

## Target Market Determination

### Flex Complex Strata Insurance

This Target Market Determination (TMD) is effective from 1.10.2025 and relates to the following sections of the Flex Complex Strata Insurance Product Disclosure Statement & Policy Wording dated 1.10.2025 (the **Product**), when they are issued to a customer as a retail client:

- Section 1 – Insured Property
- Section 3 – Voluntary Workers
- Section 7 – Catastrophe Insurance
- Section 9 – Lot Owners’ Fixtures and Improvements

CHUISAVER Underwriting Agency Pty Ltd ABN 85 613 645 239 (AFS Licence No: 491113) trading as Flex Insurance (**Flex Insurance**) acts under a binding authority as agent for the insurer of this Product, which is certain underwriters at Lloyd’s.

This TMD provides information about:

- the customers for whom this Product is appropriate (being the target market);
- the customers for whom this Product is NOT appropriate;
- distribution conditions attaching to this Product;
- the reporting obligations of the distributors; and
- the review period(s) and events which may trigger a review.

This TMD identifies the customers within the target market for the Flex Complex Strata Insurance. This TMD does NOT consider a customer’s personal objectives, financial situation and needs.

This TMD does not apply to any issue of the product to a customer who is not a retail client.

Customers should always refer to the Flex Complex Strata Insurance Product Disclosure Statement (**PDS**), and any Supplementary Product Disclosure Statements (**SPDS**) that may apply, to ensure the Product is appropriate for their objectives, financial situation and needs.

#### Product description

This Product provides insurance for bodies corporate and owners corporations of strata properties in 9 sections of cover. The following 4 of those sections are the subject of this TMD on the basis that they may be provided to customers as retail clients:

- Section 1 – Insured Property – cover for damage to buildings and common area contents
- Section 3 – Voluntary Workers – cover for accidental bodily injuries to voluntary workers
- Section 7 – Catastrophe Insurance – cover for any increase in the Replacement cost of Insured Property due to catastrophe events
- Section 9 – Lot Owners Fixtures and Improvements – cover for the cost of replacing lot owners’ fixtures and improvements in their lot/unit following damage, if cover under section 1 has been exhausted

All customers are required to purchase Section 1 under the Product, but can then choose to purchase some or all of the other sections of cover.

Some of the sections of cover include additional benefits which are relevant to the principal cover provided. There are no optional benefits available for customers to purchase under the Product.

Cover under each section is subject to exclusions. For sections 1 and 7, those include the exclusion of property damage caused by or arising from:

- lack of maintenance, deterioration, wear and tear, or failure to maintain the property in a reasonably good state of repair;
- the property being vacant and undergoing demolition, unless we have given our written consent; and
- construction, erection, alteration or addition to the property, where the value of the work exceeds \$500,000, unless we have given our written consent (see the PDS for the precise wording).

## Who is within the Target Market?

Customers in the target market for this Product will likely have:

- a need and objective of limiting the body corporate's / owners corporation's exposure to financial loss associated with damage to buildings and common area contents, lot owner's fixtures and improvements and accidental bodily injuries to voluntary workers; and
- a financial situation which allows them to pay premiums for the Product, meet the costs of any excesses that apply to a claim and bear any amount of a loss that is not covered by the Product.

On that basis, the target market for the Product is as follows:

<b>Customers within the Target Market</b>	
Customers are within the target market if all the following conditions apply:	
✓	The customer is a body corporate/owners corporation which represents the collective owners of a residential strata property, commercial strata property, or mixed-use strata property (with a combination of both residential and commercial occupants) or Company Title.
✓	The customer wants and needs financial protection for loss or damage to a strata building and common area contents.
✓	The customer may also want or need financial protection for voluntary workers.
✓	The customer is able to pay premiums for the Product, meet the costs of any excesses that apply to a claim and bear any amount of a loss that is not covered by the Product.

<b>Customers <u>NOT</u> within the Target Market</b>	
Customers are not within the target market if any of the following conditions apply:	
x	The customer's property is located on a land title that is not a strata title, such as but not limited to Torrens title, leasehold, or community title.
x	The customer requires cover for personal or business contents contained within an individual lot of a strata property.
x	The customer is a body corporate/ owners corporation whose building (including other building related coverages such as catastrophe/lot owner improvements) has a total sum insured value greater than \$25,000,000.

This Product is likely to be consistent with the likely objectives, financial situation and needs of customers in the target market because:

- it provides cover that customers need for loss or damage to their strata building and common area contents, and for accidental bodily injuries to voluntary workers; and
- customers can choose the sum insured that meets their requirements.

Distribution Conditions	
<b>Distribution Method</b>	This Product can only be sold by Flex Insurance via an insurance broker which has been engaged to act on the customer's behalf.
<b>Distribution Conditions</b>	<p>Flex Insurance uses an application process for sales of the Product which has been designed to limit the Product to customers in the target market and guide customers to the Product coverage most likely to meet their needs and objectives, based on their responses to the questions asked.</p> <p>Flex Insurance staff have been adequately trained in the Product, the customers(s) it is intended for and the underwriting criteria, to ensure cover is issued based on responses to the application process.</p>

Reporting Obligations for Distributors
<p>Flex Insurance and insurance brokers (Distributors) are required to provide certain underwriters at Lloyd's with complaints information via the agreed complaints submission process including:</p> <ul style="list-style-type: none"> <li>• the number of complaints the Distributor has received about the Product during the reporting period;</li> <li>• a short summary of the nature of the complaint raised and any steps taken to address the complaint; and</li> <li>• any general feedback on the Product.</li> </ul> <p>Distributors should include sufficient details about the complaint that would allow certain underwriters at Lloyd's to identify whether the TMD may no longer be appropriate to the class of customers.</p> <p><b>Reporting Period:</b> 6 monthly or as otherwise agreed with the Distributor and no later than 10 business days after the agreed complaints reporting date.</p>

Significant Dealings
<p>If an actual or possible significant dealing outside of the target market is identified, Distributors are required to notify certain underwriters at Lloyd's of the dealing and information about it, including the date (or date range) the dealing occurred, details about the dealing(s) and any steps or actions taken to mitigate it.</p> <p>Flex Insurance will notify certain underwriters at Lloyd's of any significant dealing in the product that is not consistent with the TMD as soon as practicable (within 10 business days). This includes but is not limited to a consideration of the nature and degree of harm resulting from the issue of the product to a retail customer outside of the target market.</p>

TMD Reviews	
<b>Review Period</b>	This TMD will be reviewed at least every 2 years from its date, or within 10 business days if an event or circumstance (Review Trigger) occurs which would reasonably suggest that the TMD is no longer appropriate.
<b>Examples of Review Triggers that would reasonably suggest that the TMD is no longer appropriate</b>	<p>The events or circumstances that may suggest this Product is no longer appropriate for the target class of customers and would trigger a review (prior to the scheduled periodic review date) include, but are not limited to, certain underwriters at Lloyd's becoming aware of:</p> <ul style="list-style-type: none"> <li>• a significant increase in the number of complaints received in relation to the Product;</li> <li>• a material change to the Product including to the Product Disclosure Statement, or information or assumptions upon which the target market was formulated;</li> <li>• a change of relevant law, regulatory guidance or an industry code which has a material effect on the terms or distribution of the Product;</li> <li>• the Product being distributed and purchased in a way that is significantly inconsistent with this TMD;</li> <li>• adverse trends in policy and claims data indicating that the Product is not performing as expected by the customer.</li> </ul>

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