



The ReddiFund Income Protection Plus Discretionary Trust

TARGET MARKET DETERMINATION (TMD)

This TMD applies to the ReddiFund Income Protection Plus Discretionary Trust ('the Trust') as described in the Product Disclosure Statement issued by Alternative Risk Management Services Pty Ltd (incorporating any applicable Supplementary Product Disclosure Statement) ('PDS') in relation to cover provided to retail clients.

This TMD has been prepared by Alternative Risk Management Services Pty Ltd ABN 70 649 963 191 and AFSL 530893, the product issuer and trustee of the Trust (we, us, our).

TMD publication date 29 August 2023

TMD effective date 1 September 2023

Important information about this TMD

The Corporations Act 2001 (Cth) ('Corporations Act') requires us to make this TMD and include certain information in it. Any terms used in this TMD that are defined in the Corporations Act have the same meaning as in the Corporations Act.

This TMD is not intended to be a consumer facing disclosure document and does not form part of the terms of the product.

Any information or examples given in the TMD must not be read as a complete list of eligibility or the standard terms and conditions and limitations that apply to the product.

A retail client must refer to the PDS, any associated insurer's policy wordings and documents to understand the terms and conditions of the product. The PDS and the insurer's policy wording (including, if applicable, the insurer's PDS) are provided to retail clients through Howden Insurance Brokers (Australia) Pty Ltd ABN 79 644 885 389, AFSL 539613 or other representatives appointed by us.

This TMD does not consider any person's individual needs, objectives or financial situation and does not provide financial product advice or recommendation on the cover.

This product is designed to offer cover to a class of retail client whose likely needs, objectives and financial situation are aligned to those below.

Summary of key attributes of product and key likely needs, objectives and financial situation of target market they meet

This product is made up of two parts:

- The Trust Cover. This is risk cover, but it is not insurance because the trustee has discretion whether or not to pay a claim and how much to pay; and
- The Insurance Cover, which is insurance. A member of the Trust has a third party beneficial interest in the insurance policy which is purchased by the trustee for the Trust and its members and is subject to the terms and conditions of the insurer's policy.

This product has been designed for consumers in the target market as set out below and has been established to help manage the risk for member's (of the Trust) risk of loss of income, death and disability due to injury or illness 24 hours a day, seven days a week (but excluding any work related injury or sickness).

Who is our target market for the product?

To be eligible, a person must be **all** of the following:

- ✓ a member of ReddiFund Limited ABN 98 009 404 273 ('ReddiFund') or the Construction, Forestry, Maritime, Mining & Energy Union (CFMEU) or an employer who has an enterprise bargaining agreement with the CFMEU; and
- ✓ a contributing member of the Trust; and
- ✓ a person who meets the eligibility criteria for the issue (including new business, renewals and variations as applicable) of the product that has been approved by us in writing.

The target market includes employees of contributing members of the Trust or under a specific enterprise bargaining agreement.

Examples of who isn't in our target market

By way of example if **any** of the following apply and at a very high level only, **a person won't be in the target market if they:**

- ✗ are not a member of ReddiFund or the CFMEU or an employer who does not have an enterprise bargaining agreement with the CFMEU; or
- ✗ are not a contributing member of the Trust; or
- ✗ does not meet the eligibility criteria for the issue including new business, renewals and variations as applicable) of the product that has been approved by us in writing; or
- ✗ want insurance protection rather than discretionary cover in respect of their injury and sickness risks; or
- ✗ cannot afford the contributions or for whom the payment options are not suitable; or
- ✗ want injury and sickness cover for higher limits; or
- ✗ cannot afford to pay the deductible amount(s) we offer or want a lower deductible to apply.

Please note that although a person falls within our target market, this does not necessarily mean that the cover is right for their individual needs, objectives and financial situation. It is important that the person takes into consideration the PDS and other information provided by us as well as the insurer's policy wording and the insurer's PDS (and/or seeks professional advice) before making their decision.

Distribution Conditions

Cover can only be issued by us to a retail client and distributed by Howden Insurance Brokers (Australia) Pty Ltd ABN 79 644 885 389, AFSL 539613 ('Insurance Broker').

The Insurance Broker must not engage in retail distribution conduct in relation to this product if we have notified them or they are aware that, the TMD is no longer appropriate, has been replaced or the product has been suspended or is no longer offered.

The Insurance Broker distributing this product must not engage in retail distribution conduct unless it has been authorised in writing by us to do so and this authority has not been cancelled or suspended.

TMD Review

The TMD will be reviewed within twelve (12) months from the TMD publication date and subsequently every 24 months, unless agreed otherwise, after the end of the previous review. We will also review the TMD within 10 business days of becoming aware of a Review Trigger (specified below) and where otherwise required by law.

Review Triggers

There are events or circumstances that, if identified to or by us as part of our product review framework (or otherwise), including:

- the nature and number of complaints, complaints data and trends;
- customer feedback and testing;
- number of cancellations and lapses of the product;
- data on product claim ratios, the number, nature and magnitude of claims paid, denied and withdrawn and average claim duration;
- information received by and in relation to distributors;
- feedback from a regulator such as ASIC or APRA or other interested parties such as AFCA, the Insurance Council of Australia and the Code Governance Committee;
- changes to information or circumstances we took into account when developing the TMD, such as changes to our eligibility criteria, a material change to the design or distribution of the product and/or our or the insurer's Product Disclosure Statement, the insurer's underwriting guidelines, pricing, or the number of products sold, including penetration rates; or
- any significant dealings that are inconsistent with the TMD,

reasonably suggest that it is no longer reasonable for us to conclude that if the cover were to be issued:

- to a retail client in accordance with the Distribution Conditions, it would be likely that the retail client is in our target market; or
- to a retail client in our target market, it would likely be consistent with the likely objectives, financial situation and needs of the retail client.

Regulated Persons Reporting

The Insurance Broker who has engaged in retail product distribution conduct in relation to the product covered by this TMD is required to report the following information to us at arms.pacific@howdengroup.com as soon as practical and in any case within 10 business days of forming a view or becoming aware of the dealing:

- Information on when cover was issued to a retail client that was ineligible for cover in accordance with our approved eligibility process and reasonable details on the circumstances related to this.
- Information on any significant dealings by you that are inconsistent with the TMD and reasonable details on the circumstances related to this.
- Information on any feedback from a regulator such as ASIC, or other interested parties such as AFCA, related to the product.
- Information on the number of complaints you have received about the product in the month (including if nil) and reasonable details on the circumstances related to the complaint.
- Information as agreed by you in writing with us that would reasonably to enable us to promptly identify Review Triggers or other events and circumstances that have occurred which would reasonably suggest the TMD is no longer appropriate in accordance with the Corporations Act.
- Information identified to or by you that would reasonably suggest to you that the TMD is no longer appropriate in accordance with the Corporations Act.

Records and reporting

In addition to the reporting by Regulated Persons mentioned above, each year we will collect and examine data relevant to the review triggers described in this TMD, including data regarding the number and types of complaints received and the number of products issues, renewed, varied or cancelled in the preceding twelve months.