



X^L Insurance
Reinsurance

Product Governance Review

Fair Value Assessment – Angel Risk Management – Professional Indemnity (Non-Office Package)

September 2023

Angel Risk Management - Professional Indemnity (Non-Office Package)

Fair Value Assessment – Product Overview

Product Overview

Angel's Professional Indemnity product provides cover for companies offering a professional service to their clients and will be triggered in the event of a negligence claim or a civil liability claim resulting from the services provided.

There are versions of this product for slightly different target markets, these versions largely have the similar policy wording:

- Miscellaneous professional
- Construction trades (Contractors Design and Professional Services)
- Accountants professional
- Technology professional
- Marketing, advertising and publishing
- Architects and Consulting Engineers

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

Key Product Information

The product features and benefits vary depending on the exact product and target market. Examples of features/cover include (please see the policy wording for exact offering):

- Negligent acts, errors, omissions or breach of duty or other civil liability
- Employee dishonesty
- Unintentional libel and slander
- Unintentional breach of confidentiality
- Unintentional infringement of copyright, trademark or patent
- Loss of documents or electronic data
- Defence costs for alleged offences under data protection laws
- Criminal prosecutions defence costs
- Indemnity to principal
- Payment of outstanding fees to mitigate a claim

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 - Professional Indemnity (Non-Office Package)

Key findings

Date Fair Value assessment completed	2023
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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 Claims Repudiation rate**
- **Low Claims complaints as a % of Total Claims**
- **Low Total Acquisition Ratio**
- **1 year Gross loss ratio (GLR)** is relatively low side but as the product matures value is demonstrated.

The **cancellation frequency** is outside the agreed tolerance thresholds and this will be monitored as a part of normal BAU.

Our approach to this product review 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 so we can consider the impact on the product in our capacity as carrier

Other factors which may be relevant to distributors

n/a

