

Target Market Determination

eric insurance

Target Market Determination (TMD)

Financial Repayment Insurance

Effective Date: October 5th, 2021

Understanding the TMD

This Target Market Determination (TMD) applies to the Financial Repayment Insurance product, issued by Eric Insurance Limited (eric) ABN 18 009 129 793, AFS Licence No. 238 279.

The intention of the TMD is to provide an understanding to customers, distributors, and employees of the class of customers for which this product has been designed, considering a customer's likely needs, objectives and financial situation.

The TMD does not provide any financial advice, nor does it take into consideration any individual's personal needs, objectives, or financial situation. The TMD does not form part of the terms of cover of the Product Disclosure Statement (PDS). Customers must consult the PDS and supplementary documents, which outline the relevant terms, conditions and exclusions that may apply under the product before making any decision about a product.

A customer may fall within the relevant target market, though they may not meet the underwriting acceptance criteria of the issuer.

The TMD will apply to all policies that are purchased or renewed on or after October 5th, 2021.

PDS to which this Target Market Determination applies.

This TMD applies to the following PDS':

- Financial Repayment Insurance – Direct (VB2CFRI030821)

Key Attributes of Financial Repayment Insurance

eric Financial Repayment Insurance provides cover to customers who are unable to perform their employment for a period greater than 21 days should they:

- Become sick, injured, or ill as certified by a medical practitioner;
- Become unemployed as a result of being made redundant, retrenched or their employer ceasing to operate; or
- Be self-employed, their business becomes insolvent;

Then customers may receive a limited monthly payment benefit per claim to assist with the finance owing on their loan;

Financial Repayment Insurance can provide cover for customers who have a finance contract with a registered Australian finance provider and have a regular required monthly repayment to this finance provider. The maximum term of Financial Repayment Insurance is 84 months and minimum term is 12 months.

Financial Repayment Insurance is designed for

The eric Financial Repayment Insurance product has been designed for customers who seek to protect themselves against financial burden that may occur as a result of not being able to perform their employment based on a covered event, though are required to maintain loan repayments on their financed contract.

This product is suitable for customers who:

- Are at least 18 years old and under the age of 67;
- Work on a continuous basis for reward for a minimum of 20 hours each week either in:
 - Full time or permanent part time employment; or
 - Self-employed; or
 - Casual employment, in which a customer has been in continuous employment with the same employment for 12 months.
- Meet the eric underwriting acceptance criteria;
- Have a current finance contract with a registered Australian finance provider, and have a regular required monthly repayment to this financial provider;
- Have been a permanent resident of Australian for more than 104 continuous weeks;
- Should they be self-employed, their business is required to be established and registered for 12 months.

For full details of coverage in this product, including conditions and exclusions applicable, customers, staff and distributors should read the PDS, which can be found at ericinsurance.com.au.

Customer's likely needs, objections and financial situation

eric Financial Repayment Insurance is designed to be consistent with the likely objectives, needs and financial situation of customers who:

- Wish to protect themselves against financial loss or burden related to their loan repayments on their finance contract, should they not be able to perform their employment due to a covered event;
- A customer who is able to pay premiums in accordance with their chosen premium structure, fees, and government charges.

Financial Repayment Insurance is not designed for

There are also circumstances for which eric's Financial Repayment Insurance product is not designed for.

This product is not suitable for customers who:

- Are under the age of 18 and aged 67 or over;
- Are employed on a continuous basis for less than 20 hours a week or are unemployed;
- Are employed in a seasonal or intermittent position;
- Are self-employed and who's business has been registered and operating for less than 12 months;
- Have received or been advised of notice of termination of employment;
- Do not meet the eric underwriting acceptance criteria;
- Wish to take the policy out in a business name;
- Are not named on the finance contract.

Distribution of Financial Repayment Insurance

This product may be distributed by any of the following channels:

- Online through relevant websites

This product can only be issued to customers who are eligible for the product in accordance with application, acceptance and/or renewal criteria as outlined by eric.

All of these channels are monitored by eric, and the product can only be distributed by eric or distributors who have received training, received accreditation (if required), and have met compliance reviews.

The conditions set by the application and renewal processes make it likely that products are distributed to customers that are within the target market. These are supported by appropriate platform and system controls, training and scripting which have been designed to ensure that the product is distributed to those within the target market.

Reviewing the TMD

We will review this TMD in accordance with the following:

First review	Within two (2) years of the effective date of this TMD.
Subsequent reviews	At least two (2) years after the end of the previous review.
Review triggers	<p>We will also review this TMD if any event or circumstance (review trigger) that is identified or notified to us, that would suggest that the TMD is no longer appropriate. This may include (but not limited to):</p> <ul style="list-style-type: none"> • Any material changes to the design or distribution of the product, including material changes and changes to documentation; • A change to the underwriting acceptance criteria and/or application process that impacts the suitability of this product for the target market; • Any material changes to the distribution of the product; • Identification of systemic issues across the product or distribution; • Significant changes in metrics, including but not limited to policy cancellations, lapses in renewals, claims, complaints, and loss ratios; • Where applicable, feedback from distributors and customers or events such as adverse media coverage or regulatory feedback; and • Where we have determined that a significant dealing has occurred

We will review the TMD within 10 business days of the occurrence of any review trigger.

Reporting and monitoring of this TMD

We will collect and may require our distributors to report on the following information regarding to this TMD:

Complaints	All complaints in relation to this product on a quarterly basis. This may include written details of the complaint.
Sales data	Relevant sales and customer data in relation to this product on a quarterly basis.
Claims data	Where relevant, claims data in relation to this product on a quarterly basis.
Significant dealings	Report if we or they become aware of significant dealings in relation to the product that is inconsistent with the TMD within 10 business days.