

› Small Farm Insurance Target Market Determination (TMD)

About this document

This Target Market Determination (TMD) applies to Rural Affinity's Small Farm Insurance product. This TMD is intended to provide consumers (both existing and potential), their brokers and any distributors with information to assist in deciding whether the Rural Affinity Small Farm Insurance product is appropriate for the objectives, financial situation and needs of the consumer.

This document is not intended to provide financial advice regarding coverage, nor does it form a part of the terms of cover. In addition to key eligibility criteria outlined in this document, the product is also subject to underwriting criteria.

Consumers must refer to the Product Disclosure Statement (PDS) and any supplementary document(s), which outline the relevant terms, conditions, exclusions and insurance cover being provided under the product, when making a decision about this product.

1. Issuer

Great Lakes Insurance SE, trading as Great Lakes Australia ABN 18 964 580 576, AFS License No. 318608.

2. Date from which this Target Market Determination is effective

This Target Market Determination is effective from 5 October 2021.

This TMD will apply to policies purchased or renewed on or after 5 October 2021. For historical versions of this document, please contact the Issuer or Rural Affinity or refer to the Rural Affinity website www.ruralaffinity.com.au.

3. Class of consumers comprising the target market for Farm Pack Insurance

Rural Affinity's Small Farm Insurance product is designed for small farm owners seeking to manage financial exposure arising from loss of, or damage to farming and domestic assets as well as liability to third parties.

3.1 Key eligibility criteria

Generally, Rural Affinity's Farm Pack product is not suitable for:

- farm owners with annual turnover from farming activities exceeding \$100,000; or
- farm owners seeking cover for contracting or non-farming activities; or
- farm owners seeking cover for loss of profits, personal accident, machinery breakdown or pleasurecraft; or
- farm assets that are not maintained to a reasonable standard or condition; or
- those looking to insure against third party claims or liabilities arising from products sold, supplied or distributed within the United States of America or Dominion of Canada or any jurisdiction or the laws of those countries.

In deciding whether or not to offer cover under Rural Affinity's Small Farm product, Rural Affinity will also consider various underwriting criteria including loss history and the location and general age and condition of assets for which cover is sought.

3.2 Needs and objectives

The Small Farm Insurance product can be tailored to suit individual(s) need. Consumers are able to select from the policy sections noted below relevant to their needs and to specify the assets they do and don't want to insure, based on the value of the assets they are insuring, options for excess, and certain optional covers.

3.3 Product description and key attributes

The policy sections available are:

1. Farm Assets
2. Liability
3. Farm Motor (including private and farm motor)

Further detail is provided below in relation to this product:

3.3.1 Farm Assets

NEEDS AND OBJECTIVES	COVER AVAILABLE
You require cover for physical loss, damage or destruction to Domestic Buildings owned or occupied by you, including permanently attached fixtures, domestic outbuildings and water tanks	Accidental damage or theft
You require cover for specified Other Structures that are designed to operate in the open air, including stock yards and windmills	Accidental damage or theft
You require cover for physical loss, damage or destruction to Contents including furniture, carpets, blinds, tools, farming equipment and stored hay, grain or silage	Accidental damage or theft
You require cover for specified livestock	Specified insured events only

3.3.2 Liability

NEEDS AND OBJECTIVES	COVER AVAILABLE
You require liability cover for your legal liability to pay compensation to others for personal injury and/or property damage, including liability arising from farming activities carried out primarily at the situation	Includes domestic liability. Liability arising from farming activities included where revenue from farming activities does not exceed \$100,000 within the policy period

3.3.3 Farm Motor

NEEDS AND OBJECTIVES					COVER AVAILABLE
Accidental damage (including fire and theft)	Fire	Theft	Aircraft, Earthquake, Explosion, Malicious Damage and Wind & Water	You require cover for legal liability arising as a result of an accident caused by your vehicle, including liability for damage to property and/or bodily injury as a result of an accident caused by your vehicle	
Yes	Yes	Yes	Yes	Yes	Comprehensive
No	Yes	No	Yes	No	Defined Events
No	Yes	Yes	No	Yes	Fire, Theft and third party
No	Yes	Yes	No	No	Fire and theft
No	No	No	No	Yes	Third party only

Certain additional benefits are automatically included under these covers and optional benefits available are detailed in the PDS.

Where cover is provided by Rural Affinity as an agent of the Issuer, it is provided subject to the terms and conditions of the Small Farm Product Disclosure Statement (PDS) and consumers should ensure they are comfortable with limitations in the cover provided under the PDS, including:

- the application of excesses in the event of some claims;
- the application of sub-limits to the sum insured for some aspects of cover; and
- the application of exclusions in respect of certain events or elements.

3.4 Financial situation

This product is suitable for a person who is able to pay the premium applicable and is able to fund any applicable excesses or limitations in sums insured having regard to their personal circumstances and vulnerability and hardship considerations.

3.5 Consistency with the target market

The Issuer has determined that this insurance product including its key attributes is likely to be consistent with the likely objectives, financial situation and needs of the class of consumers in the target market, as the Issuer considers that it provides the required type of insurance cover for that class of consumer.

This has been determined based on an assessment of the insurance product, including its key attributes.

Consumers should review the PDS carefully and consult with their broker in considering whether the product is suitable to their individual needs, and to understand what is covered and excluded from the insurance policy.

4. How this product can be distributed and distribution conditions

The Issuer has determined that the distribution conditions noted below will make it likely that consumers who acquire the product are within the target market set out above.

Rural Affinity's Small Farm product is distributed solely through brokers appointed by consumers to act on their behalf. Brokers act either under their own current Australian Financial Services Licence (AFSL) or as an Authorised Representative of an AFSL holder.

All brokers advising consumers regarding the Rural Affinity Small Farm product are familiar with this Target Market Determination. Training is also made available to brokers to assist in understanding the benefits and limitations of the Rural Affinity Small Farm product.

Brokers distributing the Rural Affinity Small Farm product are required to review, in discussion with the consumer, the individual needs of the consumer and how they fall within the target market defined in this Target Market Determination.

Rural Affinity has not authorised distribution of the Small Farm Insurance product on its behalf by any third party and Rural Affinity does not deal directly with consumers.

5. Distribution Data

Rural Affinity monitors product performance metrics (see Review Triggers below) on an ongoing basis to assist in determining whether the Small Farm Product is responding to consumer needs.

Rural Affinity monitors complaints, internal dispute resolution requests and feedback generally to assist in determining whether the Small Farm product is operating in accordance with consumer expectations.

Rural Affinity also monitors distribution of the Small Farm product against this Target Market Determination on an ongoing basis, giving consideration to both policies bound and declined.

Broker feedback regarding the Small Farm product and consumer response is both encouraged and actively sought.

6. Reviewing this Target Market Determination

The Issuer and Rural Affinity will review this Target Market Determination in accordance with the below.

Initial Review	No later than two (2) years from the effective date of the Target Market Determination.
Periodic Reviews	At least every two (2) years after the initial review
Review Trigger	<p>Review Triggers are any event or circumstances arising that would suggest that the Target Market Determination is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> • Where a significant dealing outside the Target Market Determination is identified; • Where a material change to the Small Farm Insurance product underwriting criteria is made; • Where a material change to the cover offered under the Small Farm Insurance product is made; • Where any material, adverse development in performance metrics is identified, including consideration of: <ul style="list-style-type: none"> - sales data (including renewal retention ratios and new business strike rates); - loss ratios; - denied and withdrawn claims where a material trend is identified; - claims data; - complaints and internal dispute resolution review requests where a material trend is identified; • Where we make a material change to the distribution conditions. • External events such as adverse media coverage or regulatory attention.

In the event of a Review Trigger noted above, the Target Market Determination will be reviewed within 10 business days to determine whether it remains appropriate.

7. Reporting and monitoring this Target Market Determination

Rural Affinity provide reporting to the Issuer of the product on performance metrics noted above at least quarterly. Additionally, Rural Affinity has specific reporting requirements from brokers on the following information.

Complaints	Brokers are required to record complaints regarding the Small Farm product on a quarterly basis and report same to Rural Affinity within 10 business days of the end of each quarter;
Significant Dealing	Brokers are required to advise Rural Affinity of any dealing in the Small Farm product that is not consistent with this Target Market Determination as soon as practicable. Where such dealing in the Small Farm product is significant, the broker must report to Rural Affinity within 10 business days of the occurrence of any such dealing.

Information provided by brokers to Rural Affinity will also be provided to the Issuer of the product, to assist in identifying where the TMD may no longer be appropriate due to the occurrence of a review trigger.

8. Record keeping

Rural Affinity will keep complete and accurate records of decisions made in relation to this Target Market Determination, including:

- Review outcomes, both periodic and resulting from Review Triggers (including underlying data);
- All Target Market Determinations issued for this product.

Rural Affinity will also provide the Issuer of the product, with the above data to comply with its design and distribution obligations.