

Fair Value Assessment

August 2026

This document has been produced by AXIS in accordance with our regulatory responsibilities as a Managing Agent. It is intended to provide a summary of the product, target market, product distribution strategy, and the product approval process. It also sets out the outcome of the annual product review and fair value assessment. ***This document is intended to be used by distributors and not provided to the end customer.*** *For more information, please speak to your point of contact.*

Note: this document is based on the Product Value – Information Exchange Template (LMA9197), developed by the following trade associations for use by all market participants to meet the requirements of the Financial Conduct Authority's product governance rules relating to information exchange: the British Insurance Brokers' Association (BIBA), the London and International Insurance Brokers' Association (LIIBA), the Lloyd's Market Association (LMA), the International Underwriting Association (IUA), the Managing General Agent's Association (MGAA) and the Association of British Insurers (ABI).

Carrier name	AXIS Managing Agency Limited / AXIS Specialty Europe SE
Product name	Marine Liability
Reference [Class of Business]	Marine
Date	*August* 2026

Manufacturer Information

Product information

This Marine Liability product has been designed to protect commercial customers operating within the marine industry against third-party liabilities arising from marine operations and vessel ownership, including injury, loss of life, damage to third-party property and other liabilities connected with marine activities.

Key Features:

The standard Marine Liability wording contains six principal sections of cover:

- Employers' Liability.
- Public Liability.
- Products Liability.
- Material Damage.
- Marine Material Damage.
- Financial Risks.

Customers may select the sections appropriate to their needs, helping ensure that cover reflects their specific risk exposure and requirements. Additional coverages may also be available, including:

- First-party property cover.
- Hull risks.
- Cover for third-party property within the insured's Care, Custody and Control.

Target market

The product is designed for commercial customers operating in the marine industry, including micro-enterprises, SMEs and larger commercial organisations. In addition, the policy is also suitable to individual consumers who own a pleasure craft.

Target trades include:

- Marine component suppliers, retailers and wholesalers.
- Marine engineers.
- Commercial divers.
- Ship and vessel repair yards.
- Stevedores.
- Sole trader oil and gas contractors.

Customer Eligibility:

Customers are eligible where their risk profile aligns with the intended scope of the product. This includes businesses and individuals with marine-related exposures who require cover for liabilities connected to marine operations, associated trades or pleasure craft ownership, subject to the relevant policy terms, conditions and exclusions.

Customer Needs Addressed:

The product meets customer needs by:

- Protecting businesses against injury and property damage liabilities.
- Providing Employers' Liability cover where required by law.
- Allowing insureds to select the sections of cover most relevant to their activities.
- Offering liability protection tailored to marine trades and operations.
- Providing a flexible structure that enables customers to avoid paying for unnecessary cover.

Accessibility and support:

The target market may include customers with vulnerable characteristics, and support should be provided as needed through tailored communication, flexible payment options and access to customer service teams trained to identify and assist those requiring additional support.

Please inform AXIS where you identify that this product has been consistently distributed to customers outside the intended target market.

Types of customers for whom the product would be unsuitable

This product is not suitable for customers outside the Marine Liability market, including non-marine trades, risks outside appetite, or activities not covered by the policy wording.

Any notable exclusions or circumstances where the product will not respond

The exclusions listed below are not exhaustive. Please refer to the policy documents for full details.

Common exclusions vary by section of cover and typically include:

- Terrorism.
- Nuclear.
- COVID-19.
- Cyber.
- Asbestos.
- War.

Each section of cover includes more specific exclusions.

Other information which may be relevant to distributors

As the distributor, you are regulatorily responsible for *ensuring* compliance with all relevant regulations. This includes acting in the customer's best interests to ensure good customer outcomes. Distributors should also consider any changes in circumstances that might make certain product features unsuitable, such as the distribution channel or payment methods.

Distribution Strategy for this Product:

This product can be distributed through Open Market Placements and Delegated Authority arrangements, and can be sold face to face, via distance sales methods or a mix of these, provided that customers receive sufficient, clear and appropriate information to make informed decisions regarding the suitability of the product.

This product may also be distributed via digital platforms, including online portals or broker systems, where appropriate controls are in place to ensure key product information, policy terms, and exclusions are clearly presented to customers prior to purchase.

The product can be sold on an advised or non-advised basis in line with FCA regulations or local regulations if the distributor is regulated outside of the UK**.**

Commission and Fees:

An assessment of the commission structure/ applicable fees paid has been carried out by AXIS and it is deemed to be appropriate and reasonable.

Coverholders must ensure that commission rates do not exceed the maximum limits set out in the Binding Authority Agreement/Underwriting Guidelines. They are also responsible for maintaining ongoing oversight of all broker commissions (where applicable).

If there is any indication that remuneration levels may undermine the value of the product, immediate remedial action must be taken. This includes notifying AXIS without delay.

Brokers are reminded of their own regulatory responsibilities under PROD 4.3.6, particularly in relation to remuneration practices. They must also ensure that all necessary disclosures regarding remuneration are made to the customer.

Where any party in the distribution chain charges a fee, the following principles must be observed:

- The fee must be proportionate to the service provided.
- It must not negatively impact the overall value of the product to the customer.
- The distributor must ensure that AXIS is informed of the fee amount and/or the method used to calculate it.
- The fee must be clearly identified in the statement of price.

How Value is Assessed:

In accordance with our regulatory responsibilities, we have a product review cycle and fair value assessment process across all our in-scope products. The fair value assessments consider product performance against several qualitative and quantitative metrics, including but not limited to:

- Acquisition costs including total commissions, total fees and other distributor information (where it is available).
- Complaints data including root cause analysis
- Cancellation data including cancellation reasons
- Claims information including declinature rates and reasons
- Loss ratios
- Wording reviews (technical and plain English)

Outcome of Fair Value Assessment:

Following a full assessment of the product, we confirm that the product provides fair value to customers in the identified target market and is expected to continue doing so for a

reasonably foreseeable period. The review considered the product features, costs and product performance indicators, including claims outcomes, complaint levels, cancellation rates, remuneration arrangements and customer retention metrics, none of which indicated material fair value concerns.

This assessment will be regularly reviewed in line with regulatory requirements to ensure continued alignment with Consumer Duty and good customer outcomes.

The following is excluded from the review and as a distributor you must consider:

- Any ancillary products sold alongside the product which may affect the product's value or duplicate cover provided with our product
- Any fees or remuneration incurred through product packaging or charged further down the distribution chain to ensure they do not adversely impact the overall product value. If applicable, ensure that any net-rated commission arrangement demonstrates a fair value commission strategy.

Date Fair Value assessment completed	August 2026
Expected date of next assessment	August 2027