



The Kennards Discretionary Trust

TARGET MARKET DETERMINATION (TMD)

This TMD applies to the Kennards 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) ('the 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).

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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 coverage wordings and documents to understand the terms and conditions of the product. These documents are provided to retail clients through Howden Insurance Brokers (Australia) Pty Ltd ABN 79 644 885 389, AFSL 539613 and/or Kennards Storage Management Pty Limited ABN 109 442 917, Authorised Representative No. 001305932 ('Kennards') 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 consists of Trust Cover. This is risk cover, but it is not insurance because the trustee has a discretion as to whether or not to pay a claim and how much to pay.

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) physical loss, destruction or damage to goods held in storage with Kennards, subject to the terms of coverage outlined in the PDS.

Who is our target market for the product?

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

- ✓ customers who rent a self-storage unit from Kennards within Australia to store their personal or commercial goods and who want to purchase Trust Cover in accordance with the terms of the PDS; 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.

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 customers who rent a self-storage unit from Kennard's within Australia to store their personal or commercial goods; or
- ✗ do not want to purchase Trust Cover in accordance with the terms of the PDS; or
- ✗ are not a contributing member of the Trust; or
- ✗ do 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
- ✗ store hazardous goods in the storage facility, such as fireworks, explosives, flammable or chemical goods; or
- ✗ are seeking cover for:
 - ✗ Physical loss, destruction of or damage to the Property Insured or any legal liability of whatsoever nature, directly or indirectly caused by or contributed to, by or arising from:
 - ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 - ✗ Any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:
 - mould, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless where there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, clean-up, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

- ✗ Any unexplained or inventory shortage or disappearance;
- ✗ Physical loss, destruction or damage caused or contributed to be incorrect packing or stacking of storage within your locked storage;
- ✗ Currency, deeds, securities, money, notes, jewellery, watches, precious stones, gold, precious metals, furs or garments trimmed with fur;
- ✗ Livestock/animals;

- ✘ Motor vehicles and motorcycles;
- ✘ Boats or watercraft or aircraft;
- ✘ Any flammable liquid, gas or oil such as petrol, kerosene, LPG, aerosols, diesel fuel or engine oil, any corrosive chemicals or nitrates such as chlorine, sulphuric acid or fertiliser;
- ✘ Biological and chemical materials;
- ✘ Tobacco or cigarettes;
- ✘ Paint;
- ✘ Tyres in bulk;
- ✘ Hazardous goods in the storage facility, such as fireworks, explosives, flammable or chemical goods;
- ✘ Alcohol, wine or beer unless it is stored in a temperature, humidity and light controlled environment;
- ✘ physical loss, destruction or damage to your goods which is caused by its own:
 - moths, termites or other insects, vermin, rust or oxidation, contamination or pollution, wet or dry rot, corrosion, change of colour, dampness of atmosphere or other variations in temperature, evaporation, disease, inherent vice or latent defect, loss of weight, change in flavour texture or finish, smut or smoke from industrial operations (other than sudden and unforeseen damage resulting therefrom); or
 - wear and tear, fading, scratching or marring, gradual deterioration or developing flaws, normal upkeep or making good; or
 - error or omission in design, plan or specification or failure of design; or
 - normal settling, seepage, shrinkage or expansion in buildings or foundations, walls, pavements, roads and other structural improvements, creeping, heaving and vibration; or
 - faulty materials or faulty workmanship
- ✘ mechanical breakdown, electrical breakdown, fault, inherent defect, omission or design.
- ✘ physical loss, destruction or damage directly or indirectly resulting from damage to any asbestos related material at the storage premises;
- ✘ physical loss, destruction or damage directly or indirectly resulting from pollution or contamination;
- ✘ physical loss, destruction or damage directly resulting from communicable disease meaning any disease which can be transmitted by means of any substance or agent from any organism to another organism including but not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
- ✘ physical loss, destruction or damage directly resulting from detention, confiscation, destruction or requisition by customs or other authorities;
- ✘ physical loss, destruction or damage caused by any consequence of war, invasions, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority;

- ✘ physical loss, destruction, damage or liability caused by or arising from radioactivity or the use, existence or escape of any nuclear fuel, nuclear waste, or nuclear material;
- ✘ loss of profits or legal liability of any kind;
- ✘ flood, which means the covering of normally dry land by water that has escaped or been released from the normal confines of:
 - any lake, or any river, creek or other natural watercourse, whether or not altered or modified; or
 - any reservoir, canal, or dam;

This exclusion does not apply if the loss, destruction or damage is caused by or arises out of an earthquake or seismological disturbance

- ✘ Water from or action by the sea, tidal wave or high water. This exclusion does not apply if the loss, destruction or damage is caused by or arises out of an earthquake or seismological disturbance.
- ✘ physical loss, destruction or damage caused by subsidence, landslip, erosion or earth movement (other than earthquake);
- ✘ any physical loss, destruction, damage, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from arising out of or in connection with any action taken in controlling, preventing, suppressing or in any way relating to terrorism is also excluded from the arrangement.
 - Terrorism means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:
 - involves violence against one or more persons; or
 - involves damage to property; or
 - endangers life other than that of the person committing the action; or
 - creates a risk to health or safety of the public or a section of the public; or
 - is designed to interfere with or to disrupt an electronic system;

We will not be liable to provide any cover, pay any claim or provide any benefit under this arrangement, to the extent that to do so may expose us to any sanction, prohibition, or restriction under United Nations resolutions or any applicable trade or economic sanctions, laws or regulations of any country.

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 any associated coverage wordings and documents (and/or seeks professional advice) before making their decision.

Distribution Conditions

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

This product can only be sold via Kennards who is an authorised representative appointed by the Insurance Broker.

The Insurance Broker and/or Kennards 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 is no longer offered.

The Insurance Broker and/or Kennards 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 Product Disclosure Statement, 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 and Kennards as its authorised representative who have 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 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 issued, renewed, varied or cancelled in the preceding twelve months.