

# 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) and the other co-insurers specified in the Supplementary PDS and your policy schedule (collectively the **Insurers**). Reference to “we”, “us”, “our” in this TMD is a reference to the Insurers.

This TMD has been designed to help our customers, representatives and our staff understand who ARX Asset 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 Asset 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 Asset Protect, please refer to the Product Disclosure Statement (**PDS**) to decide whether the product is right for you. Please use the PDS and any Supplementary 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This TMD is current as at 30 March 2026 and will continue to apply until it is replaced or withdrawn.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 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 as well as damage to lot owner’s improvements resulting from events covered under the policy.

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, modifications, money, mortgage costs, pets and security dogs, property of others, purchaser’s interest, strata-levels/maintenance fees, temporary protection, title deed, travel costs, loss of key and fusion.

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

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 who wishes to meet 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;
- > Policyholders who either do not require insurance for damage caused by storm or water / other liquids or who are willing to apply for extra insurance benefits for these things and will pay additional premium for that insurance;
- > The body corporate, corporation, owners' corporation who can fund the payment of the premium, deductible(s) and any uninsured costs 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 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 unoccupied or disused for a continuous period in excess of sixty (60) days or more (unless it is inspected once in every seven (7) days).

#### 3.3 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; and
- > May face financial difficulty if they need to pay for the cost of accidental loss, destruction or damage to buildings upfront or out of pocket but can afford to pay any excess and premium or any other associated costs when making a claim under this product.

In particular:

- > ARX Asset Protect provides cover for key property risks for strata buildings;
- > ARX Asset Protect was specifically designed for body corporates and lot owners of strata buildings with the key attributes described above;
- > ARX Asset Protect's pricing structure, including premium, is designed to be generally affordable for the target market;
- > ARX Asset Protect'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 Asset Protect so it can only be distributed by ARX through brokers and strata managers that are appointed as authorised representatives or general insurance distributors under ARX's Australian financial services licence. By virtue of their profession, brokers and strata managers have a clear understanding of the protection offered by ARX Asset Protect, which will ensure the product is distributed to the appropriate target market. ARX does not offer this insurance directly to a 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.

ARX 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. 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 relating to the suitability of the product for the target market, including but not limited to number of policies sold, policy lapse and cancellations
- > 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;
- > We become aware of any transactions which indicate that the product was sold to someone who is outside the target market; or

> We receive a regulatory directive that this TMD is no longer appropriate.

Our distributors are also obliged to advise us within 10 business days when a review trigger event occurs.

## 7. RECORDS

We will keep records of any actions we take to make sure this product is distributed only to customers who fall within this TMD. We will also keep records of any decisions made about the TMD for the including and the reasons for those decisions. We will also record:

- > How we set review triggers;
- > How we decide if a review trigger has taken place;
- > How often we review this TMD;
- > General information about this TMD.

## 8. REPORTING

We record all complaints that we receive about ARX Asset Protect. ARX 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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