



Implications of proposed regulatory change

As you are likely to be aware, AXA are in the process of reviewing both PS 20-9 and CP 20-19 to understand the implications of the proposed regulatory change.

At AXA, we take Product Governance extremely seriously. As you would expect, we already have a company policy in place to ensure that the needs of our customers are a central focus when building and maintaining our insurance products.

We currently conduct Product Risk Assessments on our products (such as AXA Car and AXA Extra).

These assessments cover a wide range of metrics including:

- Complaints
- Performance
- Repudiations
- Vulnerable customers

Testing and deep-dives are also conducted on a monthly basis to support these assessments – all of which could lead to changes in our products or services.

Product Risk Assessments form a key part of our Product Governance Policy. Outputs are subject to formal sign-off at Director level through the relevant Product Committee. Any high risk assessments are taken to the AXA Retail Conduct Risk Committee for review.

By refreshing these assessments on a regular basis, we maintain appropriate oversight of the risks presented by our products and the potential for customer detriment within our product lifecycle.

The outcomes for PS 20-9 and CP 20-19 are likely to result in alterations to our Product Governance Policy and the above process will be reviewed to ensure they comply with the new requirements.

As a distributor of our products, we will be liaising with you to discuss compliance with the new regulatory requirements once we have completed our review of the regulation change.