



Commercial in Confidence

TARGET MARKET (TM) - ARAG Private Legal Expense Insurance

PRODUCT DESIGN & DISTRIBUTION OBLIGATIONS



TARGET MARKET

Product policy wording	90-W-002_10.2021 ARAG Private Policy Wording
Commencement Date	This Target Market (TM) applies to the product from 01/10/2021 and will continue to apply until this TM is withdrawn.
Product Issuer:	HDI Global Specialty SE – Australia, ABN 58 129 395 544, AFS Licence No 458776 (“HDI Global Specialty”).
Product Distributor:	ARAG Services Australia Pty Ltd, ABN 14 627 823 198, AFS Licence No 513547

ABOUT THIS DOCUMENT

This Target Market (TM) applies to the ARAG Private Legal Expense Insurance described in the policy wording document dated 05/10/2021 and any applicable supplementary information (together the policy wording).

ARAG Services Australia acts under a binding authority as agent for the insurer of this product.

WHAT IS A TARGET MARKET?

This TM provides HDI Global Specialty SE’s distributors and customers information about:

- the customers for whom this product is appropriate (being the target market);
- the customers for whom this product is NOT appropriate;
- any distribution conditions and/or restrictions attaching to the product;
- the reporting obligations of the distributors; and
- the review period(s) and events which may trigger a review.

This TM is not intended to provide any financial product advice to customers on the cover provided. Also, we do not consider any customer’s personal needs, objectives or financial situation in providing any information in this TM.

Terms used in this TM that are defined for the purpose of Chapter 7 of the Corporations Act, have the same meaning as under the Act.

Please note that it is the policy wording that sets out the standard terms and conditions of the cover. This TM does not form part of the terms of the cover. A customer must always refer to the policy wording and any supplementary information before making a decision about the product, to ensure the product is suitable for their needs.

WHAT PRODUCT DOES THIS TARGET MARKET APPLY TO?

This product has eight sections of cover as set out below and has been designed for customers in the target market to provide Legal Expense Insurance that allows pursuit or defence of legal rights arising from an insured event during the period of insurance as follows:

- Personal Injury
- Property or goods
- Tax investigations
- Inheritance law disputes
- Family law disputes
- Consumer contract disputes
- Tenancy disputes
- Employment disputes

The product offers options to enable a customer to tailor the product to suit their individual needs with Silver, Gold and Diamond covers.

ARAG Services Australia policy on its approach to the distribution and development of products for appropriate target market is available at www.arag.com.au/produCts/families.

WHICH CLASS OF CUSTOMERS IS THIS PRODUCT TARGETED TO?

This product is designed for customers with a net worth of less than \$1,800,000 and require pursuit and defence legal expense insurance for:

- Physical bodily injury or death,
- Disputes relating to physical damage to goods and/or property owned or responsible for,
- Tax protection for an audit or Investigation by the ATO relating to personal tax affairs,
- Consultations for inheritance family law disputes,
- Consultations for family law disputes,
- Disputes from written contract agreements buying, hiring or selling consumer goods or services,
- Disputes from a lease or tenancy agreement applying to a main private residence,
- Dispute between the customer and their current, former or prospective employer, arising from a breach or alleged breach of a written contract.

For a customer to be considered within the target market they must meet our key eligibility criteria as outlined in the following.

WHO IS WITHIN THE TARGET MARKET FOR PRIVATE LEGAL EXPENSE INSURANCE?

Customers <u>WITHIN</u> the Target Market (Customers are within the target market if all the following conditions apply)	
✓	Individuals and families with a net worth of up to \$1,800,000 including their primary residence requiring legal expense insurance detailed above

**Customers NOT within the Target Market
(Customers are NOT within the target market if any of the following conditions applies)**

x	Businesses and entities with an ABN or ACN
x	Individuals and families with a net worth of more than \$1,800,000 including their primary residence
x	Customers requiring legal expense insurance for disputes arising from Injury suffered at work or in connection with their work
x	The employment cover is not suitable for directors, officers, elected figures, etc.
x	The employment cover is not suitable for self-employed persons
x	Customers looking for cover for construction contracts valued over \$10,000
x	Customers seeking legal expense insurance for tenancy disputes other than arising from their current place of residence

WHAT DISTRIBUTION CONDITIONS APPLY TO THIS PRODUCT?

The product application process has been designed to guide customers directly to the product most likely to meet their needs and objectives based on their responses to the questions in our product application.

ARAG Services Australia’s staff have been adequately trained in the product, the customer(s) it is intended for and the underwriting criteria applicable to the product.

Distribution Restrictions	<p>This product can only be distributed if the following conditions are met:</p> <ul style="list-style-type: none"> ■ It can only be sold via an insurance broker and cannot be sold directly to the public. ■ The agreement between the insurance broker and ARAG Services Australia sets out the obligations on the broker and ARAG Services Australia to distribute products only to customers within the TM, and the ramification if the product is distributed to customer outside of the TM. ■ The insurance product distributor must; <ul style="list-style-type: none"> – be authorised to distribute the product and those arrangements must not have been cancelled or suspended; – agree to comply with all underwriting criteria and levels of authority (as applicable); – agree to not distribute the product where they receive notice from Us that this TM is not up to date and no new TM has been provided; and
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	<ul style="list-style-type: none"> - where a new TM has been provided, agree to distribute in accordance with the new TM. ▪ The TM is currently not subject to any ASIC action that might suggest that the TM is no longer appropriate. <p>Where an insurance broker provides personal advice in relation to the product it is that broker's responsibility to ensure that acquiring the product is in the best interests of the customer having regard to the customer's objective, financial situation and needs. Accordingly, when personal advice has been provided in relation to the product the obligation under this TM do not apply to the insurance broker or ARAG Services Australia</p>
Distribution Conditions	<ul style="list-style-type: none"> - This product can only be sold via an offer of cover and acceptance of cover. - This product can be sold to customers within the target market without the customer being provided with any financial product advice or, general or personal advice.
Distribution Method	<ul style="list-style-type: none"> - This product can only be distributed by an insurance broker through either online or manual quoting under the agreement between the broker and ARAG Services Australia.

INFORMATION REQUIRED FROM DISTRIBUTORS AND REPORTING PERIODS

Distributors of this product are required to provide HDI Global Specialty SE – Australia with information in relation to the product covered by this TM in the circumstances as set out in the table below. This information the product issuer need to identify, or the product distributor needs to provide to enable the product issuer to assess if the TM is no longer appropriate for this product.

Reportable matters	When
The cover is issued to a customer that was ineligible for cover in accordance with the Application Process.	As soon as practicable after you become aware of the matter, and within 10 business days.
<p>Complaints information</p> <ul style="list-style-type: none"> ▪ The number of complaints the distributor has received about this product in the reporting period. ▪ A short summary of the nature of the complaint raised and any steps taken to address the complaints; and ▪ Any general feedback on this product. <p>Distributors should include sufficient details about the complaint that would allow HDI Global Specialty SE – Australia to identify whether the TM may no longer be appropriate to the class of customers.</p>	<p>Monthly and no later than 10 business days after the agreed complaints reporting date (<i>Complaints Reporting Period</i>).</p> <p>Notification of the complaint within 2 business days after receipt.</p>

Reportable matters	When
There have been any significant dealings by you that are inconsistent with the TM.	As soon as practicable after you become aware of the matter, and within 10 business days.
Communication from a regulator in relation to the product or TM.	Same day

SIGNIFICANT DEALINGS

If an actual or possible significant dealing outside of the target market is identified, HDI Global Specialty SE – Australia requires information such as the date (or date range) the dealing occurred, details about the dealing(s) and any steps or actions taken to mitigate.

Distributors should have regard to current ASIC guidelines when determining what may constitute a significant dealing.

ARAG Services Australia will notify HDI Global Specialty SE – Australia of any significant dealing in the Product that is not consistent with the TM as soon as practicable (within 10 business days). This includes but is not limited to a consideration of the nature and degree of harm resulting from the issue of this Product to a retail customer.

WHEN WILL WE REVIEW THIS DOCUMENT?

The initial review of this TM will occur no later than 12 months from the date this TM is first published, or within 10 business days if an event or circumstance (Review Trigger) occurs which would reasonably suggest that the TM is no longer appropriate.

This TM will then be reviewed at least every 24 months after the end of the previous review or agreed otherwise by HDI Global Specialty SE – Australia.

OTHER CIRCUMSTANCES WHICH MIGHT REQUIRE US TO REVIEW THIS DOCUMENT?

Outside of the identified review period this TM may be reviewed more regularly if an event or circumstance is identified that may reasonably suggest that the product is no longer suitable to the target class of customers and would trigger a review. These would include, but are not limited to, us becoming aware of:

- an event or circumstance that would materially impact on or change a factor taken into account when making the TM that would suggest to Us that the TM is no longer appropriate, such as a change in underwriting requirements;
- the product has materially not been distributed and purchased in a way that is significantly inconsistent with this TM;
- a material change to the product including Product Disclosure Statement, Policy Wording information or assumptions upon which the TM was formulated like the Application Process, pricing requirements, underwriting guidelines;
- feedback, such as significant or systemic complaints or claims issues, received from insurance brokers, distributors or customers who purchased the product, which are of a nature that suggest to us that the TM is no longer appropriate;
- change of relevant law, regulatory guidance, industry code or feedback from regulators such as ASIC, APRA or other interested parties which has a material effect on the terms or distribution of the product.