

ARX ANCILLARY PROTECT

Target Market Determination

This target market determination (TMD) relates to the insurance arranged by ARX Placement Solutions Pty Ltd (**ARX**). References to “we”, “our” and “us” in this document mean the insurers underwriting this policy. For Sections 1, 2, 3, 5, 6 and 7 of the Policy, the insurer is Mitsui Sumitomo Insurance Company Limited ABN 49 000 525 637 (**MSI**) (Australian Financial Services Licence No. 240816) and for Section 4 of the Policy, the insurer is Allied World Assurance Company, Ltd (Australia Branch) ABN 54 163 304 907 (**AWAC**) (Australian Financial Services Licence No. 548668).

This TMD has been designed to help our customers, representatives and our staff understand who ARX Ancillary Protect is most suitable for (target market). It is not intended to provide financial advice and does not form part of the terms of ARX Ancillary Protect. In addition to the key eligibility requirements outlined in this TMD, the product is subject to acceptance criteria as determined by the insurers from time to time.

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 Ancillary Protect, please refer to the Product Disclosure Statement (**PDS**) to decide whether the product is right for you. Please use the PDS to understand the meaning of any other capitalised terms used in this TMD which are not defined in this document.

1. EFFECTIVE DATE AND OPERATION OF TMD

This TMD is current as at 30 March 2026 and will continue to apply until it is replaced or withdrawn.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 ancillary protect is strata corporations in Australia seeking to be insured for one or more of the following:

Cover	Description
Liability	Cover for compensation costs payable in respect of Personal Injury or Property Damage that occurs in connection with the Business, being the ownership of the strata titled property including common property and any other activity at the premises that is agreed with the relevant insurer and ARX.

Fidelity	Cover for loss incurred as a result of Fraudulent Misappropriation of funds.
Office Bearers' Liability	Cover for loss arising from a Wrongful Act which results in a claim made against an Office Bearer.
Voluntary Workers	Cover for injury sustained by a Voluntary Worker.
Government Audit Costs*	Cover for Audit Costs (up to completion of such Audit).
Legal Expenses*	Cover for Legal Expenses incurred in defence of a claim.
Workplace Health and Safety Breaches*	Cover for Legal Expenses in relation to a Workplace Proceeding.

Covers marked with an asterisk (*) are insured on a claims made basis, meaning ARX Ancillary Protect only protects those claims that are made against an Insured and reported to the relevant insurer during the Period of Insurance. Subject to certain conditions being met, the relevant insurer may agree to accept claims reported after the Period of Insurance.

Additional benefits may be available under certain covers for things like legal costs, court appearances, advancement of defence costs, reinstatement of sums insured, domestic assistance, funeral expenses, miscellaneous expenses and travel expenses.

Extensions of coverage are also available provided they are observed and fulfilled and are subject to the terms, conditions and exclusion of ARX Ancillary Protect. These extensions include cover for others, recreational activities, services, car parks, strata managers defence, continuous cover, extended period of insurance, cross liability and appeal proceedings.

ARX Ancillary Protect is subject to limits, terms, conditions and exclusions. In particular,

- > ARX Ancillary Protect is underwritten by two (2) insurance companies and each insurer is liable under the policy for claims made under the Section(s) they have agreed to underwrite. The insurers are not acting as co-insurers for all Sections of the policy;
- > If you elect to continue any legal proceedings against our recommendations, our liability to you will be reduced;
- > You are covered for claims relating to your duly appointed Strata Manager if you have not directly authorised the act, error or omission from which the claim arose;
- > There is no cover for legal liability arising directly or indirectly from an Act of Terrorism, Cyber Act or Cyber Incident; and
- > Specific exclusions apply in respect of each Section of the policy.

Refer to the PDS for this product for full details.

3. WHO IS THE TARGET MARKET FOR THIS PRODUCT

ARX Ancillary Protect has been designed for strata corporations who wish to have protection for costs in relation to claims relating to liability for Personal Injury or Property Damage, fidelity, Office Bearers' liability, Voluntary Workers, Government Audit Costs, Legal Expenses and Workplace Health and Safety breaches arising from the Business.

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 wishing to protect their liability to others for certain costs for which it may become liable or claims that are made against it, in connection with the Business;
- > The body corporate, corporation, owners' corporation who can fund the payment of the premium, deductible(s) and any costs above any applicable limits under the terms of the insurance from their own financial resources by collecting levies from the Unit/lot owners.

3.2 THIS PRODUCT IS NOT SUITABLE FOR:

- > Individual lot or unit owners who wish to insure damage to the Building or their personal or business contents or removable fixtures contained within an individual lot/Unit in a building.
- > Customers whose property is located on a land title that is not a strata or company title (e.g. Torrens title or leasehold).
- > Strata corporations who are seeking cover for costs incurred in relation to certain acts, events, injury or alternatively are seeking cover for other types of losses, that are excluded under the terms of ARX Ancillary Protect, including but not limited to:
 - Lawful confiscation, nationalisation, requisition or destruction of property;
 - Loss or damage in connection with Cyber Act or Cyber Incident;
 - Liability caused by or arising out of Electronic Data;
 - Defamation;
 - Personal Injury of employees;
 - Claims brought against an Insured in a court of law outside of Australia or an Australian Court applying a foreign law;
 - Injury or damage that does not happen in connection with the Business (for example, as a result of theft or natural disaster);
- > Strata corporations who cannot afford to pay the applicable premium or Deductibles.

3.3 LIKELY OBJECTIVES, FINANCIAL SITUATION AND NEEDS

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

- > Seek to financially protect themselves against claims for compensation or the types of costs available under ARX Ancillary Protect within the limits provided for in ARX Ancillary Protect, which arise in connection with the Business, and which are not excluded under the terms of ARX Ancillary Protect;
- > Are likely to experience a financial burden as a consequence of significant costs associated with such costs or claims for compensation and do not have the resources, ability or desire to 'self-insure' those risks, but have the financial resources to pay for the annual cost of ARX Ancillary Protect and any Deductible that may be payable; and
- > Require financial protection from a number of key risks associated with the Business.

In particular:

- > ARX Ancillary Protect provides cover for key liability risks for strata corporations;
- > ARX Ancillary was specifically designed for strata corporations with the key attributes described above;
- > ARX Ancillary's pricing structure, including premium, is designed to be generally affordable for the target market;
- > ARX Ancillary's exclusions and limitations are aligned with the risk profile and expectations of the target market, and are clearly disclosed to support informed decision-making; and
- > the distribution conditions and methods are structured to ensure the product is offered only to body corporates and lot owners whose circumstances and attributes are consistent with the TMD.

4. DISTRIBUTING THIS PRODUCT

We have designed ARX Ancillary Protect so it can only 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. By virtue of their profession, brokers and strata managers have a clear understanding of the protection offered by ARX Ancillary Protect, which will ensure the product is distributed to the appropriate target market. 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.

Our representatives must report this information to us monthly.

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 or this product is no longer consistent with the likely objectives, financial situation and needs of people in the target market. 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 benefits or exclusions;
- > 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 or feedback relating to the appropriateness of this product for the target market;
- > We receive a significant number of claims, which may suggest the product is not performing appropriately for the target market;
- > We note significant changes in other metrics relating to the suitability of the product for the target market, including but not limited to claims ratios, number of policies sold, policy lapse and cancellation rates, average claims duration, claims denied and withdrawn and the nature and number of complaints;
- > We become aware of a material defect in the PDS for the product which reasonably suggests that the TMD is no longer appropriate;
- > 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;
- > There is a change in law or regulatory guidance or industry code which may materially affect the terms of the insurance or distribution or regulatory feedback or concerns raised to suggest the TMD may no longer be appropriate;
- > We become aware of any significant dealings which indicate that the product was sold to someone who is outside the target market; or
- > We receive feedback, orders or directions from a regulator or external dispute resolution body like AFCA that suggests this TMD is no longer appropriate.

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 within the target market described in this TMD, they must report this to us within 10 business days.

CONTACT US

For more information, please contact us:

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