

Target Market Determination

Product: Accidental Damage Home & Contents Insurance Combined Product

Target Market Determination Effective date: 5th October 2021

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About this Target Market Determination

This Target Market Determination (TMD) is a determination that MHIA has made to:

- describe the target market of customers this product has been designed for;
- specify how we distribute the sales and service of the policy;
- specify TMD review periods and triggers; and
- set out reporting requirements.

This TMD assists MHIA staff and customers in understanding the target market for this product.

In this TMD, distribution includes the following conduct in relation to retail customers:

- dealing in the product (e.g. issuing or arranging for the product to be issued to a customer);
- giving a PDS or other regulated disclosure document; and
- providing financial product advice in relation to the product.

What product does this TMD apply to?

This TMD applies to the Accidental Damage Home & Contents Insurance Combined Product. This TMD separately sets out the target market for the:

- home insurance product; and
- contents insurance product.

Key attributes of this product

The following key terms, features and attributes of the Accidental Damage Home & Contents Insurance Combined Product affect whether it is likely to meet the likely objectives, financial situation and needs of the target market:

- Customers have a choice to cover loss or damage to their home or contents (or both) during the period of insurance caused by a range of insured events such as storm, fire (including bushfire), escape of liquid and theft or burglary;
- The Accidental Damage Home & Contents Insurance Combined Product includes legal liability cover for having to pay compensation for death or bodily injury to other people, or loss or damage to their property arising from an incident which happens:

- anywhere in Australia, if customers live at the insured address; and
- anywhere in the home park, if customers do not live at the insured address;
- Customers can nominate the amount of cover for their home or contents relevant to their personal circumstances.

Full details of the cover available are set out in the Product Disclosure Statement which can be found at mhia.com.au

Who is the target market for this product?

Customer objectives

The home insurance product is designed for customers who require financial protection for:

- loss or damage caused by an incident involving their home; and
- liability to pay compensation for death or bodily injury to other people, or loss or damage to their property.

The contents insurance product is designed for customers who require financial protection for:

- loss or damage to the contents of their home; and
- liability to pay compensation for death or bodily injury to other people, or loss or damage to their property.

Eligibility

The home insurance product is suitable for customers who:

- own a home on a rented allotment within a village style complex; and
- use the home primarily for domestic purposes.
- The home insurance product is not suitable for:
 - homes outside of Australia.
 - homes that are not in good condition.

The home insurance product is likely to be consistent with the likely objectives, financial situation and needs of the customers in the target market as the product provides:

- cover to contribute to the repair or replacement of their home following loss or damage from an incident such as storm, fire (including bushfire), escape of liquid, and theft or burglary;
- financial protection if customers are sued for property damage or bodily injury to another person; and
- financial support in relation to other costs that may occur when customers make a claim, such as emergency work or temporary repairs, replacement of locks and keys in the event of theft, and temporary accommodation.

The contents insurance product is suitable for customers who:

- have home contents that are kept at a home on a rented allotment within a village style complex.
- reside in or rent out the home where the home contents are kept,
- use the home primarily for domestic purposes.

The contents insurance product is not suitable for:

- contents kept away from the insured address.
- contents kept outside Australia.
- contents used for business purposes.

The contents insurance product is likely to be consistent with the likely objectives, financial situation and needs of the customers in the target market as the product provides:

- cover to contribute to the repair or replacement of their contents following loss or damage from an incident such as storm, fire (including bushfire), escape of liquid, and theft or burglary; and
- financial protection if customers are sued for property damage or bodily injury to another person;

When will we review this TMD?

We will complete a review of this TMD for this product by no later than the following periods:

First review period

2 years after the original date of the TMD.

Ongoing review periods

At least every 2 years following the first review period.

Other circumstances which will trigger a TMD review

The Review Triggers for this product are:

- if one or more terms of the product are altered and we consider that this alteration reasonably suggests that this TMD is no longer appropriate;
- an event or circumstance occurs that materially changes a factor considered when making the TMD that would suggest to us that the TMD is no longer appropriate, such as a change in underwriting requirements;
- the discovery of a material defect in the PDS which reasonably suggests that the TMD is no longer appropriate;
- if feedback, such as significant or systemic complaints or claims issues, is received from a distributor or customers who purchased the product, and we consider that this reasonably suggests to us the TMD is no longer appropriate;

- if feedback, regulatory orders or directions received from a regulator, the Code Governance Committee (CGC) or Australian Financial Complaints Authority (AFCA) suggest this TMD is no longer appropriate;
- if a change in law, regulation, or regulatory guidance that materially affects the product design or distribution of the product (or class of products that includes this product) where we consider that this reasonably suggests that this TMD is no longer appropriate;
- where significant dealings outside the TMD occurs, and we consider that this reasonably suggests that this TMD is no longer appropriate;
- if a remediation event relating to this product occurs where we consider this would reasonably suggest that:
 - this product is unsuitable for a particular cohort of customers; and
 - the TMD may no longer be appropriate.
- if we consider that the claims data for the product reasonably suggests that this TMD is no longer appropriate.

What distribution conditions apply to this product?

The following conditions apply to the distribution of this product to ensure that it is only sold to customers in the target market:

- Distribution of this product must comply with all of the insurers' underwriting criteria, based on risk-based questions about:
 - the location of the customer's home & contents;
 - the type of building at the insured address;
 - whether the building is primarily used to operate a business; and
 - whether the building at the insured address is well maintained and in a good condition.;
- Distribution of this product must be conducted only through our website (mhia.com.au), our telephone centre or in our office;
- Materials will be produced explaining and documenting the covers designed for customers in the target market.
- Training and authorisation is given to the employees responsible for distributing this product to ensure they understand the market the product has been designed for and the relevant acceptance criteria;
- Systems and processes are in place to support the application of the assessment criteria;
- Controls are in place to restrict marketing and sales conduct to those outside the target market.

These distribution conditions make it likely customers who are issued the product are in the target market because they are supported by reasonably appropriate platform controls, training and scripting designed to ensure that the product is distributed to persons within the target market.

Reporting and monitoring this TMD

Complaints

All complaints in relation to this product on a monthly basis. This will include written details of the complaints.

Sales data

Relevant sales and customer data in relation to this product on a monthly basis.

Claims data

Where relevant, claims data in relation to this product on a monthly basis.

Significant dealings

Report if we or they become aware of a significant dealing in relation to the product that is inconsistent with the TMD within 10 business days.