

Product Development and Distribution Statement

We follow the General Insurance Code of Conduct 2020 (the Code) and this Statement has been prepared in response to the Code, and applies to those parts of our business that issue Retail Insurance products.

"Retail Insurance" means a general insurance product that is provided to, or to be provided to, an individual or for use in connection with a small business, and is one of the following types:

- motor vehicle insurance product;
- a home building insurance product;
- a home contents insurance product;
- a sickness and accident insurance product;
- a consumer credit insurance product;
- a travel insurance product;
- a personal and domestic property insurance product as defined in the Corporations Act 2001 (Cth) and the relevant regulations.

We are committed to delivering customer value and offering services that are transparent, honest and fair. We are also committed to complying with the laws, regulations and industry codes that govern our operations in all jurisdictions.

We must develop and distribute Retail Insurance products in accordance with our legal, regulatory and industry code obligations. These obligations will include the design and distribution obligations (the DDO) which form part of the Corporations Act (Cth) 2001 including:

- creating a Target Market Determination (TMD) and making it available to the public.
- setting out distribution conditions and distribution information in a TMD.
- setting out review triggers in a TMD which will be monitored by us, and
- establishing periodic review periods that will apply to products captured in a TMD.

"Target Market Determination" or "TMD" means a determination about the class of customers that is the target market for one of our retail insurance products.

For us to comply with these obligations, and to deliver fair and transparent products that provide value to our customers, we have developed product governance arrangements that cover the entire product lifecycle including the stages outlined on the next page:

PRODUCT DESIGN STAGE

Our Product Governance Framework (the PGF) sets out the principles, governance and controls that apply to the development, modification and termination of all our Retail Insurance products, including those developed and/or distributed by our distribution partners.

The PGF:

- establishes principles that guide the development of our Retail Insurance products, help us maintain the integrity of our products, and provide value to our customers by offering fair and transparent products, and
- requires a senior manager to be nominated within the business to approve, monitor and review our products throughout the product lifecycle. At the centre of our product design stage is our assessment of the appropriateness of Retail Insurance products for an identified class of consumers (the Target Market) based on their likely needs, objectives and financial situation.

We maintain records of our assessment and decisions as part of the product design stage.

B. PRODUCT DISTRIBUTION STAGE

We distribute Retail Insurance products either directly or through our approved partners, such as insurance brokers, authorised representatives and other financial institutions and intermediaries.

We have developed a third party distribution framework that sets the standards for our distribution partners, including:

- selection and due diligence to align with our partnering principles
- minimum training requirements
- remuneration and incentives and the identification and management of any potential conflicts of interest
- distributor reporting, including distribution information, complaints and potential breaches and incidents,
- breach and consequence management.

We have a number of systems, processes and procedures to monitor distribution inside and outside the target market. We maintain records of our distribution information.

PRODUCT MONITORING AND REVIEW STAGE

Our PGF sets out the principles, governance and controls that apply to the review of all our Retail Insurance products, including those developed and/or distributed by our distribution partners. The PGF requires ongoing monitoring and periodic reviews of all Retail Insurance products to help us maintain the integrity of our products and provide value to our customers by offering fair and transparent products.

In order to monitor the performance of our Retail Insurance products, customer outcomes and distribution within the Target Market, we collect and monitor a number of information sources in relation to our Retail Insurance products, including:

- trends in customer segments
- claims outcomes and trends
- customer and distributor feedback and complaints, and
- regulatory action and litigation

Our assessment of these information sources may result in changes to product design, the TMD and the distribution of Retail Insurance products.

All TMDs and the overall effectiveness of our PGF will be reviewed annually as part of our business planning process.