



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	Environmental Impairment Liability
Reference [Class of Business]	General Liability
Date	August 2026

Manufacturer Information
Product information This Environmental Impairment Liability suite of products are designed to protect businesses against environmental exposures not adequately covered by traditional policies. It covers pollution and environmental incidents, including bodily injury, property damage, clean-up costs, ecological damage, investigation costs and defence expenses. The product suite includes Pollution Legal Liability (PLL) and Contractors Pollution Liability (CPL) policy forms for a wide range of industries and environmental exposures. Key Features: Pollution Legal Liability (PLL): Offers a range of coverage options which may include historical, future, gradual, sudden and accidental pollution claims, including on-site and off-site clean-up, third-party bodily injury and property damage, ecological damage, emergency and crisis response costs, transportation, non-owned disposal sites, business interruption, illicit waste abandonment, mould, legionella, defence and claims assessment costs. Contractors Pollution Liability (CPL): Offers coverage options for sudden, accidental and gradual pollution conditions, which may include third-party bodily injury and property damage, ecological damage, clean-up, remediation and restoration costs, regulatory loss, emergency and crisis response costs, and defence and claims assessment costs. CPL Project Policy: Provides project-specific environmental protection during construction or development, with coverage options that may include pollution events, remediation, transportation risks, ecological damage, emergency response and defence expenses.
Target market The product is intended for commercial customers, including micro-enterprises and SMEs requiring specialist environmental liability protection. Target sectors include: • Manufacturing and industrial businesses. • Waste and recycling operations. • Transportation, warehousing and logistics businesses. • Energy generation, fuel storage and renewable energy operators. • Healthcare and assisted living facilities. • Commercial property owners, landlords and investors. • Educational institutions and public sector organisations.

- Hospitality and retail businesses.
- Contractors, developers, civil engineering and infrastructure firms.
- Environmental remediation and specialist environmental service providers.

Customer Eligibility:

Applicants must be legal business entities seeking protection against environmental impairment exposures. Policies are distributed through professional intermediaries and are intended for commercial customers requiring specialist environmental liability protection.

Customer Needs Addressed:

The product addresses environmental and regulatory risks faced by businesses by filling gaps in traditional insurance programmes and protecting against environmental liabilities that could otherwise result in significant financial loss.

It provides specialist cover for pollution incidents, remediation costs, environmental damage, regulatory obligations and associated defence expenses across a broad range of industries and territories.

Accessibility and support:

The target market may include customers with vulnerable characteristics, 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

The product is not suitable for:

- Private individuals.
- Consumer customers.
- Risks not involving environmental liability exposures.
- Customers seeking personal insurance protection.
- Businesses that do not require specialist environmental liability coverage.

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:

PLL Policy

Notable exclusions under the PLL policy include asbestos and lead, communicable disease, contractual liability, dishonest, fraudulent or intentional non-compliance, material change, non-disclosure of a pollution condition, non-insurable penalties and damages, nuclear hazards, prior claims, products liability, professional services, property damage, redevelopment, retroactive date, underground storage tanks, voluntary site investigation, war and terrorism, and other policy-specific exclusions.

CPL Practice & Project Policies

Notable exclusions under the CPL Practice and Project policies include automobile, aircraft and watercraft liability, communicable disease, contractual liability, dishonest, fraudulent or intentional non-compliance, employers' liability and workers' compensation, insured versus insured claims, non-insurable penalties and damages, nuclear hazards, owned or occupied property, prior insurance, pollution conditions not related to covered operations, products, professional services, and war and terrorism.

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 basis 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 declination 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