



# Product Governance Review

## Fair Value Assessment – Professional Indemnity

# Professional Indemnity

## Fair Value Assessment – Product Overview

### Product Overview

#### Product Grouping Rationale

There are seven sub-products within the Professional indemnity product, including;

- Architects
- Engineers
- Lawyers
- Estate Agents
- Surveyors and Valuers
- Actuaries
- Accountants

The products are grouped as they are fundamentally the same professional indemnity product with similar target markets (i.e. professionals).

#### Product Summary

The generic policy covers the following insuring clauses including: civil liability, loss of document or data, data protection act 1998, data protection act 2018, criminal prosecution, indemnity to principals, payment of outstanding fees, defence costs and expenses. For full policy wording, see attached policy document.

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: Professional Indemnity

## 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 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:

- **Low cancellation frequency**
- **Low repudiation rate & Nil Claims Complaints as a % of Total Claims**
- **1 year Gross loss ratio (GLR)** is relatively low side but as the product matures value is demonstrated

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