whether the goods lost or damaged were originally dispatched by air freight.
- Goods during loading and whilst being packed by professional packers and whilst at professional packer's premises and storage in the ordinary course of transit, containerization and transshipping.
- Additional charges incurred in unloading, storing and forwarding goods to the destination to which the goods are insured following release of goods from a vessel arrested or detained at or diverted to any other port or place where the voyage is terminated due to events set out in the policy.
- Costs in connection to removing and disposing of the debris of any goods.
- Costs in connection to the transfer of goods from one conveyance to another in the event of an accident to the original conveyance.
- Loss or damage to goods whilst being transferred.
- Loss or damage to goods caused by governmental authorities to prevent or mitigate a pollution, hazard or threat, where goods have been damaged as a result of the accident or occurrence which gave rise to the threat of pollution.
- Additional expense incurred by a customer in discharging, handling, storing, reloading or transporting sound and/or damaged goods by any means other than the normal methods or other than at normal rates.
- Loss or damage in the event of exercising a right of lien on goods, or interrupting their transit, or suspending the sale contract whilst goods are in transit when it is practicable for the customer to do so to safeguard its interest.

See detailed Target Market Statement for detail 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.



# FVA Outcome: Angel Risk Management – Cargo

## Key findings

### Date Fair Value assessment completed

2023

### Fair Value Assessment Outcome:

The outcome of the review shows the product delivers value. This product will therefore be monitored as per BAU and will be re reviewed in upcoming months as per PROD 4.2.34 requirement to undertake regular product reviews. There is no action required from distributors at this time.

Considering the product performance metrics and findings from the review it was highlighted that due to the novelty of the product ( Introduced in 2021 Dec) and the fact that there is no mature data, AXA XL will be monitoring this product closely as it continues to develop. A summary of why we concluded this product is delivering value is set out below:

- **Low cancellation frequency**
- **Nil Claims complaints as a % of total claims**
- **Nil claims repudiation rate**
- **Total Acquisition Ratio-** total acquisition ratio measures favorably with AXA XL's own SME cargo portfolio.

Our approach to this product review (as detailed in our overview) has utilized 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 immediately as this could impact our fair value assessment for the product and require more immediate action to be taken.

### Other factors which may be relevant to distributors

n/a