

TARGET MARKET DETERMINATION

Effective Date: 31 October 2023

This Target Market Determination (TMD) has been designed by Picnic Underwriting Pty Ltd (**Picnic Underwriting, Product Issuer**) ACN 645 245 109 as agent for Pacific International Insurance Pty Limited (**Insurer**) ACN 169 311 193 (AFSL 523921). It is intended to help members and potential members of Our Ark Mutual Limited (**Our Ark, Mutual**) ACN 627 006 213 as well as staff and distributors understand who the Cyclone Insurance product is most suitable for (**Target Market**).

The TMD will apply to this Cyclone Insurance product which is distributed by Picnic Distribution Pty Ltd (**Picnic Distribution, Distributor**), ACN 652 925 294 (AR No: 1300250) exclusively to members of Our Ark. Both Picnic Underwriting and Picnic Distribution are authorised representatives of Picnic Licensing Pty Ltd (**Picnic Licensing**) ACN 647 642 117 (AFSL No: 532540).

In this TMD, the terms “we”, “us” or “our” refer to Picnic Underwriting Pty Ltd. The TMD is not intended provide financial advice and does not form part of the terms of the Insurance. In addition to the key eligibility requirements outlined in this TMD, the product is subject to acceptance criteria as determined by Picnic Underwriting from time to time. When making a decision about this product, members and potential members should consider the combined Product Disclosure Statement (**PDS**) and Financial Services Guide (**FSG**) to decide whether this product is right for them. The combined PDS and FSG can be found at www.ourark.com.au. Any capitalised terms in this TMD which are not defined have the same meaning given in the combined PDS and FSG.

This TMD also provides information about:

- who this product is not suitable for and who it is not suitable for;
- how this product will be distributed to members;
- how often we will review this TMD including when the next review will occur;
- what events and circumstances may trigger a review of this TMD;
- what information we need to decide if the TMD is no longer appropriate;
- our reporting obligations; and

Cyclone Insurance Product

Below is a description of the key terms, features and attributes that affect whether the Cyclone Insurance is likely to be suitable for a given person’s needs, objectives and circumstances and which therefore affect the determination of the Target Market. Please refer to the PDS for full details of the product and limits. This Insurance is subject to our acceptance criteria – (see key examples described under the heading “Distribution of this Cyclone Insurance”)

Key feature	Description of feature
Building and Contents Protection	This policy covers loss or damage to your Buildings or Contents at the Insured Address(es) caused by: <ul style="list-style-type: none">• wind, rain, rainwater or rainwater runoff;• Flood; and• Storm Surge arising from a Cyclone during a Cyclone Event Period.
Consequential Loss	This includes insurance for Loss of Income and Increased Costs of Working where the interruption of interference is caused by:

Key feature	Description of feature
	<ul style="list-style-type: none"> wind, rain, rainwater or rainwater runoff; Flood; and Storm Surge <p>arising from a Cyclone during a Cyclone Event Period.</p>

Target Market

The Cyclone Insurance product has been designed for Our Ark members who need insurance for financial loss caused by a Cyclone involving Building or Contents that they own.

This product is suitable for Our Ark members who own property or assets (such as Buildings and Contents) and:

- ✓ require insurance for the building, their property and contents with the aim of reducing the cost to them of protecting against damage, destruction and loss event by using a combination of discretionary protection purchased through the Our Ark Mutual and this Cyclone Insurance;
- ✓ may have exposure to consequential loss from the above and need to mitigate that exposure;
- ✓ are able to meet the costs of the premiums and other costs under the policy and the cost of the discretionary protection which provides coverage for other risks and events (excluding loss or damaged that is covered by the Cyclone Insurance).

This product is not suitable for members who:

- ✗ do not hold an industrial special risk (ISR) protection product issued by Our Ark Mutual for protection of the Building or Contents being insured;
- ✗ have Buildings located outside of Australia for which they require insurance;
- ✗ would like insurance for Buildings or Contents that are not owned by them or for which they have not assumed responsibility to insure under the terms of a lease or licence or other occupation agreement;
- ✗ would like insurance for Buildings that are currently under construction;
- ✗ would like insurance for non-residential Buildings or Contents that are used in a farm business;
- ✗ would like insurance for Buildings that are owned and managed by a government entity;
- ✗ would like insurance for commercial Buildings that have a replacement value of greater than \$5,000,000 or are temporary structures not used as a place of residence; or
- ✗ would like insurance for items such as:
 - building materials;
 - aircraft;
 - vehicles; or
 - watercraft where it is in water or where the vessel is over 8m in length.

Distribution of this Cyclone Insurance

This product can only be sold to members of Our Ark who hold a current ISR protection product. The purchase of the ISR protection product and this Cyclone Insurance product is conditional on the individual becoming a member of Our Ark. The product is distributed by Picnic Distribution to members directly or via insurance brokers.

Picnic Distribution has conditions in place to ensure that this product is only sold to members and potential members in the Target Market. These conditions include measures such as:

- Only distributing the product direct or through general insurance brokers;

- Understanding the geographical region where this product can be offered and only provide the product to those members that are owners of eligible Buildings and/or Contents;
- Production and distribution of materials that explain and document the insurance designed for consumers in the Target Market;
- Analysis of review triggers and other suitability data in the formation of renewal decisions;
- Systems and processes that support our suitability and eligibility assessments, and the delivery of other information relevant to the consumer's understanding of the product;
- Controls on marketing and sales conduct to those outside the Target Market;
- Staff training and monitoring;
- Knock out questions which will identify if the individual is in the Target Market for example if the total cost of the protection including the Cyclone Insurance and the ISR protection product is likely to cost more than just purchasing the ISR protection or if the Buildings are not in places which are likely to be affected by a weather event that covered by the insurance.

Reviewing this product

It is important that we review this TMD to make sure it is appropriate for the needs of existing and potential members. We will conduct the initial review of this TMD within 1 year from the effective date to ensure it remains appropriate. The TMD will then be reviewed on an ongoing annual basis.

Certain events and circumstances taking place could mean that a review should take place earlier than the scheduled review. This is because the TMD could no longer be appropriate or the Cyclone Insurance product is no longer consistent with the likely objectives, financial situation and needs of consumers in the Target Market. These events and circumstances are called **review triggers**. Below is a list of review triggers for this TMD:

- Only distributing the product direct or through general insurance brokers;
- A material change occurs to the cover provided by the Cyclone Insurance product;
- Our acceptance criteria for Members changes and that impacts the suitability of the product for the Target Market;
- The distribution of the Cyclone Insurance product changes;
- A relevant and material deficiency in the product's disclosure documentation is discovered which reasonably suggests that the TMD is no longer appropriate;
- Distribution conditions, systematic issues or complaints which reasonably suggest that the TMD is no longer appropriate;
- Trends suggest that this Cyclone Insurance product is not performing appropriately for the Target Market for example cancellation of memberships and/or Cyclone Insurance, higher incidence of declined claims and increased Member complaints and other material and relevant reductions in our key product suitability metrics such as:
 - Member satisfaction;
 - Product acceptance;
 - Financial performance;
 - Benefits to members; or
 - Product value and affordability,which reasonably suggests that the TMD is no longer appropriate.
- There is a change in law or regulatory guidance or industry code which may materially affect the terms of the Cyclone Insurance product or distribution, or regulatory feedback or concerns raised to suggest the TMD may no longer be appropriate.
- Feedback, orders or directions from a regulator or external dispute resolution body (such as the Australian Financial Complaints Authority) that suggests this TMD is no longer appropriate.

If we decide we have enough information to identify that a review trigger has occurred, we will review this TMD within 10 business days of our decision.

Reporting

We will record all complaints received about this product which will be reviewed on a quarterly basis (Complaints Reporting Period). Any employees or brokers we engage with are required to provide to us written details of any complaints about the product they have received during the Complaints Reporting Period within 10 business days of the end of the period.

Picnic Distribution will report to Picnic Underwriting on a monthly basis with incident-based reporting on key metrics (as set out above under the heading “Reviewing this document”). Picnic Distribution must also report sales data to Picnic Underwriting on an ongoing basis including the number of products issued, renewed and cancelled.

Picnic Distribution and brokers are also required to report to Picnic Underwriting if the product is sold to a person who is not within the Target Market within 10 business days of becoming aware of the sale.

Record Keeping

Picnic Distribution will maintain records of any actions they have taken to ensure that this product is distributed only to members and potential members in the Target Market. We will also prepare and maintain complete and accurate records of our decisions, and the reasons for those decisions, in relation to:

- The TMD for this product;
- Identifying and tracking review triggers;
- How we decide if a review trigger has taken place;
- How often we review this TMD;
- Setting review periods; and
- The matters documented in this TMD.