



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: Cyber Insurance

Product Type:	Commercial Lines general insurance product suitable for business customers.
Who is the product designed for?	This product is designed for businesses, with turnover up to £20m, that operate digital technology or have an online presence or store and handle sensitive user and customer data. Standard insurance policies of Cyber Insurance don't typically cover the loss or damage of digital assets.
Who is the product not appropriate for?	This product is not designed for any customers who do not use a computer or mobile device for their day-to-day work or store private or sensitive data such as employee, customer or payment card information on a network or cloud. This product is also not suitable for 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.
What customer need is met by this product?	<p>This product is designed for customers who require insurance protection against the financial impact of cyber risks, such as hacker attacks, ransomware, social engineering financial fraud, funds transfer fraud, invoice manipulation fraud, denial of service attacks, reputational damage or compensation claims made against the business for failing to keep personal or commercial data secure.</p> <p>Having a comprehensive cyber-insurance policy not only provides financial protection if the worst happens, but also provides access to expert</p>

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	<p>advice and support when an incident occurs, such as IT, legal, forensic and media relations to minimise the disruption to the business and any reputational damage.</p>
<p>Target market - are there any specific characteristics, including, customer vulnerability, that you should be aware of?</p>	<p>Individuals or companies under financial strain may not be able to afford premiums on an ongoing basis.</p> <p>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</p>
<p>What are the key value elements/ characteristics of the product that are important for the target market (including notable exclusions)?</p>	<p>Key characteristics:</p> <ul style="list-style-type: none"> • This product covers multimedia internet liability, security and privacy liability, privacy notification and crisis management costs, emergency response costs, extortion demands, regulatory investigations, business interruption, loss of electronic data, social engineering financial fraud, funds transfer fraud, invoice manipulation fraud. • This insurance offers worldwide cover excluding the USA and Canada. <p><u>Exclusions:</u></p> <ul style="list-style-type: none"> • Claims or circumstances known prior to the period of insurance • Acquisitions and Sales • Actual or alleged bodily injury but will not exclude mental anguish or emotional distress caused as a result of a publication breach or data breach • Liability assumed by you under any contract or agreement, including any guarantees or warranties • ERISA/Securities • Fraud and dishonesty



	<ul style="list-style-type: none"> • Payment Card Industry (PCI) Fines and Assessments • Any failure to install and maintain automatically provided updates from the software provider for business critical software • Wear and tear or failure of any electrical equipment in normal use • A claim made by you or on your behalf against you • Legal proceedings brought in a court of law outside the jurisdiction stated in the schedule or brought in a court of law within the jurisdiction stated in the schedule to enforce a judgement or order made in any court of law outside the jurisdiction stated in the schedule • Any governmental, quasi-governmental or regulatory action or investigation, except with respect the cover offered under the Regulatory Investigation Insuring Clause • Any actual or alleged physical damage or destruction of any tangible property, including resulting loss of use. • Your failure to have a pre-established procedure to authenticate the validity of any transfer request.
Does the product include optional covers?	Yes, Cyber Crime available for an additional premium.
How should this product be distributed?	This product should be sold with the active assistance and guidance of an insurance intermediary to select the appropriate level of cover. This product should not be sold directly to customers without this assistance.
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. This product can be sold with or without advice depending on your preference and in line with FCA regulations.



How is value assessed?	<p>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’).</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">•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 wording 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. <p>Once a new or amended product is introduced to the market, AXA XL will annually review the product on a fair value assessment basis, using key performance metrics to see if any remedial actions are required 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>
Additional Product Literature:	This document is to be read in conjunction with the appropriate policy wording.