18 August, 2025

Dear Chair

Thank you for the opportunity to attend the Treasury Select Committee evidence session on 8 July, 2025.

During the session I committed to send the Committee some additional information which I have set out below. I'm sharing this information in confidence, and on the basis that it will help to inform the Committee's work. The Committee Specialist has asked that the answers on flooding are also sent directly to Dame Harriet Baldwin MP. This information will be shared today along with an offer to discuss any specific cases in Dame Harriet's constituency.

Should there be any content that you wish to discuss further then please do get in touch with the Public Affairs team: ukpublicaffairs@axa-uk.co.uk

Yours

Jon Walker
CEO, AXA Commercial

<u>Payment via monthly installments</u>

Q) Can you provide figures for how many times someone's missed a monthly payment, and then claimed on their insurance?
A) In the last 12 months:

<u>Missed Payments</u>
For home insurance there were 3,331 policies with missed payments, and of these, there were 132 claims. For motor insurance, there were 49,427 policies with missed payments, and of these, there were 4,179 claims.

Unpaid Missed Payments

For home insurance there were 621 policies with missed payments where the missed payments remain unpaid. Of this number there were 19 claims. For motor insurance there were 13,535 policies where the missed payments remain unpaid, and of these, there were 1,005 claims.

Q) Whether AXA UK believes the 'fact' that 79% of customers in financial difficulty pay via monthly installments is consistent with the Consumer Duty, and if AXA's processes identify this?

A) Our processes are in keeping with Consumer Duty and all our support and communications for those in financial hardship were updated to reflect what the Duty expects of firms.

Travel insurance (AXA Partners)

Q) Can you provide information on travel insurance premiums for customers who have previously had cancer, but at the time of travel do not have cancer: specifically, the length of time a customer has to be in remission, for it not to count as a risk towards their travel insurance premium?

A) Our standard approach is to ask that serious conditions, such as cancer, are declared where the customer has received treatment within the last 5 years.

Where the customer must declare a medical condition, they do not necessarily need to pay extra on their travel insurance premium. As is typical within the travel insurance market, we use a third-party service to assess the risk that the customer's medical condition presents to us in terms of increased frequency of claim and/or the severity that any claim may take. Where the medical condition presented poses no additional risk to us, the customer would not pay any extra above a nominal additional cost to reflect the additional expenses required from an administrative perspective. This process allows most UK consumers to access full insurance including their existing medical conditions. It is also worth noting that our treatment of consumers with cancer in no way differs to other consumers with similar, serious medical conditions such as Angina or COPD. This provides much better coverage than that offered in most other countries where the norm is for travel insurance to exclude all claims related to the reoccurrence of an existing medical condition. Inevitably, this type of approach has an impact on the ability of consumers to travel with financial and physical security.

We are aware of some distribution channels – for example aggregators - where there is a higher, and more onerous, expectation for customers to declare conditions for which they have ever received treatment. We continue to engage with these firms to encourage them to take a more balanced approach when it comes to their expectations of consumers.

Flooding

Q) Would AXA cover businesses in Tenbury Wells, Worcestershire?

A) There will be parts of Tenbury Wells where we will happily provide cover and other parts that present more and / or different risk factors that would be considered as part of our acceptance criteria; as an example:

- **Technical assessment** – scoring in our Geo mapping tool, the nature of the property, such as multi-storey or whether it has a basement, the vulnerability of stock to water damage, for example a steel stockholder presents a lower risk, compared to a pharmaceuticals supplier being a significantly higher risk.
- **Previous experience** - whether the properties have incurred prior losses, what post loss action has been taken by the local authority and the individual property owner, for example diverting water courses, providing concrete flood barriers, raising electrics or raising stock off the floor.
- **The terms on offer** - premium, limits and excesses achievable.
- **Commercial considerations** – such as whether it is a single location exposed to flood, or part of a portfolio of locations owned by the business customer.

Q) Can you provide Information on the wording in policies for flooding cover, specifically use of the word 'sudden' or phrase 'sudden flooding'?

A) For commercial property cover we do not use the word 'sudden' in relation to flood. AXA Retail's (for e.g. home cover) definition of flooding is: A large volume of water coming into the property which is caused by a rapid buildup or sudden release from outside the property. This definition is used to guide customers and help explain what constitutes a flood under normal circumstances. AXA reviews every claim on an individual basis and thoroughly investigates the individual circumstances as part of the process.

Q) Can you provide figures for how many flood claims AXA refuses, and what the reasons are?

A) For our retail business - which includes home cover - since January 2024 we have recorded a total of 272 flood claims and 25 of these claims have been rejected for the following reasons:

- Peril or cause not covered (9)
- Gradual damage over time/ wear and tear (4)
- No customer contact (3)
- Other customer reason (2)
- Claimed value close to excess (2)
- Condition or warranty not met (2)
- Fraud condition (1)
- Impact on policy (1)
- Policy not in force (1)

For our commercial business – which includes business cover – since January 2024 we have recorded a total of 290 flood claims, and five have been rejected for the following reasons:

- Gradual damage over time/ wear and tear (2)
- Item or risk not on cover (1)
- Policy exclusion (1)
- Peril or cause not covered (1)

Gender and ethnicity representation in the industry

Q) Would you provide full figures for gender and ethnicity representation for AXA UK?

A) We report on the gender and ethnicity split and pay gaps. Full details can be found here: axa-uk-gender-pay-gap-report-2024.pdf

Misconduct

Q) Is AXA UK supportive of the FCA's proposals on non-financial misconduct?

A) We are broadly supportive of these proposals and currently reviewing the FCA's recent consultation CP25/18, titled *Tackling Non-Financial Misconduct in Financial Services* (closing 10 September 2025).

Regulatory burden

Q) Can you provide figures for ad-hoc reporting requests from the regulators?

A) From January 2024 to 2025 YTD, AXA UK has received 25 ad-hoc data requests from the FCA & PRA, i.e. in addition to our annual regulatory returns.