



FVA Summary and Target Market Statement

# Directors and Officers

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 is a Directors and Officers policy covering companies/ not for profit organisations directors, officers, trustees, and senior managers against claims arising from their decisions and actions taken whilst managing their business.



## Does the product include optional covers?

Corporate Liability/ Professional Indemnity and Employment Practices Liability extensions.



## What customer need is met by this product?

This Directors and Officers (D&O) liability insurance is tailored for small, medium, and large businesses, including non-profit organisations, with a turnover of up to £100 million. It provides essential protection for directors, officers, trustees, and senior managers against claims arising from their decisions and actions taken while managing their organisations. The product is suitable for sectors such as manufacturing, construction, nonprofits, and residents' associations.

The policy covers losses resulting from claims made against individuals in their capacity as directors or trustees. This includes amounts paid or liable to be paid to them, such as reimbursements or advancements related to their liabilities or wrongful employment practices. By doing so, it helps organisations mitigate the financial impact of legal actions and claims associated with governance decisions.



## Who is the product designed for?

The product is designed for small, medium, and large businesses, including non-profit organisations, with a turnover of up to £100 million. It is suitable for organisations involved in sectors such as manufacturing, construction, non-profits, and residents' associations. The policy is specifically intended for organisations that have directors, officers, trustees, or senior managers who require protection against claims arising from their decisions and actions while managing the organisation.



## Who is the product not appropriate for?

This product is not suitable for sole traders, partnerships, or organisations with a turnover exceeding £100 million. Its target market includes organisations seeking comprehensive Directors and Officers liability coverage to safeguard their leadership against legal claims related to governance and management decisions.



## Target market specific characteristics, including, customer vulnerability

Companies under financial strain 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

Directors and Officers Insurance &/or Trustees Liability Insurance, this product is designed to cover:

- Losses that arise from a claim against a director and/or trustee in their capacity as such
- Any sums paid to or held liable to pay the director and/or trustee by way of an advancement or reimbursement in relation to the director's and/or trustee's liability or an employment practices wrongful act
- Shareholders derivative costs
- Defence costs incurred by the director and/or trustee in connection with an identity theft claim
- Extensions include additional excess protection for the customer's board, automatic acquisition cover, corporate manslaughter, difference in conditions, discovery period, emergency costs, outside boards, personal appointments, regulatory crisis costs, retirement runoff, spouse/estates, takeovers and mergers run-off, corporate legal liability and/or organisational and professional liability extension

### Exclusions:

- Severability: Conduct of one insured person cannot be imputed to another insured person
- Narrow bodily injury exclusion: with carve backs for emotional distress from libel or slander, as well as for investigation and criminal defence costs
- Property damage
- Pollution except for defence costs
- USA and/or Canada
- Pension administrator (other than money purchase or employee benefit scheme)
- War and Terrorism



## How should this product be distributed?

This product is distributed via the online quote and buy platform to around 1000 specialist brokers. It should be sold with the active assistance and guidance of an insurance intermediary to select the right 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's regulations.



## Additional Product Literature

This document is to be read in conjunction with the appropriate policy wording.





## How is value assessed?

AXA XL has established a 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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