RACT Strata Insurance Target Market Determination

This Target Market Determination (TMD) sets out the class of customers this product has been designed for, taking into consideration their likely objectives, financial situation, and needs.

This document provides the necessary information to assist RACT Insurance staff, our Distributors and Customers in understanding the TMD.

RACT Strata Insurance Products

This TMD sets out the target market for:

- Strata

Distribution conditions of this product

The following conditions apply to this product:

- All Distributors must be authorised by us to distribute this product. Distribution of this product must be conducted through our:
  - RACT call centres
  - RACT's website
  - RACT's branch network.
- This product must only be distributed in accordance with this TMD;
- Distribution of this product must comply with all our acceptance criteria; and
- The TMD must be current and not subject to any ASIC action that might suggest that the TMD is no longer appropriate.

These distribution conditions make it likely that individuals who are issued a product are within 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. Where a person falls within our target market, this does not mean that the Product is right for their individual needs, objectives, and financial situation. We do not consider this, and a person needs to consider the PDS and other information provided by us (and/or seek professional advice) before deciding to apply for this Product.

Reviewing this document

From the date of issue, a review of the TMD will commence by 1st July 2024, and subsequently at every 2 years thereafter.

The issuer of this product is RACT Insurance Pty Ltd ABN 96 068 167 804 AFS Licence No 229076. Conditions may apply. Always read the PDS and applicable SPDS available from RACTI before selecting a policy. Effective from 30 Nov-2022

Other circumstances which will trigger a TMD review

The review triggers for this product are:

- If a material change to the terms of cover provided by the product is made.
- If one of more acceptability criteria alters the suitability of the product for the target market.
- material changes are made to the way the product is distributed.
- the discovery of a material defect in the PDS for the product.
- significant or systemic complaints or claims issues are apparent that indicate that the suitability of the product to the target market has changed.
- Poor or significantly deteriorating key product suitability metrics, including:
    - if feedback, such as systemic complaint or claims issues is received, and we consider that this reasonably suggests to us the TMD is no longer appropriate.
    - Product value metrics (including claims acceptance rates, and loss ratios) and we consider that this reasonably suggests to us the TMD is no longer appropriate.
- feedback from a regulator, the Code Governance Committee (CGC) or Australian Financial Complaints Authority (AFCA) which 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 product 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.

Complaints Reporting

Timeframes are in place for both RACT Insurance and its Distributors regarding the reporting and recording of all complaints received in relation to insurance products. These timeframes align to requirements specified in the General Insurance Code of Practice. Distributors are required to report code breaches and complaints within 2 business days. All complaints lodged with us are handled in accordance with RACT's Group Complaints Handling Guide.

Information to assess TMDs, review triggers and reporting periods

The Table below sets out the kinds of information we need to identify, or those that Distributors who distribute our product need to provide to us, to enable us to ensure that the TMD for this product continues to be appropriate.

Information	Persons required to report	Reporting period
Complaints feedback including: • Nature of complaints • Number of complaints • Product Category	Distributors/Issuer	Monthly
Claims data including: • Average Claims costs • Claims acceptance rates • Claims frequency • Loss Ratios	Issuer	Half-Yearly
Product Review Outcomes	Issuer	Half-Yearly
Sales information including: • Strike rates • Cancellation rates	Distributors/Issuer	Monthly
Significant Dealings of product outside of TMD	Distributors/Issuer	As soon as practicable but within 10 business Days
Any feedback, regulatory orders or directions received from a regulator, CGC or AFCA in respect of the product or its distribution.	Distributors/Issuer	As soon as practicable but within 10 business Days

Record keeping

RACTI Insurance and its Distributors will maintain records of the reasonable steps taken to ensure that this product is sold in a manner consistent with this TMD.

As part of these records we will ensure complete and accurate records of our decisions, and the reasons for those decisions, in relation to:

- The creation and alteration of TMDs
- The identification and monitoring of review triggers
- The outcomes of periodic reviews
- The matters documented in this TMD

RACT Strata Insurance Target Market Determination Appendix

RACTI Strata

The RACTI Strata Insurance product has been designed for people who want to be covered against financial loss caused by an Insured Event involving their Building or other incidents as outlined in the PDS and are willing to select an appropriate level of cover relevant to their own circumstances.

This product is suitable for people who:

- own a strata building as defined by the Strata Titles Act 1998,
- Are looking for a product that provides cover for the Building against specified risks for an agreed value, and their associated legal liabilities.

This product is not suitable for:

- Any property that have commercial use outside of a Home Office, Rental or Home Share arrangement,
- events caused by pre-existing damage, wear and tear or an incident accidentally caused by the insured,
- Investors that require protection against tenants actions to their Residential dwelling.

The RACTI Strata Insurance product is subject to a range of detailed acceptance criteria.