

ARX ASSET PROTECT - STRATA INSURANCE TARGET MARKET DETERMINATION

This target market determination (**TMD**) relates to the strata insurance arranged by ARX Placement Solutions Pty Ltd (**ARX**) as an agent of the insurer(s), underwriting this policy, who are Mitsui Sumitomo Insurance Company, Limited ABN 49 000 525 637 (Australian Financial Service Licence No. 240816).

This TMD has been designed to help our customers, representatives and our staff understand who ARX Asset Protect is most suitable for (**target market**).

This TMD also describes:

- > Who our product is not suitable for;
- > How the product can be distributed to our customers;
- > How often we will review this TMD and when the next review will be;
- > The events and circumstances that could mean we need to review whether this TMD is still appropriate;
- > The information we would need in order to decide that this TMD is no longer appropriate; and
- > How we record information related to the product and how this information is reported.

If you are considering whether to purchase ARX Asset Protect, please refer to the Product Disclosure Statement (**PDS**) to decide whether the product is right for you.

1. EFFECTIVE DATE AND OPERATION OF TMD

This TMD is current as at 1 April 2025 and will continue to apply until it is replaced or withdrawn. We may review this TMD at any time.

2. PRODUCT DESCRIPTION

The target market for ARX Asset Protect is body corporates and lot owners of buildings which form part of strata schemes, community title schemes and have common property, such as apartments, townhouses and offices in Australia. The insurance responds to accidental loss or damage to the building and common contents during the period of insurance.

ARX Asset Protect comes with a number of additional benefits such as cover for things like alterations and additions, arson reward, capital additions, common contents, communication costs, claims preparation costs, additional utility charges, unauthorised utility costs, emergency accommodation/meal costs, emergency costs to minimise losses, environmental upgrade, expediting costs, failure of services, fallen trees, fire extinguishment, funeral expenses, landscaping, meeting room hire, medication, mortgage costs, pets and security dogs, property of others, purchaser's interest, strata-levels/maintenance feeds, temporary protection, title deed and travel costs.

Additional coverage can be provided with this policy on an opt-in basis includes damage caused by water and other liquids and / or damage by storm (but not flood).

Other optional benefits are also available, for example, loss of rent/temporary accommodation, catastrophe cover, floating floors and flood. Refer to the PDS for this product for full details.

3. WHO IS THE TARGET MARKET FOR THIS PRODUCT

ARX Asset Protect has been designed for strata corporations who are required to obtain insurance over the building, common property and common area contents of a strata or community title scheme.

3.1 THIS PRODUCT IS SUITABLE FOR:

- > A body corporate, corporation, owners corporation of a residential or commercial building on a strata title,
- > community title or similar property scheme in Australia;
- > Meeting the legislative requirements to have the building insured for loss or damage to the building, at its replacement value;
- > Community title and strata schemes including where the building or units/apartments in the building may be for holiday rental, holiday letting, short term rental and home sharing schemes;
- > The unit/lot owners and the body corporate require protection for loss or damage to the building's common contents: and
- > The body corporate, corporation, owners' corporation will fund the payment of the premium and excess by collecting levies from the unit/lot owners.

3.1 THIS PRODUCT IS NOT SUITABLE FOR:

- > Individual lot or unit owners who wish to insure their personal or business contents or removable fixtures contained within an individual lot/unit in a building.
- > Strata or community title schemes that require insurance for a residential strata property that is or become majority empty or disused for a continuous period in excess of sixty (60) days or more (unless it is inspected once in every seven (7) days).

3.1 LIKELY OBJECTIVES, FINANCIAL SITUATION AND NEEDS

This product has been designed to meet the objectives, financial situation and needs of strata corporations that:

- > Are required by law to have insurance for accidental loss, destruction or damage to buildings (including common contents and damage to a lot/unit under a strata title, community title or similar property scheme in Australia;
- > Require financial protection for other related benefits such as loss of rent/temporary accommodation, catastrophe, floating floors, flood, damage by water or other liquids or storm as optional benefits.

4. DISTRIBUTING THIS PRODUCT

We have designed ARX Asset Protect so it can be distributed by ARX through brokers and strata managers that are appointed as authorised representatives or general insurance distributors by an Australian financial services licence holder. ARX does not offer this insurance direct to body corporate, corporation or owners' corporation.

5. REVIEWING OUR TARGET MARKET

It is important that we review this TMD to make sure it is appropriate for the needs of potential and existing customers. When we review this TMD, we will consider information collected by representatives. This information includes:

- > Eligibility for cover;
- > Sales information;
- > Customer information;
- > Claims information;
- > Feedback and complaints; and
- > Renewals and cancellations.

We will review this TMD when a review trigger occurs as outlined below. We will also review this TMD annually from the publication date to ensure it is still appropriate.

6. REVIEW TRIGGERS

Certain events and circumstances taking place could mean that a review should take place earlier than the annual review. This is because the TMD could no longer be appropriate. These events and circumstances are called review triggers. Below is a list of **review triggers** for this TMD:

- > We make a significant change to the eligibility criteria for the insurance;
- > We make a significant change to the insurance including the cover provided;
- > We make a significant change to the way the insurance can be distributed by the strata managers or insurance brokers that ARX has partnered with;
- > We receive a significant number of complaints;
- > We receive a significant number of claims;
- > We identify that ARX or the strata managers or insurance brokers that ARX has partnered with have been offering and selling the insurance outside of the target market or in a way that does not meet the distribution conditions for the TMD.

Our distributors also consider whether a review trigger has taken place. If they think an event or occurrence is a review trigger, they must tell us within 10 business days.

If we decide we have enough information to identify that a review trigger has occurred, we will review this TMD within 10 business days of our decision.

7. RECORDS

We will keep records of any actions we take to make sure this product is distributed only to customers who fit this TMD. We will also keep records of any decisions and reasons for:

- > The TMD for the insurance;
- > How we set review triggers;
- > How we decide if a review trigger has taken place;
- > How often we review this TMD;
- > The general information in this TMD.

8. REPORTING

We record all complaints that we receive about ARX Asset Protect. Our representatives must also record any complaints related to the insurance. They must report these complaints to us monthly.

If our distributors believe that the insurance has been sold to a person who does not fit with this TMD, they must report this to us within 10 business days.

CONTACT US

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