



XL Insurance

2024 AXA XL's Fair Conduct Programme

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1.1 Purpose

AXA XL has established a Fair Conduct Programme (FCP) in response to the new conduct requirements introduced by the New Zealand, Financial Markets (Conduct of Financial Institutions) Amendment Act and Regulations (CoFI).

The purpose of this document is to provide distributors and customers with our compliance with the principles-based regime that ensures the fair treatment of New Zealand consumer policyholders. It is also intended for our New Zealand distributors delivering services on behalf of AXA XL that may impact customer outcomes. This includes, but is not limited to, Coverholders, Brokers and Third-Party Administrators ('TPAs'). The Framework considers the nature, size, complexity of AXA XL's risk profile.

The Framework aligns with the AXA Group values which are:

- **Customer first:** putting customer satisfaction at the heart of our decisions and actions.
- **Integrity:** delivering on commitments. Being sincere, honest, and respectful. Doing what is right, and being trusted by our customers, employees, and partners.
- **Courage:** everyone at AXA XL should have the courage to express an opinion, to change and improve things, to innovate and find new ways of doing business.
- **One AXA:** Working together as one close-knit team will make us stronger through our diversity and united in the achievement of shared objectives.

1.2 The Fair Conduct Principle

CoFI requires financial institutions to comply with a fair conduct principle to treat consumers fairly. This includes:

- paying due regard to consumers' interests.
- acting ethically, transparently, and in good faith.
- assisting consumers to make informed decisions.
- ensuring that the products and services that the financial institution provides are likely to meet; the requirements and objectives of likely consumers (when viewed as a group);
- not subjecting consumers to unfair pressure or tactics or undue influence.

The fair conduct principle applies when:

- designing an insurance product; or
- offering to provide an insurance product to a consumer; or
- providing an insurance product to a consumer;
- dealings or interactions with a consumer in connection with an insurance product (for example, responding to a complaint or handling a claim under an insurance contract).

A consumer is a policyholder under a **consumer insurance contract** or a contract of insurance that provides for life insurance or health insurance.

A **consumer insurance contract** is one which is entered into by a New Zealand policyholder wholly or predominantly for personal, domestic or household use.

The Fair Conduct Principle applies when an intermediary such as a broker or coverholder is involved.



1.3 Paying due regard to consumers' interests

AXA XL already demonstrates a customer centric culture. AXA XL's Consumer Duty Framework, Conduct Risk Framework, Compliance Governance Policy, Committee Reporting Structure and various other policies and procedures are all in place with the aim to define good customer outcomes. We have also identified relevant metrics to monitor customer outcomes.

AXA XL has various committees in place to oversee and monitor customer outcomes. We have an established product governance process to oversee the design, approval, and review of all our products. The Product Oversight Group (POG) policy, and associated processes, apply throughout the product lifecycle of Design, Approval, Claims, Complaints and (where applicable) Run-Off to ensure that applicable legal and regulatory requirements are met and above all, to ensure the fair treatment and adequate protection of customers.

AXA XL's culture plays a paramount role in ensuring fair outcomes for consumers. AXA XL prides itself with standards such as professionalism, honesty, integrity, and accountability to deliver fair outcomes that have the interests of consumers at heart.

1.4 Acting ethically, transparently and in good faith

AXA XL are dedicated to maintaining the highest standards of ethical conduct, transparency, and good faith in all our business operations. Our processes and policies are in place to treat our customers with fairness and integrity. The commitment to transparency means working closely with our Coverholders and Brokers to ensure they provide and maintain clear and comprehensive information through policy documentation so our customers can make informed decisions. Acting in good faith, we strive to process valid claims promptly and fairly, prioritising the needs of our customers.

1.5 Assisting consumers to make informed decisions

We are committed to assisting our customers in making informed decisions, in line with regulatory requirements. Our expectation is to ensure our customers get information they need at the right time, and in a way they can understand.

We have developed and implemented an approach around customer communication testing which ensures that all customer communication is clear, fair and not misleading.

1.6 Ensuring our products and services are likely to meet the requirements and objectives of likely consumers

We conduct assessments for all new and existing products and period product reviews through our Conduct Risk Evaluation (CRE) and Product Oversight Group (POG) process. Our POG process ensures products are aligned with customer needs, characteristics objectives and any potential customer harm is minimised. Our periodic reviews ensures that the product is continuously monitored to meet the customers' needs and objectives.

Our target market statements aim to provide increased clarity to our distributor network about the product's features, benefits and the intended specific group of customers the product is suitable for. This also identifies any groups of customers for whom the product is not suitable for and ensures the distribution strategy is appropriate for the target market.



1.7 Not subjecting consumers to unfair pressure or tactics or undue influence

As part of our Product Governance, we review our sales and distribution processes, activities around sales targets, incentives, our customer service and sales scripts to ensure that our customers receive fair treatment and the right level of support that meets their needs on an ongoing basis.

1.8 What this means for our Distributors

As part of our Fair Conduct Programme (FCP) implementation efforts, we have made changes that potentially impact our New Zealand distributors and parties that deliver services on behalf of AXA XL. Our expectations of our New Zealand distributors are to comply with the requirements of the Fair Conduct Principles set out above.

There will be ongoing collaboration with our distribution network to ensure the delivery, monitoring and testing of good customer outcomes in line with the Fair Conduct Programme requirements.

1.9 Complaints Process

There may be times when you feel you don't get the service you expect from us. AXA XL take all complaints seriously and recognise that feedback matters:

- We ensure our complaints are investigated in a fair, transparent and focused way.
- We will keep you informed of the progress of your complaint.
- We handle complaints promptly, with integrity and will do everything possible to resolve your concerns.
- We use feedback from you and data collected during our complaints handling processes to improve our services, products and processes.

You can make a complaint by following the complaints process set out in your policy documentation. Depending on the policy you hold, we may handle your complaint directly or it may be handled by one of our trusted business partners on or behalf.

Please quote a reference when making contact i.e. policy number, claim number or complaint reference number.

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